

UTokyo Economic Consulting (UTEcon) Updates “Nikkei-UTEcon Daily Economic Indicator” to add indicators by industry and region

TOKYO, August 1, 2023 -- UTokyo Economic Consulting Inc. (UTEcon), a leading academic consulting firm in Japan, announced today that it has updated its service “Nikkei-UTEcon Daily Economic Indicator” utilizing the Nikkei article data, which is provided by Nikkei Inc. (Nikkei), to add indicators by industry and region that can decompose the daily economic indicator.

Nikkei-UTEcon Daily Economic Indicator is an economic indicator which is suitable for a quick understanding of Japan's economic trends, of which algorithm has been developed by UTokyo Economic Consulting Inc. from the article data of the Nikkei morning edition. Academic expertise and knowledge in natural language processing, macroeconomics etc. is applied in the development of Nikkei-UTEcon Daily Economic Indicator, which quantifies business conditions in daily newspaper articles.

About this update;

In this update, UTEcon responded to voices from clients such as, "I would like to use an indicator of the business climate for a specific industry sector." and "I want to understand the impact of each industry and region on changes in the indicator." In response to such voices, UTEcon have developed industry-specific and region-specific indicators than decomposes the daily indicator. Specifically, the following updates have been made.

1. New indicators for 14 industries and 9 regions

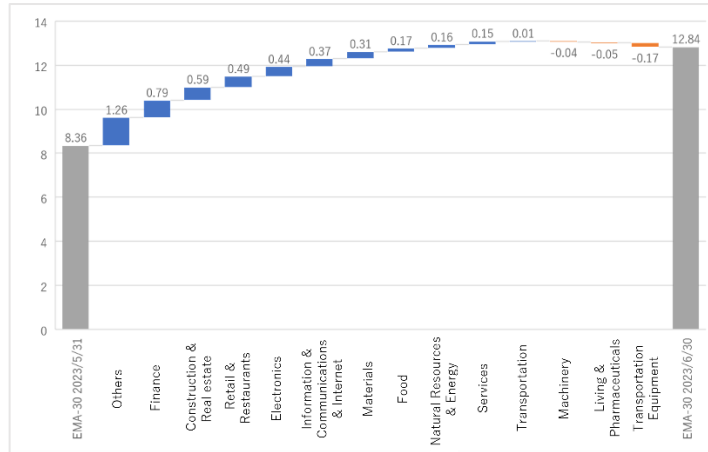
“Nikkei-UTEcon Daily Economic Indicator” now supports the following 14 industries and 9 regions in this update.

- Industries:
 - [manufacturing industry] Natural Resources & Energy, Materials, Machinery, Electronics, Transportation Equipment, Food, Living & Pharmaceuticals
 - [service industry]: Construction & Real estate, Retail & Restaurants, Finance, Transportation, Information & Communications & Internet, Services
 - Others
- Regions: Japan, Asia, Europe, Middle East, Africa, North America, Central America, South America, Oceania

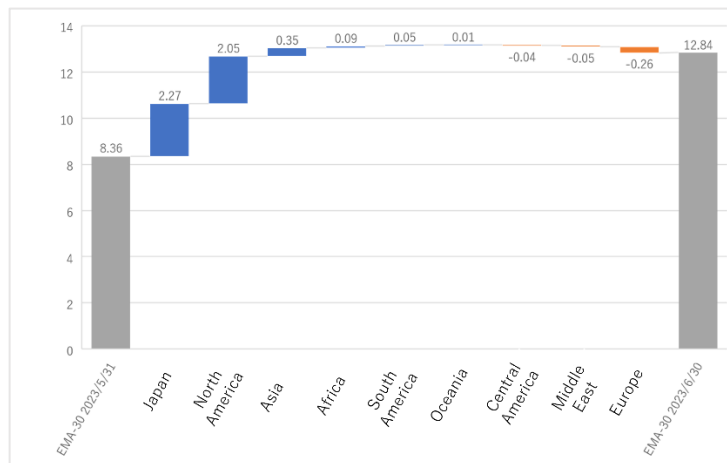
2. Decomposition of contribution by industry and region.

With this update, “Nikkei-UTEcon Daily Economic Indicator” not only provides daily indicators by industry and region, but also provides contribution decomposition of the overall daily indicator by industry and region. This enables one to explain which industries and regions are responsible for changes in the daily indicator.

For example, as of the end of June 2023, the 30-day Exponential Moving Average (EMA-30) was 12.84, a change of +4.48 from 8.36 as of the end of May. By industry, a wide range of industries, including Others (+1.26), Finance (+0.79), and Construction & Real estate (+0.59), pushed the indicator higher, while Transportation Equipment (-0.17) and other industries worked to push the index lower.



By region, Japan (+2.27) and North America (+2.05) pushed the indicator higher, while Europe (-0.26) worked to depress it.



About “Nikkei-UTEcon Daily Economic Indicator”;

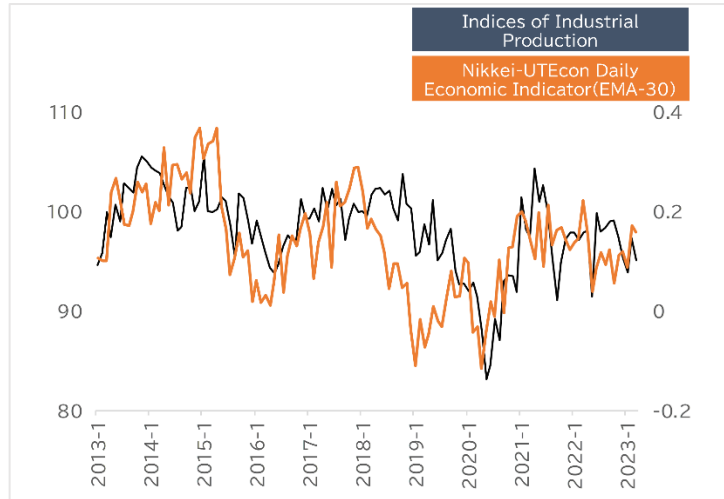
“Nikkei-UTEcon Daily Economic Indicator” has the following characteristics as an economic indicator.

1. Quick – Update on a Daily Basis

“Nikkei-UTEcon Daily Economic Indicator” is compiled from the Nikkei morning edition on the same day and provided to clients on the same day. The indicator is updated daily (except on days when the Nikkei morning edition is not published).

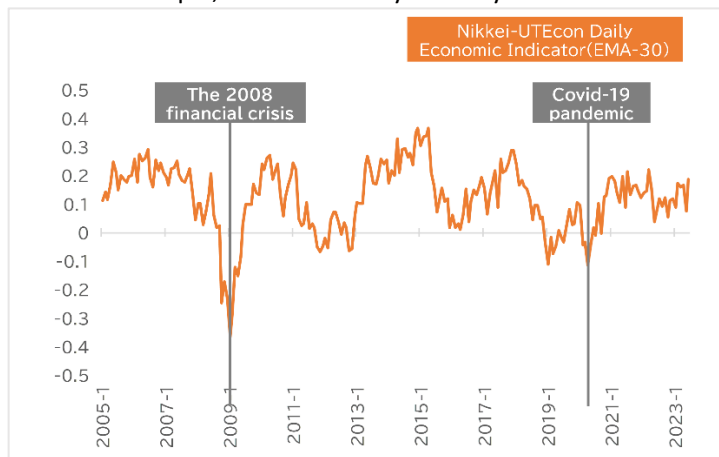
2. Lead – Capturing the Trend Earlier

“Nikkei-UTEcon Daily Economic Indicator” is highly correlated with the other economic indicators published by the Cabinet Office and the Bank of Japan. Furthermore, it provides an earlier heads-up in acknowledging turning points of Japan’s economy than other economic indicators. For example, the following is a comparison of the indicator by industry for "Electronics" with Indices of Industrial Production (Ministry of Economy, Trade and Industry).



3. Robust – Detect Unprecedented Economic Events

“Nikkei-UTEcon Daily Economic Indicator” is calculated using the Dictionary, which is based on 30 years of Nikkei newspaper article data, natural language processing technology, and the knowledge of economic experts. The Dictionary does not use words specific to particular events, such as "Lehman Shock" or "New Coronavirus," but only general words related to the economy, allowing the indicator to capture the impact of unprecedented events. For example, the indicator by industry for "Electronics" is as follows.



Yos Kawaharata, CEO of UTEcon said, “Our goal is to implement the results of our research in economics and related fields in society. We have made significant updates to “Nikkei-UTEcon Daily Economic Indicator” in response to customer feedback, making it easier for us to meet the needs of each of our customers. We hope that the new indicators will be useful to those who need a more timely grasp of business conditions.”

Do you have interests in details or sales channel of “Nikkei-UTEcon Daily Economic Indicator”? Please visit <https://utecon.net/dataproduct/dailyeconomicindicator/>

About UTEcon

UTEcon was founded in August 2020 with close ties with the Graduate School of Economics, the University of Tokyo. UTEcon provides wide range of economic consulting services as demand forecasting and pricing, policy evaluation, machine-learning based prediction of bankruptcy and accounting fraud, market design, antitrust-related analysis, nowcasting, and quantitative and behavioral marketing.

Company name: UTokyo Economic Consulting Inc.

CEO: Yos Kawaharata

Establishment: August, 2020

Headquarter: Rm. 922 Int'l Academic Research Bldg., 7-3-1 Hongo, Bunkyo-ku, Tokyo, 113-0033, JAPAN

URL: <https://utecon.net>

About Nikkei

Nikkei Inc. is a world-renowned media brand for Asian news, respected for quality journalism and for being a trusted provider of business news and information. Founded as a market news provider in Japan in 1876, Nikkei has grown into one of the world's largest media corporations, with 37 foreign editorial bureaus and approximately 1,500 journalists worldwide. Nikkei acquired the UK-based Financial Times in 2015. Our combined digital and print circulation totals about 2.4 million, and we are continually deploying new technologies to increase our readership.

Company name: Nikkei Inc.

President & CEO: Tsuyoshi Hasebe

Establishment: December, 1876

Headquarter: 1-3-7, Otemachi, Chiyoda-ku, Tokyo, 100-8066, JAPAN

URL: <https://www.nikkei.co.jp/nikkeiinfo/en/>

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