

## **UTokyo Economic Consulting (UTEcon) Launches “SEP Update”**

### **US macroeconomic and financial forecasts based on the FRB/US model**

TOKYO, September 30, 2022 – UTokyo Economic Consulting Inc. (UTEcon), a leading academic consulting firm in Japan based on expertise in economics and related fields, announced today that it has launched a new service “SEP Update.” It offers macroeconomic projections for US economy using a publicly available version of the FRB/US model, a macroeconomic model frequently used within the Federal Reserve System (Fed) for policy analysis.

Every other Federal Open Market Committee (FOMC) meeting, the Fed publishes the “Summary of Economic Projections (SEP),” illustrating FOMC members’ forecasts of key macroeconomic variables over the next three years. The SEP is an important piece of information on the future direction of US monetary policy and attracts a great deal of attention from market participants.

The SEP contains projections of five variables—GDP growth, unemployment, inflation, core inflation, and the FF rate—in annual frequency over the next three years and their long-run values. However, projections of other macroeconomic and financial variables and their quarterly fluctuations are also of great interest to market participants.

Our “SEP Update” provides projections of various macroeconomic and financial variables consistent with the SEP using a publicly available version of the FRB/US model, a macroeconomic model frequently used by the FRB for policy analysis. SEP Update has following advantages.

#### **1. Prepared by experts in monetary policy analysis**



**Taisuke Nakata**

UTEcon Technical Advisor / Associate Professor of Economics and Public Policy, University of Tokyo

Taisuke conducts research in the area of macroeconomics and monetary policy. He was an economist at the Board of Governors of the Federal Reserve System from 2012 to 2020 where he conducted various model-based analyses for the Federal Open Market Committee.

He received his B.A. and Ph.D. in Economics from the University of Chicago and New York University, respectively.



**Yasuo Hirose**

UTEcon Advisor / Professor in the Faculty of Economics, Keio University

Yasuo’s expertise is in estimation of macroeconomic models.

Prior to joining Keio University, he was an economist at the Bank of Japan, where he developed macroeconomic models for forecasting and monetary policy analysis. He has provided consulting services to policymakers, research institutions, international organizations, and central banks on how to introduce and utilize macroeconomic models.

He received his B.A. and Ph.D. in Economics from Keio University and Johns Hopkins University, respectively.

## 2. Covering major macroeconomic and financial variables

The SEP contains projections of five variables—GDP growth, unemployment, inflation, core inflation, and the FF rate. Our “SEP Update” offers projections of additional major macroeconomic and financial variables:

Variables provided by Fed’s SEP:

GDP growth rate, unemployment rate, PCE inflation rate, core PCE inflation rate, and FF rate

Variables provided by our “SEP Update”:

Treasury yields (1-year, 2-year, 3-year, 5-year, 10-year, and 30-year), mortgage rate, nominal effective exchange rate, 10-year expected PCE inflation rate, household net worth, and growth rates of personal consumption, residential investment, business fixed investment, government spending, exports, and imports

## 3. Providing quarterly forecasts over the next 10 years

The SEP contains projections in annual frequency over the next three years and their long-run values. Our “SEP Update” offers projections in quarterly frequency over the next ten years.

Yos Kawaharata, CEO of UTEcon said, “Our company’s mission is to promote practical applications of academic research in economics and related fields. Our ‘SEP Update’ offers long-term projections for US economy in a manner consistent with Fed. We hope our new service is useful for analysts and participants in financial markets.”

Do you have interests in details or sales channel of SEP Update? Please visit <https://utecon.net/en/dataproduct/sepupdate/>.

### 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.

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Establishment: August, 2020

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