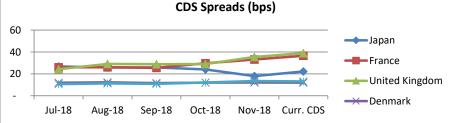
The economy fared due to strong typhoons and a powerful earthquake. The economy is, however, expected to return to growth in the fourth quarter as supply chains recover from the natural disasters. On 14 December, the government unveiled a tax reform package for FY 2019 aimed at alleviating the negative consequences of a consumption tax hike scheduled for October 2019. Four days later, the government presented the budget for FY 2019, which will top JPY 100 trillion (USD 890 billion) for the first time, highlighting the government's difficulties to rein in public spending.

Due to the insufficient data, we are dropping coverage for Japan.

			Annual Ratios (source for past results: IMF)				
CREDIT POSITION		<u>2015</u>	2016	2017	P2018	P2019	P2020
Debt/ GDP (%)		248.0	250.4	253.0	247.3	241.8	235.9
Govt. Sur/Def to GDP (%)		0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Debt/GDP (%)		248.0	250.4	253.0	247.3	241.8	235.9
Interest Expense/ Taxes (%)		0.0	0.0	0.0	0.0	0.0	0.0
GDP Growth (%)		3.5	1.2	1.5	2.3	2.3	2.5
Foreign Reserves/Debt (%)		10.1	10.0	9.5	9.7	9.5	9.6
Implied Sen. Rating		N/A	N/A	N/A	N/A	N/A	N/A
INDICATIVE CREDIT RATIOS			A				CCC
` '							200.0
` ,				-2.0		-8.0	-10.0
• • • • • • • • • • • • • • • • • • • •		95.0	110.0	125.0	140.0	160.0	190.0
		9.0	12.0	15.0	22.0	26.0	35.0
` '						-1.0	
Foreign Reserves/Debt (%)		3.0	2.5	2.0	1.5	1.0	0.5
	Other	Debt	Govt. Surp.	Adjusted	Interest	GDP	Ratio-
	NRSRO	as a %	Def to	Debt/	Expense/	Growth	Implied
PEER RATIOS	Sen.	<u>GDP</u>	GDP (%)	<u>GDP</u>	Taxes %	<u>(%)</u>	Rating*
Kingdom Of Sweden	AAA	40.6	2.6	58.0	0.9	4.4	AAA
Kingdom Of Denmark	AAA	36.4	1.6	49.3	2.3	3.7	AA+
Federal Republic Of Germany	AAA	64.1	1.0	71.7	4.4	3.7	AA+
French Republic	AA	97.0	-2.5	124.2	6.3	2.8	A-
United Kingdom	AA	87.7	-0.7	117.2	9.9	3.8	A+
Implied Sen. Rating INDICATIVE CREDIT RATIOS Debt/ GDP (%) Govt. Sur/Def to GDP (%) Adjusted Debt/GDP (%) Interest Expense/ Taxes (%) GDP Growth (%) Foreign Reserves/Debt (%) PEER RATIOS Kingdom Of Sweden Kingdom Of Denmark Federal Republic Of Germany French Republic	NRSRO Sen. AAA AAA AAA AA	N/A AA 100.0 2.5 95.0 9.0 3.5 3.0 Debt as a % GDP 40.6 36.4 64.1 97.0	N/A A 115.0 0.5 110.0 12.0 3.0 2.5 Govt. Surp. Def to GDP (%) 2.6 1.6 1.0 -2.5	N/A BBB 130.0 -2.0 125.0 15.0 2.0 2.0 Adjusted Debt/ GDP 58.0 49.3 71.7 124.2	N/A BB 145.0 -5.0 140.0 22.0 1.0 1.5 Interest Expense/ Taxes % 0.9 2.3 4.4 6.3	N/A B 170.0 -8.0 160.0 26.0 -1.0 1.0 GDP Growth (%) 4.4 3.7 3.7 2.8	N/A CCC 200.0 -10.0 190.0 35.0 -5.0 0.5 Ratio Implie Rating AAA AA+ AA+ A-



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