

2016: Ten Surprises for Japan

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It is the time of year when economists and strategists present their forecasts and baseline scenarios for the year ahead, 2016. Quantitative forecasts are based on de facto probability models, and qualitative scenarios are based on, well, a combination of experience and common sense. Either way, most methodologies leave little room for a discussion of true outliers and surprises. This list of “2016: 10 Surprises for Japan” is trying to address this deficiency. Here are the “out of consensus” scenarios that I personally worry about as possible inflection points for Japanese investment strategy. By definition, they carry probabilities that may be one or two standard deviations away from the market’s baseline assumptions; however improbable today, any movement toward their far-out targets may well trigger major inflections in Japanese markets. Their primary purpose is to stimulate the reader to “watch out for the unthinkable.” Enjoy & best wishes for a healthy, happy and prosperous 2016. [Read Jesper Koll's 2016 - Ten Surprises for Japan.](#)

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Investments focused in Japan increase the impact of events and developments associated with the region, which can adversely affect performance.