

# Daiwa's Economic View

## LDP presidential election: Koizumi still leading despite revelation that his camp asked for favorable comments online

- Weekend polls showed Koizumi's lead remains unchanged
- Revelation that Koizumi's camp asked for favorable comments has not altered overall situation
- Outlook regarding impact on JGB market also remains unchanged

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Polls released over the weekend showed that Shinjiro Koizumi's lead remains unchanged. The revelation that his camp asked people to post favorable comments online does not appear to have altered the overall situation with regard to the LDP leadership race. The outlook regarding the impact on the JGB market also remains unchanged.

### Weekend polls show Koizumi's lead is unchanged

Over the weekend, several new polls on the LDP presidential election were released. The results show that Koizumi's lead remains intact.

Nippon Television Network (NTV) poll announced 26 Sep (Survey held 23-24 Sep)

- In this survey of rank-and-file party members, Takaichi led Koizumi with 34% to his 28%, but she had not reached a majority.
- Hayashi was in third place with 17%.

Kyodo News poll announced 28 Sep (Survey held 27-28 Sep)

- This survey of LDP supporters showed Takaichi with 34.4% of their vote, Koizumi with 29.3%, and Hayashi with 19.5%, indicating similar ranking even among those eligible to be party members.
- Takaichi was leading, but had not secured a majority.

*Yomiuri Shimbun* poll announced 28 Sep (Party member poll survey held 27-28 Sep, Diet member poll survey held up until 28 Sep)

- This survey of LDP supporters showed Koizumi with 40% of their vote, Takaichi with 25%, and Hayashi with 16%, indicating a different trend from the other polls.
- Of note were the votes by Diet members. The survey conducted up until the 28th showed Koizumi had support from 71 members, Hayashi from 52, and Takaichi from 38. As such, Koizumi held a significant lead over Takaichi among Diet members.

These results suggest that it would be difficult for Takaichi to claim that the public was behind her by winning a majority of votes by rank-and-file party members. The outlook can be said to have remained unchanged, i.e., Koizumi and Takaichi will likely proceed to a runoff vote in which Koizumi will likely become the new party president thanks to superior support from Diet members.

### Overall situation unchanged despite Koizumi's camp asking for supportive comments

It was revealed that Koizumi's camp asked people to post supportive messages in response to a 20 September video announcing his candidacy on a video site. However, the impact on party member votes seems to have been limited.

At a press conference on the 26th, Koizumi apologized, stating that he bore responsibility for the issue. The office of the Diet member in charge of public relations for the Koizumi campaign admitted that it made the decision (to request supportive comments), and denied Koizumi's involvement. The Diet member in charge of public relations resigned on the same day. Due to this quick response, the impact on party member votes seems to have been limited.

Furthermore, ballots for party member votes were already delivered to members last week. And, many members seem to have already cast their votes before this issue came to light.

**Impact on the JGB market also unchanged**

By last week, the JGB market had already priced in a Koizumi victory in the LDP presidential election, as well as Takaichi's toning down of her stance on fiscal expansion. This trend in the JGB market is unlikely to change this week, barring any major events that could alter the landscape of the LDP leadership race.

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