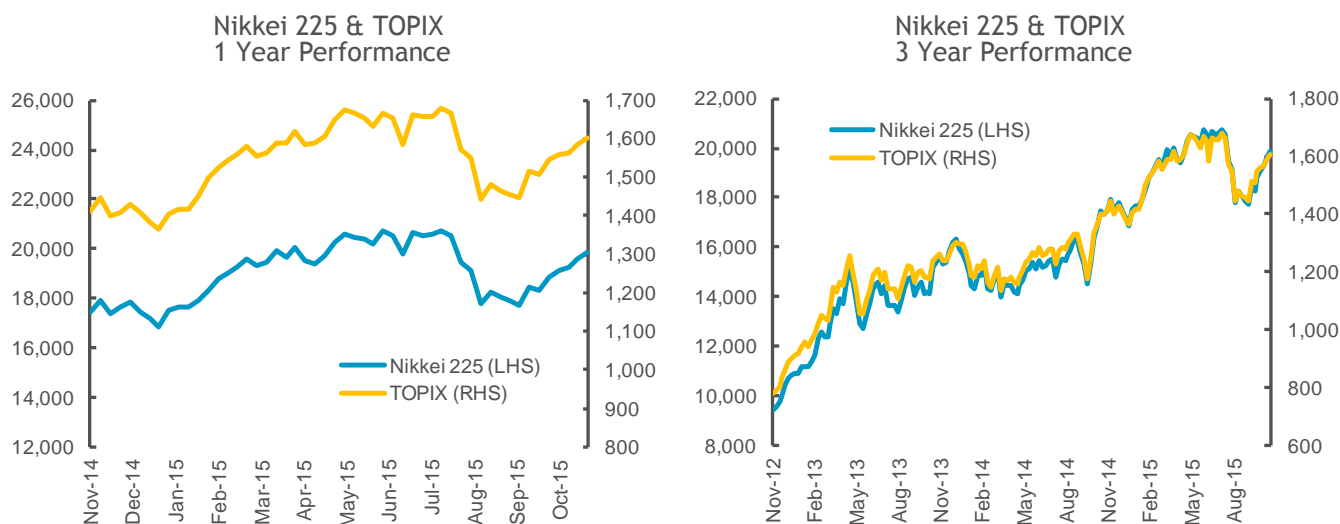


JAPAN WEEKLY REVIEW

For Week Commencing 16 November, 2015

Market Review

Stock Index	As of 2015/11/20	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	19,879.81	1.4	-0.8	-1.6	14.9	4.2	13.9
TOPIX	1,603.18	1.1	-1.3	-2.4	14.7	2.9	13.9
JOX-Nikkei 400	14,460.70	1.2	-1.0	-2.7	13.3	3.3	13.3



Source: Nikko AM, Tokyo Stock Exchange, Inc., 20 November 2015

※Past performance or any prediction, projection or forecast is not indicative of future performance.

Macro & Other Data

- Japan GDP shrinks annualized 0.8% in July-September; second straight quarter of negative growth amid weak capital spending
- BOJ maintains policy on monetary easing, upholds economic assessment at Monetary Policy Meeting
- Japan records first trade surplus in seven months in October as imports continue to decline

- According to preliminary figures released by the Cabinet Office on 16 November, Japan's real GDP contracted a seasonally-adjusted 0.2% in the July-September quarter, which equates to a decline of 0.8% on an annualized basis. The contraction followed an annualized decline of 0.7% in the April-June quarter. Weighing on the overall figure was a 1.3% on-quarter drop in private sector capital spending, which fell for the second straight quarter as companies refrained from making investments due to uncertainty in the global economy. However, consumer spending increased 0.5% on-quarter, rising for the first time in two quarters.
- At its Monetary Policy Meeting on 19 November, the Bank of Japan (BOJ) voted by an 8-to-1 majority to maintain its monetary easing policy by continuing to increase the monetary base by ¥80 trillion (approx. US\$663 billion) per year. At the same time, the BOJ upheld its economic assessment that Japan's economy has continued to recover moderately. With respect to prices, the BOJ noted that while some indicators show weaker inflation, it maintained its view that inflation expectations will continue to rise from a somewhat longer-term perspective. It also pointed to the momentum of economic activity in Europe and developments in emerging countries as risks to the economic outlook that it will carefully discuss at subsequent policy meetings.
- According to preliminary trade statistics (on a customs clearance basis) released by the Ministry of Finance on 19 November, Japan recorded a ¥111.5-billion (approx. US\$924 million) trade surplus - calculated as the value of exports minus the value of imports - in October. This was Japan's first trade surplus in seven months. There was a substantial impact from a large decline in the price of imported energy due to cheaper crude oil prices. Overall, the value of imports was down 13.4% on year to ¥6.4 trillion (approx. US\$53 billion), making October the tenth consecutive month of decline. However, despite the trade surplus, exports to the rest of Asia stagnated amid a slowdown in the Chinese economy.

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