

JAPAN WEEKLY REVIEW

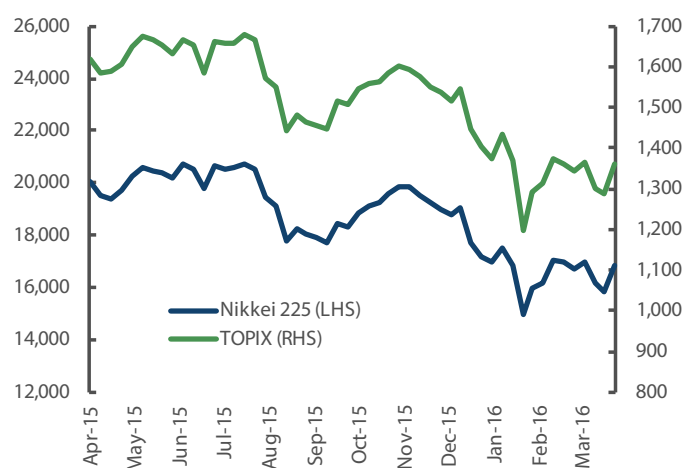
For Week Commencing 11 April 2016

Market Review

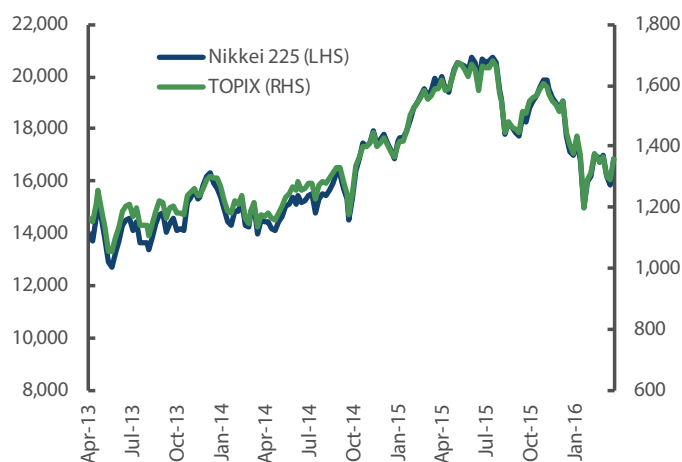
Below are performance data for the TOPIX, Nikkei 225 and JPX-Nikkei 400, stock indices representative of Japan's stock market:

Stock Index	As of 2016/4/15	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	16,848.03	6.5	-1.7	-6.9	-15.2	0.5	-11.5
TOPIX	1,361.40	5.7	-2.9	-8.7	-14.3	1.1	-12.0
JPX-Nikkei 400	12,312.69	5.9	-2.5	-7.8	-14.6	1.2	-11.7

Nikkei 225 & TOPIX 1 Year Performance



3 Year Performance



Source: Nikko AM, Tokyo Stock Exchange, Inc., as of 15 April 2016

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

Macro & Other Data

- Japan machinery orders fall for first time in three months in February; 9.2% decline still beats market expectations for 12.0% fall
- Japan Corporate Goods Price Index falls in March; weighed down by low prices for crude oil, other commodities
- Assets of Japan publicly offered investment trusts rise in March, with net inflows into funds investing in Japan stocks

- February machinery orders statistics released by the Cabinet Office on 11 April showed that private sector machinery orders (excluding volatile orders for ships and those from electric power companies), a leading indicator of private capital investment, decreased a seasonally adjusted 9.2% from the previous month to JPY 848.7 billion (approx. USD 7.5 billion). It was the indicator's first drop in three months. The decline was likely in reaction to the 15.0% rise in January orders, which had been boosted by large orders from the iron and steel industry. At the same time, the drop was slightly better than market expectations for a 12.0% decline. The government also maintained its assessment that there are signs that orders are picking up.
- On 13 April the Bank of Japan (BOJ) released the Corporate Goods Price Index for March. The index, which measures the prices companies charge each other for their goods and services, fell 3.8% on-year to 99.6 (2010=100). This marked the index's 12th straight month of on-year decline and represented its lowest level since December 2009, when it stood at 99.4. The March figure was also worse than market expectations for a decrease of 3.5%. The fall came amid continued low prices for crude oil and other commodities.
- According to data released by Japan's Investment Trusts Association on April 13, total net assets of publicly offered investment trusts (the Japanese equivalent of mutual funds) stood at JPY 92.42 trillion (approx. USD 822.6 billion) at the end of March, an increase of 4% from the previous month. The balance in funds was helped both by the rebound of the stock market in March and by net inflows from individual investors seeking investments with higher yields following the introduction of the BOJ's negative interest rate policy. It was the first rise in total net assets in four months and marked a recovery from February, when the figure dipped below JPY 90 trillion. Index funds investing in Japanese equities in particular were popular, as they saw net inflows of JPY 535.5 billion (approx. USD 4.8 billion). Japan stock funds as a whole saw net inflows for the fourth straight month.

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