

JAPAN WEEKLY REVIEW

For Week Commencing 12 September 2016

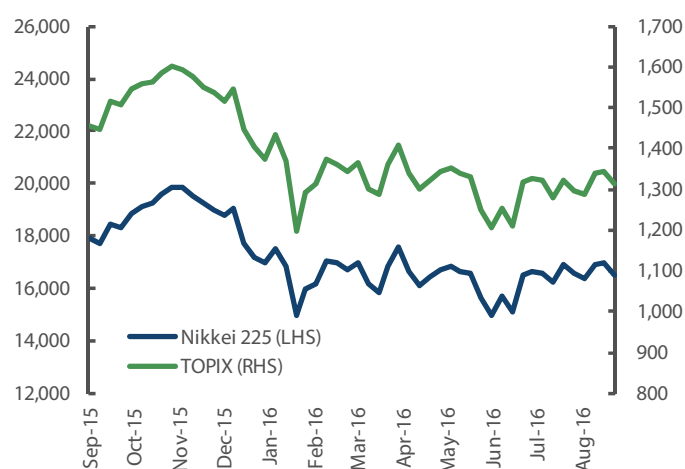
Market Review

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

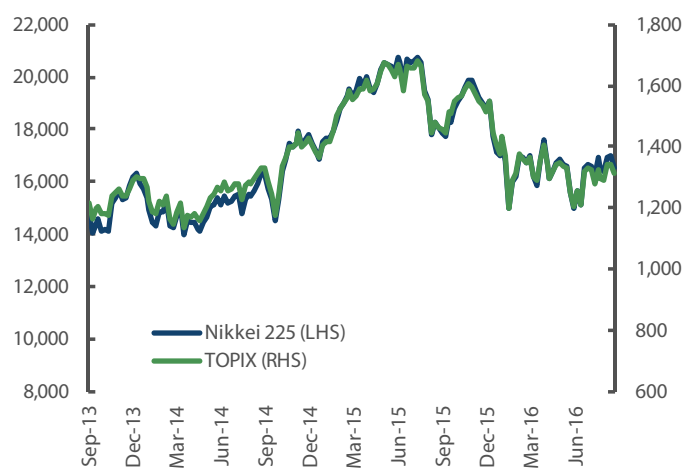
Stock Index	As of 2016/9/16	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	16,519.29	-2.6	7.0	-2.7	-9.1	-2.2	-13.2
TOPIX	1,311.50	-2.4	5.6	-3.6	-10.9	-1.4	-15.2
JPX-Nikkei 400	11,768.86	-2.4	5.2	-4.3	-11.0	-1.7	-15.6
MSCI Japan	792.05	-2.6	6.0	-3.6	-11.8	-1.7	-15.6

Nikkei 225 & TOPIX

1 Year Performance



3 Year Performance



Source: Nikko AM, Tokyo Stock Exchange Inc., MSCI Inc., 16 September 2016

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

Macro & Other Data

- Japan July machinery orders increase 4.9% on-month; government upgrades assessment
- Japan Corporate Goods Price Index falls in August as strong yen continues to weigh on prices
- Business Outlook Survey: Japan business sentiment turns positive for first time in three quarters

- July machinery orders statistics released by the Cabinet Office on 12 September showed that private sector machinery orders (excluding volatile orders for ships and those from electric power companies), a leading indicator of private capital investment, increased a seasonally-adjusted 4.9% on-month, rising for the second straight month. The increase was mainly driven by orders for network and system equipment as well as industrial machinery. The government upgraded its assessment for the first time in nine months, now stating that there are signs that orders are picking up.
- On 12 September, the Bank of Japan released the Corporate Goods Price Index for August. The index, which measures the prices companies charge each other for goods and services, fell 3.6% on-year to 98.9 (2010 = 100), representing the 17th consecutive month of on-year decrease. While the rate of decline slowed in recent months thanks to an upturn in international commodity prices such as crude oil, the index remained in negative territory due to the strengthening of the yen. Prices fell for 510 of the 814 total products covered, greatly exceeding the 232 products for which prices increased.
- On 13 September, the Ministry of Finance and the Cabinet Office released the results of the Business Outlook Survey for July-September, which showed business sentiment among major companies rising on-quarter from -7.9 to 1.9. Sentiment turned positive for the first time in three quarters as recovery in vehicle production and growing demand for construction bolstered optimism. The Ministry of Finance upheld its assessment that the economy continues to show moderate recovery.

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