

# JAPAN WEEKLY REVIEW

For Week Commencing 3 October 2016

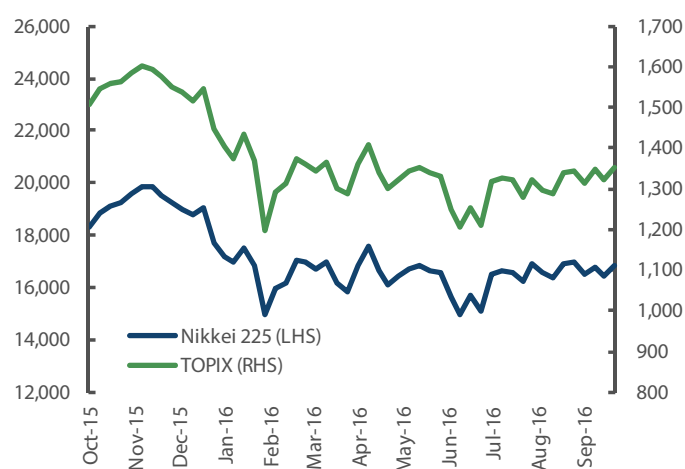
## Market Review

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 2016/10/7	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	16,860.09	2.5	10.4	7.0	-8.0	2.5	-11.4
TOPIX	1,350.61	2.1	10.2	6.1	-9.5	2.1	-12.7
JPX-Nikkei 400	12,095.49	2.1	9.5	5.3	-9.6	2.1	-13.3
MSCI Japan	812.67	2.1	10.5	6.0	-10.5	2.1	-13.4

### Nikkei 225 & TOPIX

#### 1 Year Performance



#### 3 Year Performance



Source: Nikko AM, Tokyo Stock Exchange Inc., MSCI Inc., as of 7 October 2016

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

## Macro & Other Data

- BOJ September Tankan: business sentiment among large manufacturers flat for second straight period
- Japan real wages up 0.5% on-year, seventh straight month of growth

- The Bank of Japan's September Tankan business sentiment survey, released on 3 October, showed that the diffusion index of business sentiment amongst large manufacturers was unchanged from the June survey at +6 points. Sentiment was buoyed by receding uncertainty over the global economic outlook, signs auto exports have bottomed out, and the fading impact of April's earthquake in southern Japan. At the same time, the yen appreciating beyond market expectations contributed to more negative sentiment amongst makers of general-purpose machinery and production machinery. Large manufacturers revised their assumed exchange rate for FY 2016 to JPY 107.92 to a dollar, down from June's assumed rate of JPY 111.41, as the yen continues to strengthen.
- According to the Monthly Labour Survey's preliminary data for August (covering companies with five or more employees), released on 7 October by the Ministry of Health, Labour and Welfare, total average cash earnings per employee, adjusted for inflation, grew by 0.5% on-year. This represented the seventh straight month of growth, although the pace slowed compared to the previous month when bonus payments helped drive up earnings by 1.8%. Although nominal wages decreased slightly by 0.1% on-year, real wages were boosted by a decline of 0.6% in the Consumer Price Index (core CPI excluding imputed rent).

**Nikko Asset Management Asia Limited**

12 Marina View, #18-02, Asia Square Tower 2,  
Singapore 018961  
Phone: +65 6500 5700  
Fax: +65 6534 5183  
Email: SGContactUs@nikkoam.com

**Important Information**

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. Investments in unit trusts are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited ("Nikko AM Asia"). Past performance or any prediction, projection or forecast is not indicative of future performance.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document.

Nikko Asset Management Asia Limited, Registration Number 198202562H