

JAPAN WEEKLY REVIEW

For Week Commencing 10 July 2017

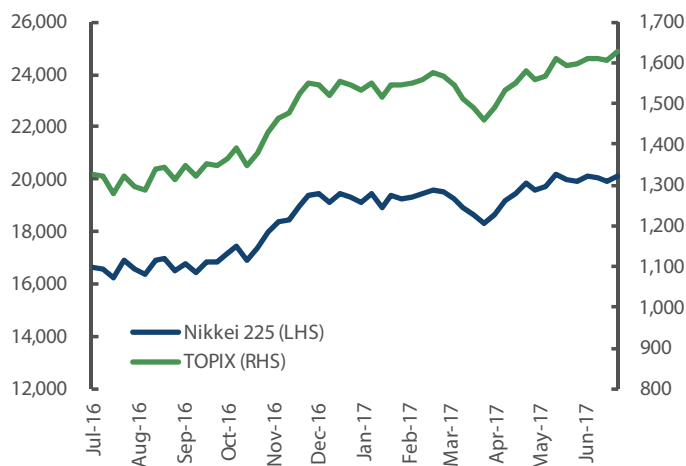
Market Review

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

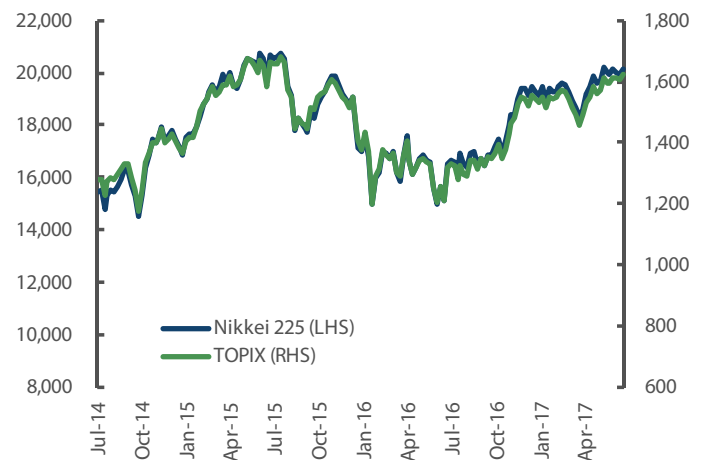
Stock Index	As of 2017/7/14	Performance Returns (%)					
		1 Week	Rolling 3 Months	Rolling 6 Months	Rolling 1 Year	MTD	YTD
Nikkei 225	20,118.86	1.0	9.7	4.3	22.8	0.4	5.3
TOPIX	1,625.48	1.1	11.4	5.2	24.0	0.8	7.0
JPX-Nikkei 400	14,472.36	1.1	10.6	4.5	22.8	0.8	6.3
MSCI Japan	966.05	1.0	10.5	3.9	22.4	0.8	5.7

Nikkei 225 & TOPIX

1 Year Performance



3 Year Performance



Source: Nikko AM, Tokyo Stock Exchange Inc., MSCI Inc., as of 14 July 2017.

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

Macro & Other Data

- Japan current account surplus falls 5.9% on-year in May
- Japan machinery orders decline 3.6% in May; assessment downgraded for first time in eight months
- Japan June Economy Watchers survey: diffusion index for current economic indicators improves for third straight month
- Japan wholesale prices rise 2.1% on-year in June, bolstered by higher resource prices

- According to preliminary balance of payments data released by the Ministry of Finance on 10 July, Japan's current account balance, a measure of the country's trade in goods and services with the rest of the world, reached a surplus of JPY 1.65 trillion (approx. USD 146.8 billion) in May. The figure, however, was down 5.9% on-year, representing the first decline in four months as higher oil prices buoyed imports.
- May machinery orders statistics released by the Cabinet Office on 10 July 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 3.6% from the previous month. It was the second straight month of decline and greatly undershot market forecasts calling for 1.6% growth. Orders from the non-manufacturing sector continued to be weak. The government downgraded its assessment for the first time in eight months, indicating now that orders are "at a standstill".
- According to the June Economy Watchers Survey, released by the Cabinet Office on 10 July, the seasonally adjusted diffusion index for current economic indicators, an indicator of street-level business sentiment, rose 1.4 points on-month to 50.0. The index climbed for the third straight month amid an improvement in all three of its components: household activity, corporate activity and employment activity. The diffusion index for future economic conditions, which predicts economic activity two to three months in advance, moved up 0.9 points to 50.5, also rising for the third month in a row. The government maintained its assessment that the economy "is picking up".
- On 12 July, the Bank of Japan released the Corporate Goods Price Index for June. The index, which measures the prices companies charge each other for goods and services, rose 2.1% on-year to 98.4 (2015 = 100), in line with forecasts. The rise was attributed to higher resource prices and marked the sixth straight month of increase.

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

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