



What Worked - Japan

Nothing until this afternoon and then everything went to...

28nd April 2016

Patrick Hansen

What Worked

Dull week until Thursday afternoon

The only thing that mattered this week was Thursday afternoon. Yes, I will admit that we do a preliminary write-up before the close and then adjust the number as they change. Well things changed significantly today. Using preliminary number my subject line was "What Worked – Nothing." Because up until this afternoon nothing stood out. However with the BOJ Announcement and Yen's significant drop, things stood out.

Huge sell-off in Beta

This afternoon saw a huge sell off in high Beta, Value and 1-week momentum names. As a result, high beta names that were down were JFE down 16% on the week, 7% of that on the afternoon open, Jafco down 16%, 8% of that this afternoon. Value names that were hurt were Hino Motors down 16%, 6% of that happened this afternoon. Mitsui OSK was down 16% this week, 7% of that on the afternoon open this afternoon.

Who Moved

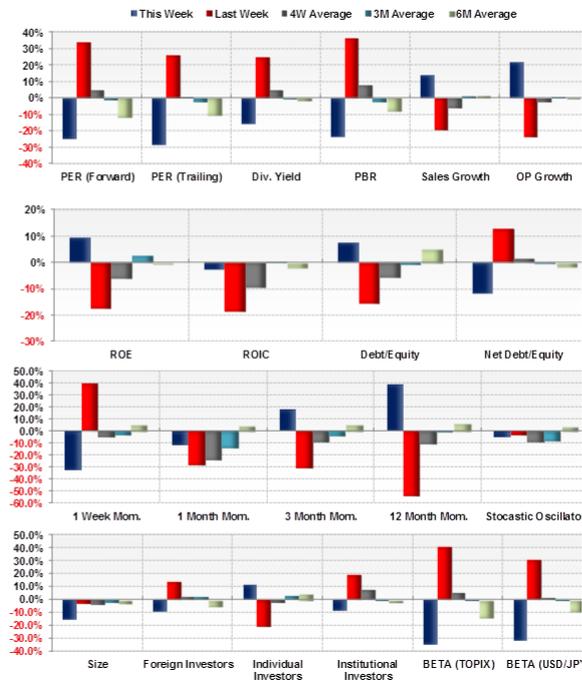
Despite the move, volumes still light

There were 15 names that moved on volume this week. On the positive side, Japan Steel Works was up 10%, Coca-cola East was up 9% and Kokuyo was up 7%. On the other side, Hokuhoku Financial down 13%, Mitsubishi Motors was down 11% and CyberAgent was down 9%. All on strong volume.

Summary

TOPIX 500, Week Ending 29 Apr 2016

Signal	3.5%		5.9%		3.3%		-1.7%		-9.4%	
	IC	Spread								
Value & Growth										
PER (Forward)	-24.8%	-2.0%	34.2%	2.6%	4.6%	2.3%	-1.2%	0.5%	-11.5%	-15.7%
PER (Trailing)	-28.2%	-2.2%	25.9%	1.7%	0.5%	0.3%	-2.6%	-1.6%	-10.1%	-16.5%
Div. Yield	-15.6%	-1.0%	24.9%	2.3%	4.8%	2.4%	-0.8%	2.5%	-2.0%	-2.2%
PBR	-23.5%	-2.3%	36.4%	3.6%	7.7%	3.9%	-2.5%	0.4%	-8.0%	-12.8%
Sales Growth	13.7%	1.5%	-19.7%	-2.1%	-6.3%	-2.8%	1.1%	1.0%	1.4%	10.6%
OP Growth	21.8%	2.2%	-23.5%	-1.1%	-2.5%	-0.5%	0.6%	-2.2%	-0.2%	1.2%
Quality										
ROE	9.4%	1.2%	-17.4%	-2.1%	-6.0%	-3.2%	2.7%	1.0%	-0.3%	4.5%
* ROIC	-2.7%	-0.2%	-18.7%	-2.4%	-9.5%	-4.3%	0.3%	0.4%	-2.0%	-2.6%
* Debt/Equity	7.3%	0.6%	-15.6%	-2.0%	-5.8%	-3.8%	-1.0%	-2.2%	4.8%	7.9%
* Net Debt/Equity	-11.7%	-1.0%	12.7%	0.7%	1.6%	-0.2%	-0.6%	-1.9%	-1.8%	-2.7%
Momentum & Technical										
1 Week Mom.	-33.0%	-3.2%	40.3%	3.7%	-4.8%	-3.0%	-3.7%	-8.1%	4.8%	-4.8%
1 Month Mom.	-32.1%	-1.1%	-28.2%	-2.3%	-24.3%	-10.0%	-14.3%	-19.7%	4.2%	-15.1%
3 Month Mom.	18.2%	1.1%	-30.7%	-3.2%	-9.3%	-5.6%	-4.5%	-10.9%	5.1%	-3.7%
12 Month Mom.	38.8%	3.4%	-54.2%	-4.7%	-10.6%	-5.2%	-0.8%	-7.7%	5.7%	0.0%
Stochastic Oscillator	-5.0%	-0.9%	-3.4%	-0.0%	-9.4%	-5.2%	-8.4%	-12.6%	3.4%	-9.0%
Other										
Size	-15.8%	-1.8%	-3.0%	-0.3%	-4.3%	-2.0%	-2.2%	-3.5%	-2.4%	-6.0%
Foreign Investors	-9.1%	-1.0%	13.8%	1.9%	2.3%	1.0%	2.3%	4.2%	-4.6%	-3.3%
Individual Investors	11.1%	1.2%	-21.1%	-2.3%	-2.2%	-0.9%	2.6%	2.0%	4.2%	6.2%
Institutional Investors	-8.6%	-0.6%	18.9%	1.8%	8.0%	3.6%	-1.0%	-0.9%	-1.9%	-5.7%
BETA (TOPIX)	-34.0%	-2.7%	40.7%	3.4%	5.4%	2.6%	-0.1%	4.8%	-13.4%	-12.3%
BETA (USD/JPY)	-31.6%	-3.1%	30.9%	2.5%	1.8%	0.0%	-0.4%	0.9%	-8.5%	-10.8%



* ex Financials
+ Compound weekly spread return over the specified period
Spread is defined as the Long/Short return of the quintiles (i.e. top 20% - bottom 20%, equal weighted)



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Contacts

Hong Kong

Simon Rigney

+852-3958-2394 (HK)
+81-3-5786-3712 (Tokyo)
simon.rigney@custprd.com

Salt Lake City

Patrick Hansen

+852-8191-6925 (HK)
+1-801-230-4796 (SLC)
patrick.hansen@custprd.com

Tokyo

Robert Rowland

+81-3-5786-3711
robert.rowland@custprd.com

Michael Newman

+81-3-5786-3713
michael.newman@custprd.com

Office Locations

Hong Kong

15/F Langham Place
8 Argyle Street
Mong Kok, Kowloon
Hong Kong S.A.R.

Tokyo

17/F Roppongi Hills North Tower
6-2-31 Roppongi,
Minato-ku, Tokyo
Japan 106-0032

Salt Lake City

299 South Main Street
Suite 1300
Salt Lake City, UT
United States, 84111