



What Worked - Japan

3rd June 2016
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What Worked

No respite for Value investors

Value continued to get beaten up this week. In the Value category, over the last 6 months only Dividend Yield has a positive IC and FY1 PE is the overall worst performing factor over the same period. This week Nippon Steel & Sumitomo was down 8%, Unipres Corp was down 8% and Mitsubishi Gas Chemical was down 8%.

Beta sold off slightly

There was also a slight selloff in high Beta names and names with a high % of Institutional Investors. High Beta names that were hurt this week were Shinsei Bank down 7%, Cosmo Energy down 6% and T&D Holdings down 6%. On the positive side, there was a slight move into Quality this week. High ROIC names that did well this week were Park24 was up 10%, Pilot Corp was up 8% and Sugi Holdings was up 7%.

Who Moved

Volumes still not great

27 names moved on volume this week. On the positive side, Itochu Techno-Solutions was up 6%, Gunma Bank was up 5% and Sega Sammy was up 3%. On the other side, Nishi Nippon Railroad was down 8%, Asahi Glass was down 7% and Seven Bank was down 5%.

Summary

TOPIX 500, Week Ending 03 Jun 2016

Signal	Index Return: -1.2%		0.5%		2.7%		-2.1%		-15.6%	
	This Week	Last Week	4W Average	3M Average	6M Average	IC	Spread	IC	Spread	
Value & Growth										
PER (Forward)	-25.1%	-1.8%	12.0%	0.7%	-1.1%	-0.6%	-5.5%	-3.9%	-5.5%	-16.2%
PER (Trailing)	-23.0%	-1.9%	13.0%	0.9%	0.6%	-0.3%	-5.8%	-5.6%	-4.7%	-16.7%
Div. Yield	-16.1%	-1.1%	3.6%	-0.0%	-5.4%	-2.5%	-6.0%	-4.9%	1.0%	-5.1%
PBR	23.1%	-2.1%	3.9%	0.1%	-5.1%	-1.8%	-7.9%	-5.4%	-2.7%	-13.5%
Sales Growth	21.9%	1.9%	-13.9%	-0.8%	2.0%	1.2%	3.1%	2.8%	-1.1%	7.7%
OP Growth	9.5%	0.7%	-0.9%	-0.0%	1.3%	-0.2%	4.0%	2.7%	-2.1%	-0.5%
Quality										
ROE	9.5%	0.7%	0.7%	-0.0%	4.5%	1.3%	5.2%	4.3%	-1.3%	4.4%
* ROIC	14.1%	1.3%	4.8%	-0.1%	9.9%	4.1%	4.1%	4.3%	-3.5%	-0.2%
* Debt/Equity	12.2%	0.7%	2.7%	0.1%	6.9%	2.3%	3.1%	1.8%	0.4%	5.2%
* Net Debt/Equity	-11.8%	-0.8%	3.8%	0.4%	-1.1%	0.5%	-1.3%	-0.7%	-0.7%	-0.4%
Momentum & Technical										
1 Week Mom.	-3.4%	-0.6%	13.2%	0.6%	4.5%	1.5%	3.3%	0.2%	-2.2%	-2.0%
1 Month Mom.	11.2%	0.9%	6.6%	0.5%	1.3%	-0.3%	-9.3%	-12.2%	-2.5%	-14.0%
3 Month Mom.	2.1%	0.1%	0.7%	0.2%	4.1%	1.1%	4.2%	0.7%	-2.6%	0.6%
12 Month Mom.	20.2%	1.8%	-5.7%	-0.4%	5.2%	3.0%	8.7%	7.4%	-0.7%	7.3%
Stochastic Oscillator	3.5%	0.4%	5.7%	0.4%	-0.7%	-0.9%	-5.1%	-7.5%	-3.2%	-9.6%
Other										
Size	3.5%	0.1%	2.2%	0.0%	-0.1%	-1.5%	-1.0%	-3.4%	-1.1%	-4.0%
Foreign Investors	0.8%	-0.3%	8.6%	0.5%	4.5%	1.4%	0.4%	0.2%	-1.8%	-4.5%
Individual Investors	3.5%	0.3%	-0.6%	-0.0%	0.3%	0.6%	2.6%	2.9%	4.5%	8.7%
Institutional Investors	-14.9%	-1.2%	-0.6%	-0.0%	-2.3%	-1.7%	-1.6%	-2.2%	-0.8%	-7.6%
BETA (TOPIX)	-17.7%	-1.4%	7.1%	0.1%	3.9%	1.3%	-5.4%	-2.9%	-5.5%	-13.7%
BETA (USD/JPY)	-14.3%	-1.0%	7.9%	0.6%	2.6%	1.3%	-6.2%	-4.9%	-1.4%	-11.2%

* 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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