



What Worked - Japan

After last week's strong moves, Value and Beta did not do well

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What Worked

*Beta names
reverted*

After the strong positive moves in high Beta and low Value names last week, high Beta names were hurt this week. Value names were also hurt but not as much as high Beta names. High Beta names that did not do well this week were Kobe Steel (5406) down 8%, JFE Holdings (5411) down 7% and Dowa Holdings (5714) down 7%.

*Retail owned
names did
well*

Looking at Retail Investors, after an unusual week of underperformance, names with a high percent of Retail Investors bounced back. Names that did well were TADANO (6395) up 12% and Toshiba (6502) up 7%. There was also a slight move into growth and high ROE names. High ROE names that did well were Zenkoku Hosho (7164) up 7%, Lion (4912) up 6% and FAST RETAILING (9983) up 4%. High OP growth names that were also did well were COSMOS Pharma up 6% and M3 Inc (2413) up 4%.

Who Moved

*Volumes still
weak*

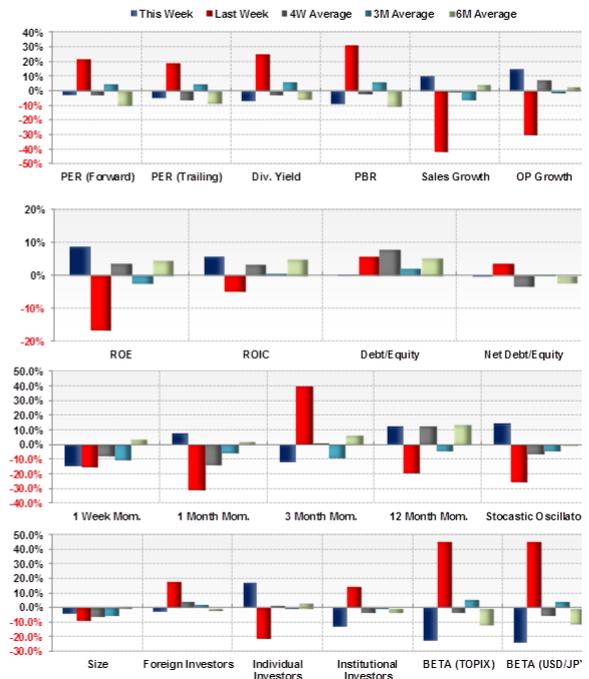
Only 7 names moved on volume this week. On the positive side, TADANO (6395) is up 12%, Japan Petroleum (1662) is up 4% and JGC (1963) is up 1%. On the other side, Kamigumi (9364) is down 5%, Seven & I Holdings (3382) is down 3% and Nippon Yusen Kabushiki Kaisha is down 1%.

Summary

TOPIX 500, Week Ending 14 Oct 2016

Signal	This Week		Last Week		4W Average		3M Average		6M Average	
	IC	Spread	IC	Spread	IC	Spread*	IC	Spread*	IC	Spread*
Value & Growth										
PER (Forward)	-3.1%	0.1%	21.3%	1.9%	-3.2%	-0.6%	4.8%	9.0%	-10.1%	2.4%
PER (Trailing)	-5.2%	-0.2%	18.9%	1.6%	-6.4%	-2.5%	4.3%	8.4%	-8.3%	2.6%
Div. Yield	-7.1%	-0.6%	24.7%	2.2%	-2.7%	-0.7%	5.9%	8.8%	-6.0%	5.3%
PBR	-8.9%	-0.7%	30.9%	2.5%	-2.3%	-0.7%	6.0%	12.1%	-10.5%	7.7%
Sales Growth	10.3%	-0.0%	-41.9%	-3.9%	-0.9%	-1.9%	-6.3%	-12.0%	4.0%	-11.4%
OP Growth	15.0%	0.3%	-30.5%	-2.4%	7.2%	1.4%	-1.9%	-6.2%	2.3%	-5.8%
Quality										
ROE	8.9%	0.8%	-16.8%	-1.3%	3.5%	0.8%	-2.5%	-7.1%	4.4%	-6.6%
* ROIC	5.7%	0.4%	-4.9%	-0.5%	3.2%	0.2%	0.7%	-3.5%	4.9%	0.3%
* Debt/Equity	0.3%	-0.2%	5.8%	0.2%	7.7%	1.4%	2.1%	0.7%	5.3%	4.4%
* Net Debt/Equity	-0.2%	0.2%	3.7%	0.2%	-3.4%	-0.3%	0.4%	1.3%	-2.1%	1.0%
Momentum & Technical										
1 Week Mom.	-14.6%	-1.0%	-15.6%	-1.2%	-8.2%	-2.8%	-10.6%	-13.6%	3.7%	-13.6%
1 Month Mom.	8.0%	0.5%	-31.2%	-2.9%	-14.5%	-5.4%	-5.8%	-4.0%	2.3%	-12.0%
3 Month Mom.	-12.4%	-0.8%	39.9%	3.3%	0.4%	-0.0%	-9.6%	-10.5%	6.4%	-12.5%
12 Month Mom.	12.4%	0.6%	-19.4%	-1.6%	12.5%	3.2%	-4.8%	-11.8%	12.9%	-7.3%
Stochastic Oscillator	14.5%	1.0%	-25.5%	-2.4%	-6.5%	-2.3%	-4.8%	-3.7%	-0.8%	-13.7%
Other										
Size	-3.8%	-0.6%	-8.8%	-0.6%	-6.5%	-2.1%	-5.3%	-5.1%	1.6%	-8.7%
Foreign Investors	-2.9%	-0.2%	17.7%	2.2%	4.4%	1.9%	2.2%	4.2%	-1.2%	4.4%
Individual Investors	17.3%	0.9%	-20.9%	-2.0%	1.5%	-0.2%	-0.2%	-3.7%	3.7%	-3.5%
Institutional Investors	-13.3%	-0.9%	14.6%	1.2%	-3.4%	-0.9%	-0.2%	2.7%	-2.6%	2.1%
BETA (TOPIX)	-22.7%	-1.3%	45.4%	4.2%	-3.4%	-0.4%	5.2%	9.9%	-11.2%	3.4%
BETA (USD/JPY)	-24.0%	-1.2%	45.5%	4.2%	-5.3%	-0.7%	4.4%	9.6%	-10.1%	3.8%

* 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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