



# What Worked - Japan

## Move into High Beta names and slight move away from Large cap

21<sup>st</sup> Apr 2017

Patrick Hansen

### What Worked

With Earnings Season starting next week, there was not a lot that stood out. As with most pre-earning weeks, most of the factors were insignificant. However, there was a move into high Beta names and a slight move away from large-caps.

*Benign week with earnings starting soon*

High Beta names that did well this week were Aiful Corp (8515) up 8%, NOK (7240) up 7% and DeNA (2432) up 7%. Large-cap names that were down this week were Idemitsu Kosan (5019) down 5%, Fujifilm (4901) down 4% and CyberAgent (4751) down 3%.

### Who Moved

Only 15 names moved on volume this week. On the positive side, Kyowa Hakko Kirin (4151) is up 13%, Aiful (8515) is up 8% and Toho (9602) is up 6%. On the other side, Maruha Nichiro (1333) is down 6%, AEON (8905) is down 3% and Japan Post Holdings (6178) is down 1%.

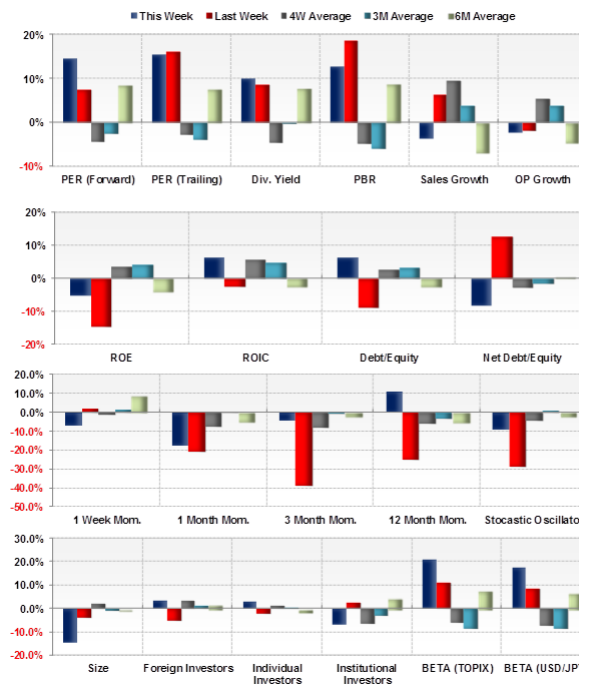
*Volumes weak*

### Summary

TOPIX 500, Week Ending 21 Apr 2017

Signal	2.0%		-2.0%		-3.4%		-4.1%		9.0%	
	IC	Spread	IC	Spread	IC	Spread	IC	Spread	IC	Spread
<b>Value &amp; Growth</b>										
PER (Forward)	14.6%	0.2%	7.5%	0.3%	-4.4%	-1.9%	-2.5%	-2.6%	8.3%	9.5%
PER (Trailing)	15.4%	0.4%	16.1%	0.9%	-2.8%	-2.1%	-3.8%	-5.3%	7.5%	7.4%
Div. Yield	10.1%	0.4%	8.5%	0.2%	-4.6%	-1.6%	-0.3%	-0.8%	7.6%	12.8%
PBR	12.8%	0.2%	18.7%	1.0%	-4.8%	-2.1%	-6.0%	-5.0%	8.6%	11.1%
Sales Growth	-3.5%	-0.4%	6.3%	0.6%	9.5%	2.9%	3.8%	3.8%	-6.9%	-7.6%
OP Growth	-2.3%	-0.4%	-1.9%	-0.0%	5.4%	1.6%	3.8%	3.2%	-4.6%	-4.9%
<b>Quality</b>										
ROE	-5.3%	-0.2%	-14.5%	-0.7%	3.7%	1.9%	4.3%	4.8%	-3.9%	-4.8%
* ROIC	6.3%	0.2%	-2.6%	0.4%	5.7%	2.0%	4.8%	3.6%	-2.6%	-5.6%
* Debt/Equity	6.5%	0.7%	-8.8%	-0.6%	2.6%	1.1%	3.4%	3.4%	-2.4%	-4.6%
* Net Debt/Equity	-8.1%	-0.4%	12.7%	0.8%	-2.7%	-0.7%	-1.4%	-1.9%	0.3%	-1.7%
<b>Momentum &amp; Technical</b>										
1 Week Mom.	-7.1%	-0.4%	2.0%	0.3%	-1.4%	-0.3%	1.5%	-0.3%	8.1%	6.4%
1 Month Mom.	-17.5%	-1.0%	-21.0%	-1.3%	-7.5%	-1.9%	0.0%	0.2%	-5.0%	-1.1%
3 Month Mom.	-4.4%	-0.4%	-39.0%	-2.2%	-8.3%	-2.0%	-1.0%	-2.0%	-2.6%	-1.1%
12 Month Mom.	11.2%	0.4%	-25.2%	-1.8%	-6.1%	-2.1%	-3.2%	-2.7%	-5.7%	-12.3%
Stochastic Oscillator	-9.4%	-0.6%	-28.7%	-1.6%	-4.6%	-1.2%	1.0%	0.7%	-2.1%	1.8%
<b>Other</b>										
Size	-14.6%	-0.6%	-4.0%	0.1%	2.2%	1.4%	-0.7%	0.1%	-0.5%	-1.4%
Foreign Investors	3.3%	0.3%	-5.2%	-0.1%	3.3%	1.0%	1.3%	1.6%	1.9%	2.7%
Individual Investors	3.1%	-0.1%	-2.2%	-0.5%	1.2%	0.2%	0.3%	-0.2%	-1.2%	-1.0%
Institutional Investors	-6.8%	-0.3%	2.7%	-0.2%	-6.4%	-2.1%	-3.1%	-2.9%	4.4%	2.1%
BETA (TOPIX)	20.9%	1.0%	10.9%	0.7%	-6.0%	-1.9%	-8.3%	-5.8%	7.4%	5.5%
BETA (USD/JPY)	17.5%	1.0%	8.5%	0.5%	-7.5%	-2.3%	-8.8%	-7.0%	6.4%	3.1%

\* 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)





## Important Disclosures:

This material was prepared for you and is for your information and use only. This material should only be distributed to other members of that organization on a need to know basis and should not be distributed or disseminated to any other person or entity.

This material is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other instruments mentioned in it. This material is based on current public information that Custom Products Group Limited ("Custom Products") considers reliable, but we make no representation that it is accurate or complete, and it should not be relied on as such. No investment opinion or advice is provided, intended, or solicited. Custom Products offers no warranty, either expressed or implied, regarding the veracity of data or interpretations of data included in this report. This material is provided with the understanding that Custom Products is not acting in a fiduciary capacity. Opinions expressed herein reflect the opinion of Custom Products and are subject to change without notice.

The products mentioned in this document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. The value of and the income produced by products may fluctuate, so that an investor may get back less than they invested. Value and income may be adversely affected by exchange rates, interest rates, or other factors. Past performance is not necessarily indicative of future results. If a product is income producing, part of the capital invested may be used to pay that income. © 2016 Custom Products Group Limited. All rights reserved.

## Contacts

### Hong Kong

Simon Rigney

☎ +852-3958-2394 (HK)  
☎ +81-3-5786-3712 (Tokyo)  
✉ [simon.rigney@custprd.com](mailto:simon.rigney@custprd.com)

### Salt Lake City

Patrick Hansen

☎ +852-8191-6925 (HK)  
☎ +1-801-230-4796 (SLC)  
✉ [patrick.hansen@custprd.com](mailto:patrick.hansen@custprd.com)

### Tokyo

Robert Rowland

☎ +81-3-5786-3711  
✉ [robert.rowland@custprd.com](mailto:robert.rowland@custprd.com)

Michael Newman

☎ +81-3-5786-3713  
✉ [michael.newman@custprd.com](mailto: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