



# What Worked - Japan

## Quality worked and really nothing else stood out

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### What Worked

*Quality strong*

Low Debt to Equity and high ROIC names did the best this week. Low Debt to Equity names that did well were Murata Manufacturing (6981) up 11%, Zeon Corp (4205) up 10% and Alps Electrics (6770) up 9%. Low Debt to Equity names have only done this well once in the last 2 years. High ROIC names that did well were Yamaha (7951) up 6%, Hitachi Chemical (4217) up 7% and OBIC (4684) is up 7%.

*PBR not doing well*

On the other side, there was a slight selloff in low PBR names. Low PBR names have not really done well since the middle of April. Low PBR names that were hurt were Nomura Real Estate Holdings (3231) down 13%, Hokuriku Electric Power (9505) down 5% and Nippon Yusen Kabushiki Kaisha (9101) down 4%. All other factors were pretty much insignificant.

### Who Moved

*Only one name down on volume*

Only 13 named moved on volume this week. On the positive side, Murata Manufacturing (6981) is up 11%, Taiyo Yuden (6976) is up 7% and Aiful Corp (8515) is up 5%. On the other side, there was only one name down on volume this week, Tsumura (4540) down 1%.

### Summary

TOPIX 500, Week Ending 23 Jun 2017

Signal	0.9%		0.3%		2.6%		6.4%		3.7%	
	IC	Spread	IC	Spread	IC	Spread*	IC	Spread*	IC	Spread*
<b>Value &amp; Growth</b>										
PER (Forward)	-1.4%	0.1%	-12.7%	-0.7%	-3.3%	-0.5%	-4.3%	-5.0%	1.8%	-7.3%
PER (Trailing)	-2.8%	-0.3%	-3.7%	0.2%	-2.0%	-0.2%	-2.3%	-3.9%	-2.6%	-9.9%
Div. Yield	-0.6%	-0.3%	-4.7%	-0.1%	-5.2%	-1.9%	-5.3%	-5.2%	1.3%	-6.1%
PBR	-11.1%	-0.6%	-0.7%	0.4%	-3.2%	-0.9%	-6.2%	-7.6%	-3.6%	-12.0%
Sales Growth	12.5%	0.7%	-14.8%	-1.2%	-0.3%	-0.8%	3.1%	2.9%	-4.0%	3.9%
OP Growth	2.5%	0.4%	-17.0%	-1.3%	-2.4%	-0.1%	-0.2%	1.1%	1.2%	4.5%
<b>Quality</b>										
ROE	12.8%	0.9%	-11.6%	-1.1%	2.7%	1.0%	4.4%	6.0%	3.8%	11.5%
* ROIC	20.8%	1.5%	-7.2%	0.2%	4.8%	1.9%	6.3%	6.7%	2.0%	9.5%
* Debt/Equity	26.7%	2.2%	-2.5%	-0.0%	7.4%	2.2%	4.0%	4.7%	1.7%	8.7%
* Net Debt/Equity	-13.1%	-0.1%	4.8%	0.5%	-2.3%	0.5%	-2.9%	-1.6%	-0.1%	-3.9%
<b>Momentum &amp; Technical</b>										
1 Week Mom.	-16.6%	-1.3%	-5.6%	-0.6%	-7.9%	-2.7%	0.6%	-0.7%	5.0%	4.9%
1 Month Mom.	-8.6%	-0.5%	2.9%	-0.1%	-3.3%	-0.7%	-2.8%	-2.2%	1.4%	-4.4%
3 Month Mom.	3.2%	-0.1%	4.9%	0.1%	1.4%	0.3%	1.4%	2.0%	7.4%	3.2%
12 Month Mom.	13.8%	0.8%	-35.3%	-2.5%	5.5%	1.2%	-1.5%	-2.0%	5.7%	3.3%
Stochastic Oscillator	-9.3%	-0.8%	2.8%	-0.0%	-3.0%	-1.0%	-1.2%	-1.1%	1.5%	-1.3%
<b>Other</b>										
Size	-0.0%	-0.4%	1.0%	-0.1%	-2.0%	-0.9%	-2.2%	-0.8%	1.2%	-1.2%
Foreign Investors	7.2%	0.3%	-7.8%	-0.8%	-0.1%	0.0%	2.1%	1.4%	5.0%	4.3%
Individual Investors	-6.5%	-0.2%	8.3%	0.5%	0.0%	0.9%	2.8%	3.4%	-1.6%	3.3%
Institutional Investors	3.3%	0.2%	-7.8%	-0.6%	5.3%	1.3%	-0.6%	-1.2%	0.9%	-1.9%
BETA (TOPIX)	2.1%	0.5%	-24.1%	-1.6%	0.4%	-0.2%	-3.5%	-5.6%	-1.9%	-8.9%
BETA (USD/JPY)	0.3%	0.4%	-26.6%	-2.0%	-0.6%	-0.2%	-5.0%	-6.8%	-2.6%	-12.4%



\* 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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