



# What Worked - Japan

## Value and Beta hurt for the second week in a row

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### What Worked

*Value and Beta off for the second week in a row*

Value and high Beta names were hurt for the second week in a row. High Beta and low PBR names did poorly this week and the last after 1 month of outperformance. Before that both factors underperformed for 5 weeks straight. Low PBR names that were hurt were Idemitsu Kosan (5019) down 11%, Japan Petroleum Exploration down 10% and Central Glass (4044) down 10%.

*High ROE names benefitted*

High Beta names that went down were NTN Corp (6472) down 14%, Mitsubishi UFJ Lease & Finance (8593) down 9% and NSK (6471) down 9%. Names with a high ROE and to a lesser degree names with a high percent of Retail Investors benefited from the selloff in Value. Leopalace21 (8848) is up 9%, Toyo Tire & Rubber is up 9% and Toda Corp (1860) is up 7%.

### Who Moved

*Spikes even over sectors*

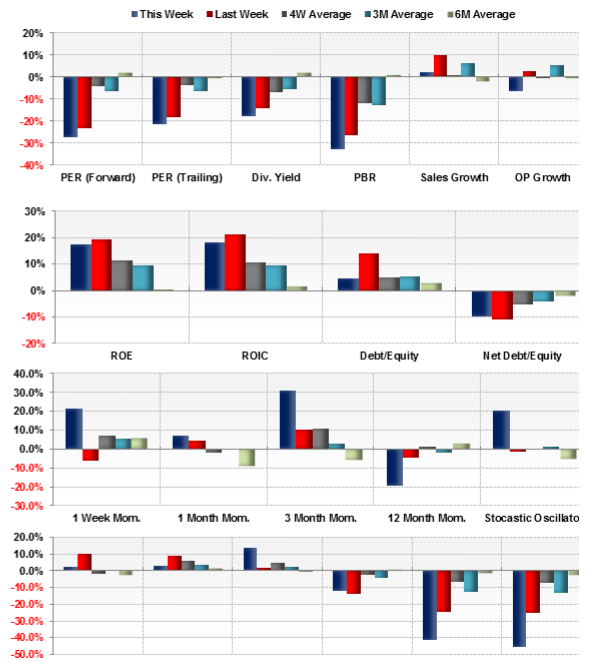
101 names moved on volume this week. All the volume spikes look to be spread relatively evenly across all sectors. On the positive side, Nomura Real Estate (3231) is up 20%, Miura (6005) is up 10% and Shiseido (4911) is up 9%. On the other side, including the names mentioned above Isuzu Motors (7202) is down 11%, Japan Steel Works (5631) is down 10% and Hitachi Zosen (7004) is also down 9%.

### Summary

TOPIX 500, Week Ending 19 May 2017

Signal	Index Return: -1.3%		1.9%		4.7%		0.4%		8.8%	
	This Week	Last Week	4W Average	3M Average	6M Average	IC	Spread	IC	Spread	
<b>Value &amp; Growth</b>										
PER (Forward)	-27.1%	-2.2%	-23.1%	-2.0%	-4.0%	-2.4%	-6.2%	-5.9%	1.7%	-0.9%
PER (Trailing)	-21.4%	-1.9%	-18.0%	-1.8%	-3.5%	-2.2%	-6.2%	-6.9%	-0.0%	-2.6%
Div. Yield	-17.6%	-1.0%	-13.9%	-0.9%	-6.9%	-1.9%	-5.4%	-4.2%	1.8%	3.0%
PBR	-32.0%	-2.9%	-26.4%	-2.7%	-11.9%	-5.1%	-12.8%	-11.9%	1.1%	-4.4%
Sales Growth	2.1%	0.9%	10.0%	1.3%	0.7%	1.5%	6.2%	6.3%	-2.1%	-0.1%
OP Growth	-6.2%	-0.6%	2.5%	0.1%	-0.5%	0.2%	5.4%	4.2%	-0.5%	0.7%
<b>Quality</b>										
ROE	17.5%	1.8%	19.3%	1.9%	11.3%	4.3%	9.6%	10.2%	0.1%	5.3%
* ROIC	18.1%	2.2%	21.2%	1.7%	10.6%	3.1%	9.5%	7.6%	1.5%	2.4%
* Debt/Equity	4.6%	0.9%	14.1%	1.8%	5.1%	2.3%	5.2%	5.4%	2.8%	1.4%
* Net Debt/Equity	-9.8%	-0.7%	-11.0%	-1.0%	-5.4%	-1.7%	-4.0%	-2.9%	-1.8%	-4.4%
<b>Momentum &amp; Technical</b>										
1 Week Mom.	21.6%	1.6%	-6.0%	-0.1%	7.3%	2.0%	5.4%	3.8%	5.7%	9.9%
1 Month Mom.	7.2%	2.8%	4.5%	0.1%	-1.7%	-1.0%	-0.3%	-0.8%	-8.9%	-3.4%
3 Month Mom.	30.8%	2.8%	10.3%	1.1%	10.7%	3.8%	2.7%	2.8%	-5.7%	-0.2%
12 Month Mom.	-19.4%	-1.6%	-4.4%	-0.1%	1.3%	0.2%	-2.1%	-2.2%	2.8%	-5.5%
Stochastic Oscillator	20.3%	1.7%	-1.4%	-0.1%	-0.4%	0.2%	1.1%	0.6%	-5.0%	0.1%
<b>Other</b>										
Size	2.5%	0.3%	10.6%	0.9%	-1.9%	-0.1%	0.6%	1.6%	-2.5%	-1.6%
Foreign Investors	3.0%	0.3%	9.4%	-0.1%	6.2%	0.6%	3.9%	2.0%	1.3%	1.3%
Individual Investors	14.0%	1.1%	2.3%	0.8%	4.7%	2.0%	2.5%	3.0%	-0.1%	2.6%
Institutional Investors	-11.7%	-0.9%	-13.3%	-1.1%	-2.2%	-1.1%	-4.0%	-3.1%	1.0%	-2.5%
BETA (TOPIX)	-41.2%	-3.6%	-24.4%	-2.5%	-6.2%	-3.6%	-12.1%	-11.0%	-0.8%	-7.3%
BETA (USD/JPY)	-45.4%	-4.3%	-25.1%	-3.1%	-7.0%	-4.4%	-12.8%	-12.1%	-2.2%	-9.9%

\* 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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