



What Worked - Japan

Value and High Beta names dominated this week

30th Jun 2017

Patrick Hansen

What Worked

PBR is back

Value and high Beta named dominated this week. Low PBR names have not done this well since last August. Low PBR names have been stuck in a slump since the middle of April. Low PBR names that did well this week were Kobe Steel up 11% and JFE Holdings up 9%.

High Beta is also strong

High Beta names also did well this week. The last time Beta was this strong was back in December of last year. High Beta name that did well were Hitachi Metals up 10% and TADANO up 9%. On the other side, names up over the last three months were really hurt the most this week. Toshiba is down 11%, Tokyo Electron is down 6% and Sohgo Security Services is down 5%. High ROE names also did not do well this week. Nitori Holdings is down 9% and Temp Holdings is down 7%. There was also a slight selloff in Size this week.

Who Moved

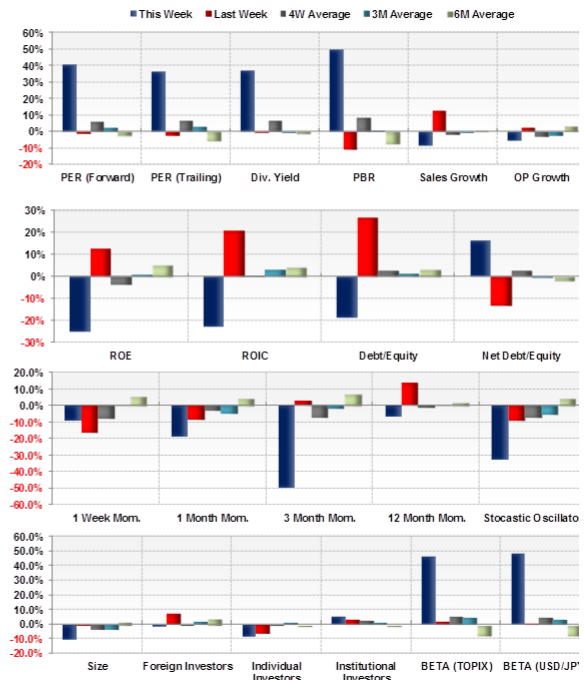
Volumes were a little light

Only 11 names moved on volume this week. On the positive side, Oracle Corp is up 6% and Taiheiyo Cement is up 5%. On the other side, Sumitomo Dainippon Pharma is down 10% and Takashimaya Corp is down 6%.

Summary

TOPIX 500, Week Ending 30 Jun 2017

Signal	Index Return: -0.3%		0.9%		-0.4%		7.6%		5.4%	
	IC	Spread	IC	Spread	IC	Spread*	IC	Spread*	IC	Spread*
Value & Growth										
PER (Forward)	40.4%	3.1%	-1.4%	0.1%	5.8%	2.3%	2.1%	0.3%	-2.4%	-2.1%
PER (Trailing)	36.2%	2.4%	-2.8%	-0.3%	6.7%	1.8%	3.2%	0.7%	-5.5%	-5.6%
Div. Yield	37.1%	2.8%	-0.6%	-0.3%	6.5%	1.6%	-0.4%	-1.3%	-1.2%	-2.2%
PBR	49.7%	4.0%	-11.1%	-0.6%	8.5%	2.9%	0.8%	-1.6%	-7.2%	-6.3%
Sales Growth	-8.6%	-0.8%	12.5%	0.7%	-1.9%	-1.2%	-0.5%	-0.1%	0.5%	1.2%
OP Growth	-5.3%	-0.6%	2.5%	0.4%	-3.3%	-0.2%	-2.4%	-0.9%	3.1%	2.4%
Quality										
ROE	-25.3%	-2.2%	12.8%	0.9%	-3.8%	-1.0%	1.1%	2.4%	5.0%	8.0%
* ROIC	-23.0%	-2.2%	20.8%	1.5%	0.5%	0.2%	3.2%	2.8%	3.9%	4.5%
* Debt/Equity	-18.7%	-1.7%	26.7%	2.2%	2.7%	0.8%	1.4%	2.0%	3.2%	4.0%
* Net Debt/Equity	16.3%	1.2%	-13.1%	-0.1%	2.5%	1.8%	-0.4%	0.5%	-2.0%	-2.2%
Momentum & Technical										
1 Week Mom.	-9.0%	-0.7%	-16.6%	-1.3%	-7.8%	-2.6%	0.5%	-0.5%	5.7%	2.0%
1 Month Mom.	-18.9%	-1.9%	-8.6%	-0.5%	-3.0%	-1.1%	-5.1%	-4.6%	4.0%	-3.1%
3 Month Mom.	-49.5%	-3.8%	3.2%	-0.1%	-7.1%	-2.5%	-2.0%	-1.3%	6.4%	1.6%
12 Month Mom.	-8.7%	-0.7%	13.8%	0.8%	-1.5%	-0.9%	0.6%	-0.5%	1.6%	1.4%
Stochastic Oscillator	-33.0%	-2.7%	-9.3%	-0.8%	-7.1%	-2.6%	-5.7%	-4.9%	4.3%	-2.8%
Other										
Size	-10.4%	-0.7%	-0.0%	-0.4%	-3.8%	-1.5%	-3.4%	-2.0%	1.5%	-0.9%
Foreign Investors	-1.9%	0.3%	7.2%	0.3%	-0.6%	0.2%	1.9%	1.7%	3.8%	4.7%
Individual Investors	-8.4%	-0.6%	-6.5%	-0.2%	-0.8%	0.5%	1.2%	1.9%	-0.6%	2.4%
Institutional Investors	4.9%	0.0%	3.3%	0.2%	2.7%	0.5%	1.2%	-0.2%	-0.7%	-1.5%
BETA (TOPIX)	46.0%	3.4%	2.1%	0.5%	5.3%	1.8%	4.3%	1.2%	-7.0%	-3.1%
BETA (USD/JPY)	48.5%	3.7%	0.3%	0.4%	4.3%	1.5%	3.1%	0.3%	-7.4%	-5.7%



* 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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Contacts

Hong Kong

Simon Rigney

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

Salt Lake City

Patrick Hansen

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

Tokyo

Robert Rowland

☎ +81-3-5786-3711
✉ robert.rowland@custprd.com

Michael Newman

☎ +81-3-5786-3713
✉ 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