

Japan Market Outlook - 30 September 2021

On Wednesday, Japanese stocks fell more than 2%, after overnight losses on Wall Street due to rising inflation fears, as investors awaited the ruling party's leadership contest, which will determine Japan's next prime minister.

The Nikkei average dropped 2.12 percent to 29,544.29, its lowest level since September 3. After outgoing Prime Minister Yoshihide Suga offered to resign on that day, the index lost most of its gains. The Topix index fell 2.09 percent to 2,038.29.

Tokyo Electron fell 5.27 percent, Daikin Industries fell 4.15 percent, and Advantest fell 5.64 percent, all of which are heavyweight technology stocks.

After Kishida received more votes than Kono in the initial voting, renewable energy company Renova shifted course and lost 3.05 percent. The triumph of Kono was viewed as beneficial for renewable energy industries and equities associated to digitization, but as detrimental for electric utility corporations.

As the government expects to lift a coronavirus state of emergency in all regions for the first time on Thursday, travel-related stocks have outperformed.

Airlines increased by 2.55 percent, while all of the other 33 industry sub-indices declined.

According to the Ministry of Economy, Trade and Industry, the value of industrial production in Japan decreased by 4.3 percent month over month in August. That missed expectations for a decline of 0.5 percent following the 1.5 percent contraction in July.

On a yearly basis, industrial production advanced 9.3 percent - beating forecasts for a gain of 8.0 percent after rising 11.6 percent in the previous month.

The value of retail sales in Japan fell 4.1 percent month over month in August, according to the Ministry of Economy, Trade and Industry. Following a 1.0 percent gain in July, analysts expected a loss of 2.0 percent.

Retail sales fell 3.2 percent year over year, missing estimates for a 1.0 percent decline after climbing 2.4 percent the month before.

Japan has reported 1,697,631 covid cases as of now of which 1,647,414 were recovered and 17,551 were dead

Top Gainers

Company	Last Price	Change%
IHI Corp.	¥2,843.00	4.91%
Tokyo Electric Power Co. Holdings Inc.	¥353.00	4.13%
East Japan Railway Co.	¥7,535.00	3.01%
Kawasaki Kisen Kaisha Ltd.	¥6,880.00	2.84%
Central Japan Railway Co.	¥17,580.00	2.75%

Top Losers

Company	Last Price	Change%
Japan Post Holdings Co. Ltd	¥945.90	-5.69%
Advantest Corp.	¥10,210.00	-5.20%
Taiyo Yuden Co. Ltd.	¥6,740.00	-4.40%
SCREEN Holdings Co. Ltd.	¥9,770.00	-4.31%
Tokyo Electron Ltd.	¥51,000.00	-4.28%

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