

# Japan Market Outlook - 06 October 2021

On Tuesday, Japanese shares tumbled to one-month lows with growth-oriented shares hit hard, as spikes in oil prices stoked further worries about inflation and monetary tightening globally.

Nikkei average fell 2.19% to 27,822.12, piercing below 27,865, the 76.4% retracement of its rally from late August to September.

Fast Retailing dived 6.9% after the operator of Uniqlo casual clothing chain reported a 19.1% fall in its existing store sales in September.

Internet firm Z Holdings lost 5.6% while electronic parts maker Murata Manufacturing shed 3.4%.

Oil exploration company Inpex rose 5.6% while Idemitsu Kosan was up 3.7%.

Life insurers also benefited from higher U.S. bond yields, with T&D Holdings up 1.6% and Dai-ichi Life Holdings gaining 1.7%.

Trade was active with turnover at the mainboard reaching 3.615 trillion yen, almost 40% above the average over the past year.

After initial success, Japan is facing a reality check on the coronavirus. The country garnered global attention after containing the first wave of Covid-19 with what is referred to as the “Japan Model” -- limited testing and no lockdown, nor any legal means to force businesses to close.

The final Jibun Bank Japan Services Purchasing Managers' Index (PMI) edged up to a seasonally adjusted 45.4 in July, hardly an encouraging change from 45.0 in June and a preliminary 45.2 reading.

A Finance Ministry bureaucrat-turned-politician is to create a new legal framework to facilitate the implementation of economic security policies — a pledge from Kishida's campaign during the LDP leadership race last month.

Former deputy trade minister Daishiro Yamagiwa will likely become economy minister, implementing coronavirus measures and running the prime minister's Council on Economic and Fiscal Policy advisory group.

## Top Gainers

Company	Last Price	Change%
Inpex Corp.	¥943.00	5.60%
Idemitsu Kosan Co. Ltd.	¥3,060.00	3.69%
Sojitz Corp.	¥1,843.00	3.60%
Tokyo Electric Power Co. Holdings Inc.	¥348.00	2.96%
Asahi Group Holdings Ltd.	¥5,569.00	2.71%

## Top Losers

Company	Last Price	Change%
Fast Retailing Co. Ltd.	¥72,850.00	-6.92%
Z Holdings Corp.	¥673.30	-5.55%
Sumitomo Dainippon Pharma Co. Ltd.	¥1,903.00	-4.99%
Casio Computer Co. Ltd.	¥1,719.00	-4.18%
Terumo Corp.	¥4,960.00	-4.02%

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