

# Japan Market Outlook - 06 January 2022

Japan's Nikkei closed marginally higher on Wednesday as gains in blue-chip stocks such as Sony Group and Toyota Motor outweighed weakness in technology heavyweights fuelled by fears of early U.S. interest rate hikes.

The Nikkei share average rose 0.1% to 29,332.16, after falling into negative territory multiple times during the day, while the broader Topix gained 0.46% to 2,039.27.

Toyota rose 2.57%, extending its rally after the automaker outsold General Motors in the United States in 2021, marking the first time that the Detroit automaker has not led U.S. auto sales for a full year since 1931.

Sony Group jumped 3.67% to become the biggest contributor to the Nikkei as the game maker unveiled plans to launch a company this spring to examine entering the electric vehicle market.

The insurance sector was the top gainer with a rise of 3.16% among the exchange's 33 industry subindexes, on hopes that higher interest rates were likely to boost profits.

Technology heavyweights fell, with chip-equipment maker Tokyo Electron falling 1.4% and medical services platform M3 losing 6.42%. Medical equipment maker Terumo fell 2.17%.

Japan's consumer confidence weakened marginally in December, data from the Cabinet Office showed.

On a seasonally adjusted basis, the consumer confidence index fell to 39.1 in December from 39.2 in November and October. Economists had expected a score of 39.8.

Among the four sub-indexes of the consumer confidence index, the indicators measuring the income growth increased to 39.9 in December and that for overall livelihood grew to 38.6 while the index for employment fell to 41.5.

Japan's manufacturing sector grew at a slightly slower pace in December, survey results from IHS Markit showed on Tuesday.

The au Jibun Bank manufacturing Purchasing Managers' Index fell to 54.3 in December from 54.5 in November. A reading above 50.0 indicates expansion.

## Top Gainers

Company	Last Price	Change%
Komatsu Ltd.	¥2,893.50	5.64%
NSK Ltd.	¥798.00	5.56%
Nippon Paper Industries Co. Ltd.	¥1,161.00	5.07%
Mitsui Chemicals Inc.	¥3,255.00	5.00%
NTN Corp.	¥255.00	4.94%

## Top Losers

Company	Last Price	Change%
Shionogi & Co. Ltd.	¥7,644.00	-7.14%
M3 Inc.	¥5,480.00	-6.42%
Daiichi Sankyo Co. Ltd.	¥2,873.00	-3.61%
Z Holdings Corp.	¥646.00	-3.58%
Trend Micro Inc.	¥6,200.00	-3.28%

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