

Japan Market Outlook - 17 February 2023

The Japanese stock market is significantly higher on Thursday, recouping the losses in the previous session, with the Nikkei 225 moving above the 27,700 level, following the broadly positive cues from global overnight, boosted by gains in some index heavyweights, automakers and technology stocks.

The benchmark Nikkei 225 Index closed the morning session at 27,723.60, up 221.74 points or 0.81 percent, after touching a high of 27,723.60 earlier. Japanese stocks closed modestly lower on Wednesday.

Market heavyweight SoftBank Group is gaining more than 1 percent and Uniqlo operator Fast Retailing is adding more than 2 percent. Among automakers, Toyota is gaining more than 2 percent and Honda is adding more than 1 percent.

In the tech space, Screen Holdings is gaining almost 2 percent, while Advantest and Tokyo Electron are adding more than 1 percent each. In the banking sector, Mitsubishi UFJ Financial, Mizuho Financial and Sumitomo Mitsui Financial are edging up 0.1 to 0.5 percent each.

Among the other major gainers, Kansai Electric Power is gaining more than 4 percent, while Mazda Motor and Mitsubishi Motors are adding almost 4 percent each. Nissan Motor and Subaru are advancing more than 3 percent each, while Nintendo is up almost 3 percent.

Conversely, there are no other major losers.

Top Gainers		
Company	Last Price (¥)	Change%
Mitsubishi Motors Corp.	¥534.00	4.30%
Nissan Motor Co. Ltd.	¥509.80	4.10%
Mazda Motor Corp.	¥1,151.00	3.69%
Kansai Electric Power Co. Inc.	¥1,265.00	3.43%
NTN Corp.	¥333.00	3.42%

In economic news, Japan posted a merchandise trade deficit of 3,496.6 billion yen in January, the Ministry of Finance said on Thursday. That exceeded expectations for a shortfall of 3,871.5 billion yen following the 1,451.8 billion yen deficit in December.

Exports were up 3.5 percent on year, beating forecasts for 0.8 percent and down from 11.5 percent in the previous month. Imports climbed an annual 17.8 percent versus forecasts for 18.4 percent, down from 20.7 percent a month earlier.

Meanwhile, the Cabinet Office said the value of core machine orders in Japan was up a seasonally adjusted 1.6 percent on month in December, coming in at 851.9 billion yen.

On a yearly basis, core machine orders sank 6.6 percent - also missing forecasts for a decline of 6.0 percent following the 3.7 percent decline in the previous month.

For the fourth quarter of 2022, orders were down 5.0 percent on quarter and 3.6 percent on year. For the first quarter of 2023, orders are seen higher by 4.3 percent on quarter and 4.1 percent on year.

In the currency market, the U.S. dollar is trading at 133 yen-range .

Top Losers		
Company	Last Price (¥)	Change%
Sapporo Holdings Ltd.	¥3,085.00	-3.59%
Aozora Bank Ltd.	¥2,630.00	-1.72%
Pacific Metals Co. Ltd.	¥1,968.00	-1.65%
Chiba Bank Ltd.	¥981.00	-1.60%
Tokuyama Corp.	¥2,011.00	-1.28%

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