

Japan Market Outlook - 29 May 2023

The Japanese stock market is significantly higher on Friday, extending the gains in the previous session, with the benchmark Nikkei 225 breaching the 31,000 mark to climb back to fresh 33-year highs.

The benchmark Nikkei 225 Index is gaining 231.05 points or 0.75 percent to 31,032.18, after touching a high of 31,065.40 earlier. Japanese stocks closed notably higher on Thursday.

Market heavyweight SoftBank Group is edging up 0.5 percent, while Uniqlo operator Fast Retailing is edging down 0.1 percent. Among automakers, Honda is edging up 0.2 percent and Toyota is edging up 0.3 percent.

In the tech space, Advantest is gaining almost 3 percent and Screen Holdings is surging more than 6 percent, while Tokyo Electron is adding almost 5 percent.

In the banking sector, Mitsubishi UFJ Financial and Sumitomo Mitsui Financial are edging down 0.3 to 0.4 percent each, while Mizuho Financial is edging up 0.1 percent.

Among major exporters, Panasonic is edging up 0.3 percent, while Mitsubishi Electric and Sony are gaining almost 1 percent each. Canon is edging down 0.1 percent. Among the other major gainers, Kawasaki Heavy Industries and Taiyo Yuden are surging almost 6 percent each.

In economic news, overall consumer prices in the Tokyo region of Japan were up 3.2 percent on year in May, the Ministry of Internal Affairs and Communications said on Friday. That was shy of expectations for an increase of 3.9 percent and was down from 3.5 percent.

Core CPI, which excludes the volatile costs of food, also was up 3.2 percent on year in May - beneath expectations for a rise of 3.3 percent and down from 3.5 percent in the last month.

Meanwhile, producer prices in Japan were up 1.6 percent on year in April, the Bank of Japan said on Friday. That exceeded expectations for an increase of 1.4 percent following the upwardly revised 1.7 percent gain in March (originally 1.6 percent). On a monthly basis, producer prices rose 0.2 percent - easing from the 0.6 percent.

There were series record expansions in total new business, exports and outstanding business, with survey respondents attributing growth to the resumption of both domestic and international tourism.

Service providers continued to note strong increases in input prices in the latest survey period however, with input price inflation at its strongest for three months.

The U.S. dollar is trading in the higher 139 yen-range.

Top Gainers

Company	Last Price (¥)	Change%
Taiyo Yuden Co. Ltd.	¥4,410.00	6.52%
SCREEN Holdings Co. Ltd.	¥14,430.00	5.79%
Tokyo Electron Ltd.	¥19,635.00	4.44%
Advantest Corp.	¥16,980.00	3.92%
Nikon Corp.	¥1,579.00	3.14%

Top Losers

Company	Last Price (¥)	Change%
Hino Motors Ltd.	¥546.00	-1.80%
Ebara Corp.	¥6,240.00	-1.73%
Fuji Electric Co. Ltd.	¥6,070.00	-1.14%
Mitsubishi Motors Corp.	¥463.00	-1.07%
Fanuc Corp.	¥4,720.00	-0.97%

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