

Nikkei 225 in December

As of the end of December 2012, the Nikkei Stock Average (Nikkei 225) stood at 10395.18 up 949.17 points, or 10.0%, from the end of November, its highest level since March 2011. The weakening Japanese Yen, which was caused by newly appointed prime minister Shizo Abe's monetary easing stance, and hope for economy stimulus package of his government, pushed the Nikkei 225 up to above 10000 level on December 19. Ultimately Nikkei 225 rose at a 22.9% annual rate in 2012.

This month's Topic : Trivia in the Nikkei Stock Average (Nikkei 225)

The Nikkei 225 was first published in September 7th, 1950, calculated retroactively to May 16th 1949. Therefore varied analyses are available using its long-term historical data. This report provides analyses including 'trivia', three surprising facts in the Nikkei 225 related to year-end and the new year.

Compare the number of days: Up or Down

The record-high level, 38915.87 of the Nikkei 225 at the end of 1989 has reminded quite a few market participants of the peak of the 1980s bubble economy in Japan. The current level is more than 70% lower than the peak. However it would

Table1 : Up/Down since 1990

	Count	Ratio
Up	2812	49.7%
Down	2848	50.3%
Sum	5660	100%

be surprising that the number of days when the Nikkei 225 was up, 2812 days was almost identical to that when the index was down, 2848 days from the beginning of 1990 to 2012. It was just a 36 day difference.

Table 2 : Total Return Ranking (End of 1989 to 2012)

Rank	Code	Company name	Total Return	Price Return	Dividend Effect
1	7267	HONDA MOTOR	348.6%	243.7%	104.9%
2	7751	CANON	278.2%	173.8%	104.4%
3	4063	SHIN-ETSU CHEMICAL	269.0%	206.7%	62.3%
4	7269	SUZUKI MOTOR	165.8%	126.5%	39.3%
5	7203	TOYOTA MOTOR	153.3%	90.8%	62.5%
6	4502	TAKEDA PHARMACEUTICAL	152.6%	66.2%	86.4%
7	6301	KOMATSU	113.0%	58.3%	54.7%
8	7731	NIKON	96.5%	68.4%	28.1%
9	4503	ASTELLAS PHARMA	73.2%	23.9%	49.3%
10	5108	BRIDGESTONE	67.3%	31.6%	35.7%
11	6902	DENSO	66.1%	31.3%	34.7%
12	8031	mitsui	30.1%	-7.7%	37.8%
13	4021	NISSAN CHEMICAL INDUSTRIES	28.7%	-6.4%	35.1%
14	8058	mitsubishi	11.6%	-18.1%	29.7%
15	2502	ASAHI GROUP HOLDINGS	9.8%	-13.8%	23.6%
16	6326	KUBOTA	5.4%	-24.2%	29.6%
17	2801	KIKKOMAN	4.4%	-17.3%	21.7%
18	7752	RICOH	3.1%	-25.6%	28.7%

18 stocks with positive total returns

How many stocks with positive total returns for buy and hold investments since end of 1989? In 129 stocks which have been constituents in the Nikkei 225 since then, 18 stocks provided positive total returns including dividend incomes as well as capital gains/losses. Honda (7267) was the

top with 349% of the total return. Surprisingly the price return in the same period was 244%, which represents the positive dividend effect was 105%. The Nikkei 225 Total Returns dropped by 65.8%, 8 percentage points higher than its price return for the same period.

To learn more about [the Nikkei 225 Total Return Index](#)

### Events and Nikkei 225

The third analysis is about the relationship between events and price movements of the Nikkei 225. Regarding chosen 7 events, comparing the number of years when the Nikkei 225 was up or down in the years when the same events occurred in the past.

Table3: Event & Nikkei 225 (Ratio of years when the index rose)

Event/Definition	Ratio	Up	Down
Rose on 1st day (its yearly up/down)	70%	30	13
US Presidential election (following year)	67%	10	5
Japanese won Nobel prizes (next year)	62%	8	5
Good rice harvest (next year)	62%	24	15
Animal Symbol; Snake	60%	3	2
BOJ governor (first or second year)	58%	7	5
Lower house elections (next year)	55%	12	10

Note:BOJ governors, the first year for the inaugurations after 1998, the second year for the inaugurations before that

The best performer was “Years when the index rose on the first trading day of the years”. In 43 times when the Nikkei 225 rose on the first day in the year, the index resulted in the positive annual returns 30 times. The index surged on the first trading day in 2013. “US presidential elections(following year)” was followed as the second best performer.

### Performance Summary of December 2012

○Nikkei 225 and its derived indices

(Data as of end of December)

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
Nikkei 225	10395.18	10.05%	0.09%	1.02%	10395.18	28-Dec	8295.63	4-Jun
Nikkei 225 TR	14793.53	10.20%	0.10%	1.02%	14793.53	28-Dec	11663.19	4-Jun
Nikkei 225 VI (Volatility)	22.45	31.21%	0.14%	4.98%	30.93	4-Jun	16.71	14-Nov
Nikkei 225 VI Futures	57264.83	15.98%	-0.22%	3.15%	115929.82	4-Jun	46875.39	18-Dec
Nikkei 225 Covered Call	9951.00	6.43%	0.06%	0.91%	9993.99	27-Mar	8166.45	4-Jun
Nikkei 225 Risk Control	12531.09	7.30%	0.06%	0.68%	12531.09	28-Dec	10711.47	25-Jul
Nikkei 225 Leveraged	5053.59	20.88%	0.18%	2.05%	5053.59	28-Dec	3266.86	4-Jun
Nikkei 225 Inverse	5323.30	-9.31%	-0.09%	1.02%	6773.84	16-Jan	5323.30	28-Dec

Name of Index	Index Value	Change	Hist. High	The year	Hist. Low	The year
Nikkei 225 Dividend Point	193.17	7.67%	207.21	2008	81.35	2002

○Benchmark and other indices

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
Nikkei 300	174.34	10.04%	0.07%	1.00%	176.27	27-Mar	141.08	4-Jun
Nikkei China Related 50	965.89	11.00%	0.07%	1.28%	1024.28	27-Mar	768.10	11-Oct
Nikkei 500 Average	870.07	6.89%	0.07%	0.83%	870.07	28-Dec	721.87	4-Jun
Nikkei Japan 1000	1010.02	9.87%	0.07%	0.99%	1025.25	27-Mar	818.37	4-Jun
Nikkei JASDAQ Average	1413.34	3.32%	0.07%	0.50%	1413.34	28-Dec	1185.44	12-Jan

Note: Avg Return and Volatility are calculated on the daily return for the past 1 year.

"Change" in the Nikkei 225 Dividend Point Index indicates a comparison with the value at the end of December 2011.

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