

Nikkei 225 in September

As of the end of September, the Nikkei Stock Average (Nikkei 225) stood at 14455.80 up 1066.94 points, or 8.0%, from the end of August. Since Tokyo was chosen to host the 2020 Summer Olympics, its related shares, such as construction firms, gained momentum. And The US Federal Reserve Board's decision to keep its easy-money policy pushed up the index to 14799.12 on 26th; it's the highest level in two months. But the index fell as large as 304.27 points on 30th in reaction to a deadlock between US Democrats and Republicans over the budget for the next fiscal year.

This month's Topic : 5 years since the 'Lehman Clash', who is the leader?

5 years has passed when Lehman Brothers went bankrupt on September 15th 2008, which triggered the global financial crisis and the stock market plunge. Although the Nikkei 225 touched the bottom at 7,054.98 yen on March 10th 2009, post-bubble low, sideways trade at around 8,000 to 10,000 had continued long. Since November 14th 2012 the stock market shows clear sign of recovery with "Abenomics" rally. However the Nikkei 225 was lower by 19% than 'pre-Lehman high' at 18,261.98 on July 9th 2007.

On September 30th, 164 stock prices of the components comparable were below their levels on July 9th 2007 when the Nikkei 225 hit at the pre-Lehman high. The remaining 34 components were above the levels on the

Table 1: 15 highest return stocks to end of Sep 2013

day. The table 1 represents the 15 highest returns of the stocks since July 9th 2007 and their returns since November 14th 2012 on end of Sep 2013.

The table shows clearly if the positive returns came from the "Abenomics" rally period only or the returns were also positive before the period. 4 stocks, Fast Retailing (9983), Fuji Heavy Industry (7270),

JGC (1963), Odakyu Electric Railway (9007) were positive before the "Abenomics" rally period because the positive returns from July 9th 2007 to September 30th 2013 were greater than those from November 14th 2012 to Sep 30th 2013.

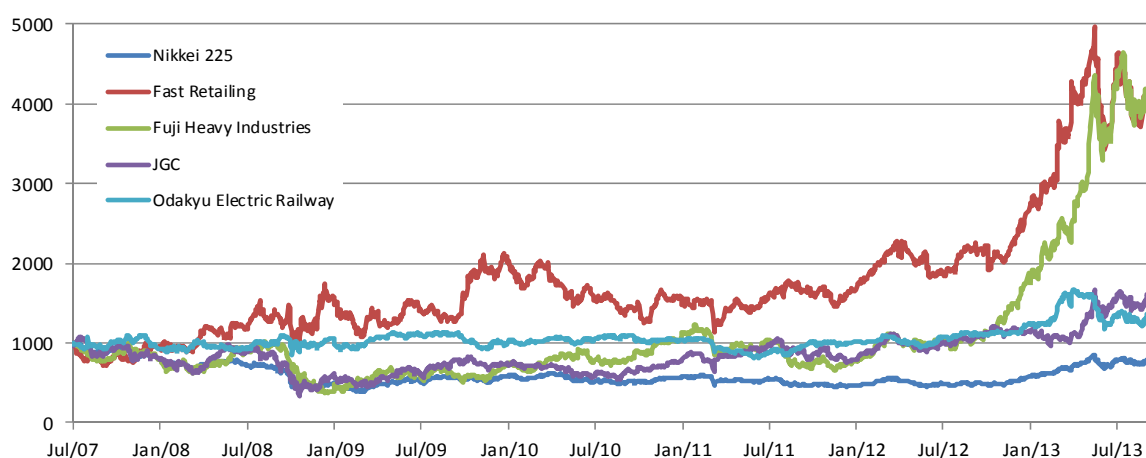
Code	Company Name	Rise Rate(%)	
		From Jul 9 2007	From Nov 14 2012
9983	Fast Retailing Co., Ltd.	342	121
7270	Fuji Heavy Industries Ltd.	340	254
9984	Softbank Corp.	146	147
7205	Hino Motors, Ltd.	94	138
6674	GS Yuasa Corp.	91	96
1963	JGC Corp.	51	40
9009	Keisei Electric Railway Co., Ltd.	46	48
4272	Nippon Kayaku Co., Ltd.	40	61
2502	Asahi Group Holdings, Ltd.	39	46
6326	Kubota Corp.	38	76
5108	Bridgestone Corp.	34	104
9007	Odakyu Electric Railway Co., Ltd.	32	20
4689	Yahoo Japan Corp.	31	107
5332	TOTO Ltd.	28	154
9064	Yamato Holdings Co., Ltd.	26	86

Fast Retailing recording the highest return, its stock price had soared by 100% (2 times) from July

9th 2007 to November 14th 2012 and it surged by 121% (2.21 times) from the day to September 30th 2013, then the cumulative return became 342% (4.42 times) for the 2 periods. The most prominent appreciation in the Nikkei 225 constituents would be mainly due to the 6 year averaged return on equity (ROE) of as high as 17.7 % with the steady sales expansion.

Fuji Heavy Industry with the second highest return, the gains were 10% and 254% respectively for the same 2 periods, pre and post “Abenomics” rally Although the increase was mainly supported by Yen deprecation with the rally, relatively successful business in the North America seemed to contribute to the appreciation before the rally.

(Figure 1) 4 positive return stocks from ‘pre-Lehman high’ & Nikkei 225 (Jul 9, 2007=1,000)



Performance Summary of August 2013

○Nikkei 225 and its derived indices

(Data as of end of August)

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
Nikkei 225	13388.86	-2.04%	0.18%	1.65%	15627.26	22-May	10486.99	23-Jan
Nikkei 225 TR	19245.80	-1.98%	0.19%	1.65%	22417.23	22-May	14924.17	23-Jan
Nikkei 225 VI (Volatility)	28.82	0.52%	0.29%	5.98%	46.19	13-Jun	19.06	8-Jan
Nikkei 225 VI Futures	119760.53	15.80%	0.28%	3.05%	120719.55	28-Aug	47519.52	23-Jan
Nikkei 225 Covered Call	11604.31	-0.89%	0.12%	1.33%	13319.05	22-May	9865.49	23-Jan
Nikkei 225 Risk Control	14581.55	-1.22%	0.11%	0.84%	15659.93	22-May	12624.71	8-Jan
Nikkei 225 Leveraged	7893.79	-4.71%	0.37%	3.31%	11165.32	22-May	5125.79	23-Jan
Nikkei 225 Inverse	3896.18	1.39%	-0.18%	1.65%	5261.18	8-Jan	3459.80	22-May

Name of Index	Index Value	Change	Hist. High	The year	Hist. Low	The year
Nikkei 225 DP	116.61	4.35%	119.45	2008	48.97	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	226.12	-2.01%	0.18%	1.51%	259.66	22-May	176.73	8-Jan
Nikkei China Related 50	1194.29	-1.83%	0.18%	1.64%	1423.34	22-May	981.20	8-Jan
Nikkei 500 Average	1130.31	-2.30%	0.16%	1.39%	1276.55	22-May	881.67	8-Jan
Nikkei Japan 1000	1303.66	-2.28%	0.18%	1.51%	1502.78	22-May	1023.90	8-Jan
Nikkei JASDAQ Average	1746.16	-4.23%	0.13%	1.11%	2140.59	14-May	1435.89	4-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 (Nikkei 225 DP) indicates a comparison with the value at the end of August 2012.

Historical High and Low in the dividend index were based on the values in the same month since 1998.

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