

Nikkei 225 in September

As of the end of September, the Nikkei Stock Average (Nikkei 225) stood at 16173.52 up 748.93 points, or 4.86%, from the end of August. An expectation of widening gap in interest rates between the US and Japan led to a significant depreciation by more than 5 yen to the US dollar, which resulted in driving up the index. Daily averaged trading values in the month exceed 2 trillion yen for the first time in six month.

This month's Topic : Nikkei 225 buoyed by Yen depreciation and the "iPhone 6" debut?

The Nikkei 225 climbed to 16374.14 on September 25th and updated this year high. The level exceeded the closing price (16291.31) in 2013, the year high and is the highest for the first time since November 2007.

Due to a rapid Yen depreciation in September, many market participants explained "more and more investors are eager to buy export-related shares as they anticipate improvements in the financial performances of exporters". Table 1 shows a ranking of price returns for the Nikkei 225 constituents in the period between August 8th when the Nikkei 225 touched at the latest bottom and September 30th. It indicates the recent rally was typically supported by exporters

Table 1: Ranking of price returns in the 225 component stocks

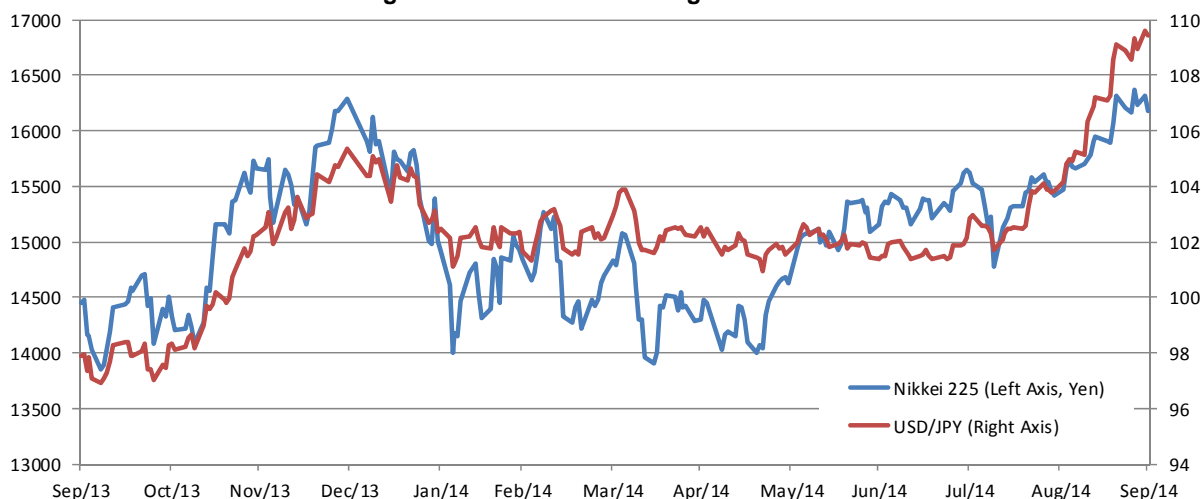
Code	Company	Return to End of Sep		Closing on End of Sep(yen)
		From Aug 8, 2014(%)	From End of 2013(%)	
3436	SUMCO	42.5	42.7	1,324
7004	Hitachi Zosen	35.1	-19.6	647
6302	Sumitomo Heavy Industries	31.6	27.5	617
6770	Alps Electric	28.8	57.6	1,883
7270	Fuji Heavy Industries	28.0	20.3	3,626
6988	Nitto Denko	26.9	35.6	6,015
6762	TDK	26.6	21.4	6,120
6326	Kubota	25.4	-0.4	1,732.5
7013	IHI	25.4	25.1	568
6976	Taiyo Yuden	25.2	-10.4	1,228
6857	Advantest	24.6	8.2	1,414
7003	Mitsui Engineering & Shipbuilding	23.5	13.8	247
6479	Minebea	20.7	94.5	1,496
7211	Mitsubishi Motors	20.7	17.9	1,331
6472	NTN	19.3	3.8	495
	Nikkei 225	9.44	-0.72	16,173.52

in that large manufactures dominated in the top of the ranking. 12 out of top 15 stocks rose above the closing prices in 2013. Focusing on industries (sectors), many machinery and shipbuilding shares stood out in the top 15. For instance, Sumitomo Heavy Industries, Ltd (6302) and Mitsui Engineering & Shipbuilding Co., Ltd (7003) surged as it achieved double-digit increases in revenues in the second quarters of 2014 and the share prices seemed to climb in advance.

Semiconductor and electronic component related stocks have also showed up in the ranking. It is noticeable for SUMCO (3536) at the top, Alps Electric Co., Ltd (6770) placed the fourth, and Nitto Denko Corporation (6988) placed the sixth to be categorized with a common key word, "iPhone" of Apple Inc..

The “iPhone 6” debuted in September has been reportedly sold best in the past, which has buoyed the related shares. SUMCO is one of the top producers of silicon wafer, a material of semiconductor. The iPhone 6 has introduced first-ever 128 gigabytes of storage capacity, which could lead to an expectation that the demand for semiconductors will be expanded. Alps Electric has been appreciated since it provides components to stabilize images for cameras installed in the iPhone 6 plus. Nitto Denko is one of the largest manufacturers of LCD films for smartphones.

Figure1 : Weaker Yen and Higher Nikkei 225



Performance Summary of September 2014

○Nikkei 225 and its derived indices

(Data as of end of September)

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
Nikkei 225	16173.52	4.86%	0.05%	1.19%	16374.14	25-Sep	13910.16	14-Apr
Nikkei 225 TR	23770.65	5.46%	0.06%	1.20%	23972.18	29-Sep	20271.52	4-Feb
Nikkei 225 VI (Volatility)	17.55	10.10%	-0.05%	4.87%	33.21	4-Feb	14.00	17-Jul
Nikkei 225 VI Futures	39953.14	-6.87%	-0.38%	2.10%	97741.36	4-Feb	38902.54	29-Sep
Nikkei 225 Covered Call	14667.63	5.04%	0.07%	1.04%	14829.72	25-Sep	12348.19	4-Feb
Nikkei 225 Risk Control	16290.75	3.60%	0.03%	0.69%	16451.97	25-Sep	14898.08	14-Apr
Nikkei 225 Leveraged	11085.97	9.83%	0.11%	2.39%	11364.69	25-Sep	8275.01	14-Apr
Nikkei 225 Inverse	3104.52	-4.73%	-0.05%	1.19%	3651.06	4-Feb	3067.02	25-Sep
Nikkei 225 Double Inverse	4590.71	-9.33%	-0.11%	2.39%	6467.31	4-Feb	4481.22	25-Sep

Name of Index	Index Value	Change	Hist. High	The year	Hist. Low	The year
Nikkei 225 DP	135.04	15.02%	135.04	2014	49.38	2002

○Benchmark and other indices

Name of Index	Index Value	Monthly Return	Avg Return	Volatility	Yealy High	The Date	Yearly Low	The Date
JPX-Nikkei Index 400	12055.67	3.98%	0.05%	1.05%	12246.68	25-Sep	10314.83	14-Apr
Nikkei 300	267.08	3.89%	0.04%	1.06%	271.36	25-Sep	229.49	14-Apr
Nikkei China Related 50	1432.37	5.73%	0.05%	1.07%	1455.66	25-Sep	1220.64	4-Feb
Nikkei 500 Average	1406.10	4.47%	0.06%	1.05%	1420.60	25-Sep	1191.33	4-Feb
Nikkei Japan 1000	1563.69	3.81%	0.05%	1.06%	1587.64	25-Sep	1335.72	14-Apr
Nikkei JASDAQ Average	2323.27	1.36%	0.08%	0.79%	2356.25	22-Sep	1890.85	19-May

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 September 2013. Historical High and Low in the dividend index were based on the values in the same month since 1998.

(Disclaimer) Although Nikkei Inc. (Nikkei) has produced this document, obtaining information and data from such sources that Nikkei believes reliable; Nikkei shall not be liable for the accuracy or completeness etc., and shall not accept any liability for any loss or damage arising from usage of this document. Nikkei shall not guarantee updates of newest information anytime on this document and may change the contents without notice. All rights of this document are reserved.