



Japan Weekly · Week 40, 2026 (Sep 28–Oct 2)

The Nikkei 225 rose 2.9%, the TOPIX index fell 0.9%, and the NT ratio reached 16.70

Index gains were concentrated in semiconductor stocks, while most sectors and megacaps declined

The week had five trading days. US semiconductor stocks rose on September 30, and early on October 1 Micron Technology reported results and guidance above expectations. The Nikkei 225 gained 3,475 points over those two sessions and 1,945 points (+2.9%) on the week, closing at 68,309.46; Advantest rose 13.6% and Tokyo Electron 7.0%. The TOPIX index closed at 4,091.00, down 0.9% (JPX index close; the 1306 ETF proxy was flat), lifting the NT ratio from 16.07 to 16.70. The BOJ Tankan released on October 1 showed the large-manufacturer index improving for a sixth consecutive quarter to +24. The US–Japan 10-year spread widened by 5bp, yet the yen rose 0.6% against the dollar to 157.93.

Nikkei 225 +2.9% closed at 68,309.46	TOPIX -0.0% via 1306 ETF	TSE Growth Market 250 -0.9% via 2516 ETF	10-year JGB 3.092% +2bp	USD/JPY 157.93 -0.6% on the week (stronger yen)
Nikkei Volatility Index 22.58 +2.28 on the week				

01

Key themes this week

The Nikkei 225 outperformed TOPIX by 3.8 points as Micron's results lifted semiconductor stocks

The Nikkei 225 rose from 66,364.20 to 68,309.46, a gain of 1,945 points (+2.9%), while the TOPIX index fell from 4,128.59 to 4,091.00 (–0.9%) (Nikkei, Sep 25 close; Nikkei, Oct 2 close). The 3.8-point gap lifted the NT ratio from 16.07 to 16.70.

The gains came on September 30 and October 1. On September 30 the Nikkei rose 1,272 points (+1.9%) following firmer US semiconductor stocks. Early on October 1, Micron Technology reported June–August quarterly revenue of \$54.2bn and guided to about \$61.5bn for the following quarter, both above consensus (Micron release). The Nikkei rose 2,203 points (+3.3%) that day while TOPIX gained only 0.6% (Zaikai). Advantest rose about 9.8% and on its own added more than 700 points to the Nikkei (OANDA). Over the week Advantest rose 13.6%, Tokyo Electron 7.0% and Fast Retailing 4.6%.

Market breadth was weak. On October 2 the Nikkei fell 647 points and 84.1% of Prime Market stocks declined (Zaikai). September 29 was the ex-dividend date for interim dividends of March year-end companies, which reduced the Nikkei by about 380 points (Zaikai); TOPIX fell 1.72% that day (Nikkei). Because the Nikkei is price-weighted, high-priced semiconductor stocks carry far more weight than their share of TOPIX market capitalisation, and **the Nikkei's gain this week overstates the performance of the broader market.**

The Tankan large-manufacturer index rose to +24; the yen firmed slightly despite a wider US–Japan spread

The BOJ's September Tankan, released on October 1, showed the large-manufacturer business conditions index rising from +22 in June to +24, a sixth consecutive quarterly improvement, slightly below the consensus of +25. The large non-manufacturer index fell from +37 to +35. Firms forecast +21 and +30 respectively for December. Large companies plan fiscal 2026 capital spending growth of 11.3%, and the all-enterprise exchange-rate assumption moved to ¥154.23 per dollar from ¥152.57 in June (BOJ Tankan summary; OANDA). Tokyo core CPI for September, released on October 2, rose 2.7% year on year against a consensus of 2.4%, the first reading above 2% in eight months (Nikkei).

JGB yields moved little (MOF data to October 1). The 2-year yield reached 1.981% on September 28, which Nikkei described as the highest in about 31 years (Nikkei), then eased to end the week 0.9bp lower at 1.939%; the 10-year yield rose 2.1bp to 3.092%. The 10-year Treasury yield rose 7bp to 5.24% (FRED, October 1), widening the US–Japan 10-year spread from 210bp to 215bp.

Despite the wider spread, the yen firmed. USD/JPY fell from 158.81 to 157.93, a 0.6% yen gain; the yen also rose 1.7% against the euro. According to Nikkei, Fed Vice Chair Jefferson said on October 1 that the next policy adjustment may take a little more time, which reduced expectations of a near-term Fed hike, while the firmer Tokyo CPI supported expectations of further BOJ tightening. The BOJ's Summary of Opinions from the September meeting, released on October 1, included the view that upside risks to prices warrant more attention than downside risks to activity (BOJ). The yen's move this week appears to reflect shifts in policy expectations in both countries rather than the level of the spread (inference).

Resources, pharmaceuticals and real estate declined; foreign investors were net sellers for a third week

Only five of the TOPIX-17 sector ETFs rose. Steel and nonferrous gained 6.1%, electric and precision 3.4% and machinery 1.4%; energy resources fell 4.2%, pharmaceuticals 3.7%, real estate 3.4%, transport and logistics 3.4%, and autos and transport equipment 2.7%. On October 2 only four of the 33 TSE sectors rose (nonferrous metals, mining, oil and coal products, and shipping), as higher crude oil prices were seen as a burden on earnings and interest rates for the rest (TBL). Among megacaps, MUFG (–4.6%), Toyota (–4.4%), Mitsubishi Corp. (–3.4%) and Mitsui & Co. (–3.3%) were the weakest; these unadjusted price changes include the September 29 ex-dividend drop.

The latest JPX investor-type data cover September 24–25 (two trading days); this week's figures have not yet been published. Foreign investors were net sellers of ¥93.0bn, a third

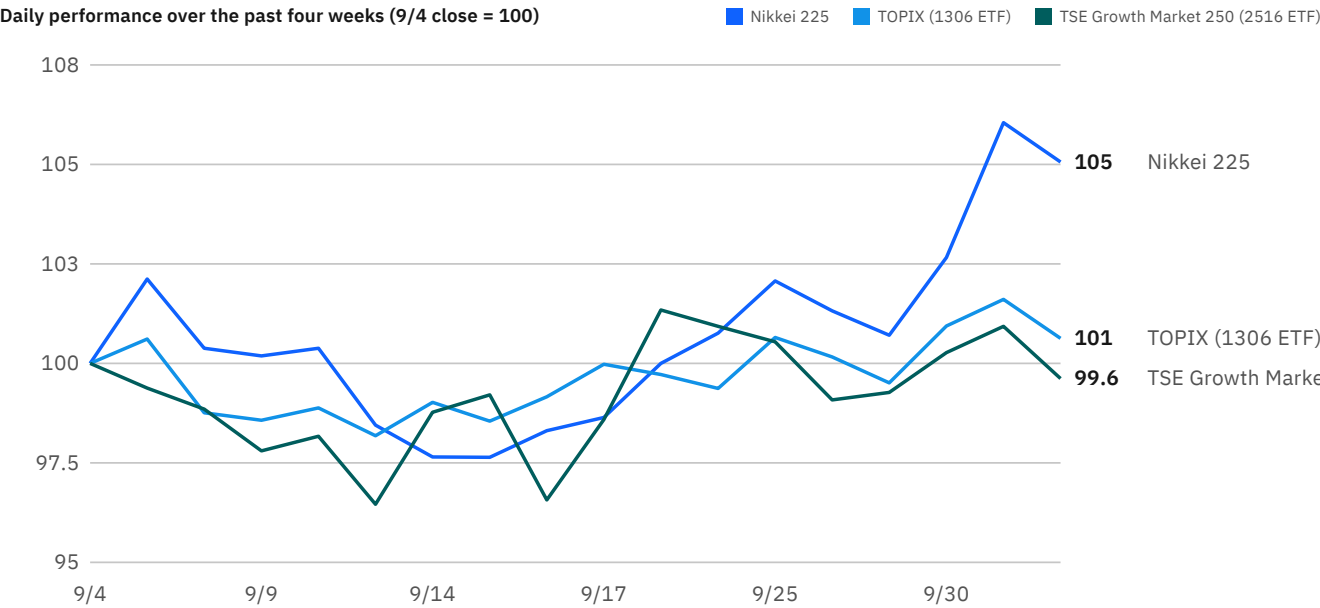
consecutive week of net selling, consistent with Kabutan's report (Kabutan). Trust banks sold a net ¥367.3bn; business companies sold a net ¥134.0bn, their first net sale in the six weeks shown; individuals sold a net ¥8.6bn.

Gains in Japanese equities this week were concentrated in a small number of semiconductor stocks, while the TOPIX index and most sectors declined and market breadth narrowed from the previous week.

02

Market performance

Daily performance over the past four weeks (9/4 close = 100)



Index	Week	1M	YTD	Close
Nikkei 225	+2.9%	+6.2%	+35.7%	68,309.46
TOPIX (1306 ETF)	-0.0%	+1.3%	+20.2%	430.20
JPX-Nikkei 400 (1591 ETF)	-0.2%	+0.5%	+20.3%	37,120.00
TSE Growth Market 250 (2516 ETF)	-0.9%	+1.7%	+19.1%	630.00

Rows marked ETF use an ETF as a proxy for the index (Yahoo Finance does not carry these indices); the close is the ETF price.

Weekly performance of TOPIX-17 sectors

Steel & nonferrous +6.1% YTD +51.0%	Electric & precision +3.4% YTD +38.0%	Machinery +1.4% YTD +16.3%	Raw materials & chemicals +0.7% YTD +18.9%	Construction & materials +0.0% YTD +3.7%	Retail -0.1% YTD -2.3%
IT & services -0.7% YTD +15.3%	Foods -1.0% YTD +14.5%	Banks -1.4% YTD +46.9%	Financials ex banks -2.0% YTD +23.2%	Trading cos. & wholesale -2.1% YTD +18.2%	Electric power & gas -2.2% YTD +6.3%
Autos & transport equipment -2.7% YTD -7.3%	Transport & logistics -3.4% YTD +1.7%	Real estate -3.4% YTD -11.0%	Pharmaceuticals -3.7% YTD -0.3%	Energy resources -4.2% YTD +19.8%	

NEXT FUNDS TOPIX-17 sector ETFs (1617-1633); thinly traded ETFs can deviate slightly from their indices.

Megacaps	Week	1M	YTD	Close
Advantest (6857)	+13.6%	+18.7%	+96.7%	¥38,630
Tokyo Electron (8035)	+7.0%	+13.9%	+76.3%	¥12,100
Fast Retailing (9983)	+4.6%	+1.9%	+26.0%	¥71,770
SoftBank Group (9984)	+2.6%	+28.1%	+43.4%	¥6,310
Recruit (6098)	+2.1%	+2.0%	+88.6%	¥16,685
Sony Group (6758)	+1.2%	-4.3%	-6.7%	¥3,753
Keyence (6861)	+0.8%	+2.9%	+41.6%	¥80,270
Hitachi (6501)	-0.3%	+3.5%	+12.6%	¥5,522
Nintendo (7974)	-3.1%	-11.0%	-25.9%	¥7,849
Mitsui & Co. (8031)	-3.3%	-4.2%	+5.6%	¥4,902
Mitsubishi Corp. (8058)	-3.4%	-3.4%	+30.9%	¥4,694
Toyota (7203)	-4.4%	-8.8%	-14.9%	¥2,856
MUFG (8306)	-4.6%	-3.8%	+42.2%	¥3,544

Price change, excluding dividends.

Among TOPIX-17 sectors, steel and nonferrous (+6.1%), electric and precision (+3.4%) and machinery (+1.4%) led, with raw materials and chemicals (+0.7%) and construction and materials (+0.0%) slightly higher. Energy resources (-4.2%), pharmaceuticals (-3.7%), real estate (-3.4%), transport and logistics (-3.4%) and autos and transport equipment (-2.7%) were the weakest; banks fell 1.4%.

Of the 13 megacaps, seven rose and six fell. Advantest and Tokyo Electron are up 96.7% and 76.3% year to date; Nintendo is down 25.9% and Toyota 14.9%. The Nikkei 225 is up 35.7% year to date against 20.2% for the TOPIX 1306 ETF.

TOPIX measure: the 1306 ETF in the table was flat this week (-0.02%), while the TOPIX index fell 0.91%. The gap arose mainly on the September 29 ex-dividend date, when the TOPIX index fell 1.72% and the 1306 ETF 0.65%. The ETF's net asset value includes dividends receivable and does not fall with its constituents on the ex-date (inference), so this week the TOPIX, JPX-Nikkei 400, Growth 250 and sector ETFs all show higher returns than the corresponding price indices. TOPIX levels and changes in the text use the JPX index close; tables and charts use ETF prices.

03

Rates and FX

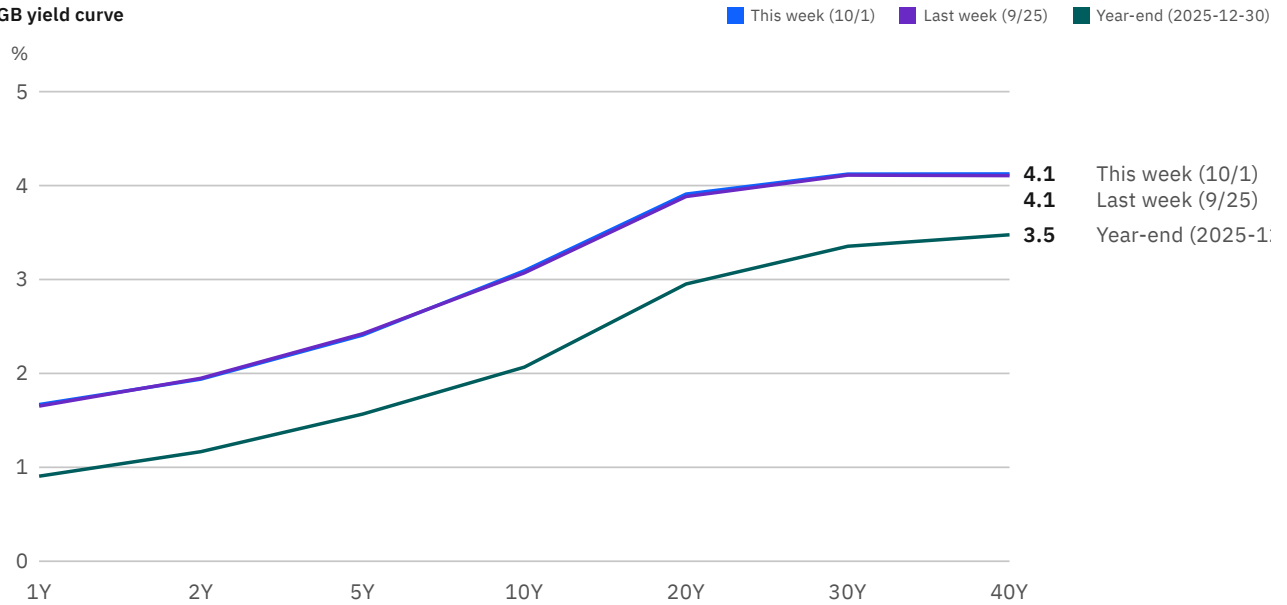
Central bank	Policy rate	Latest decision	Next meeting
Bank of Japan	1.25%	Sep 18: +25bp (7-2), effective Sep 24	Oct 29-30
Federal Reserve	3.75%-4.00%	Sep 16: +25bp (12-0)	Oct 27-28

Compiled from the BOJ and Fed statements and verified at publication.

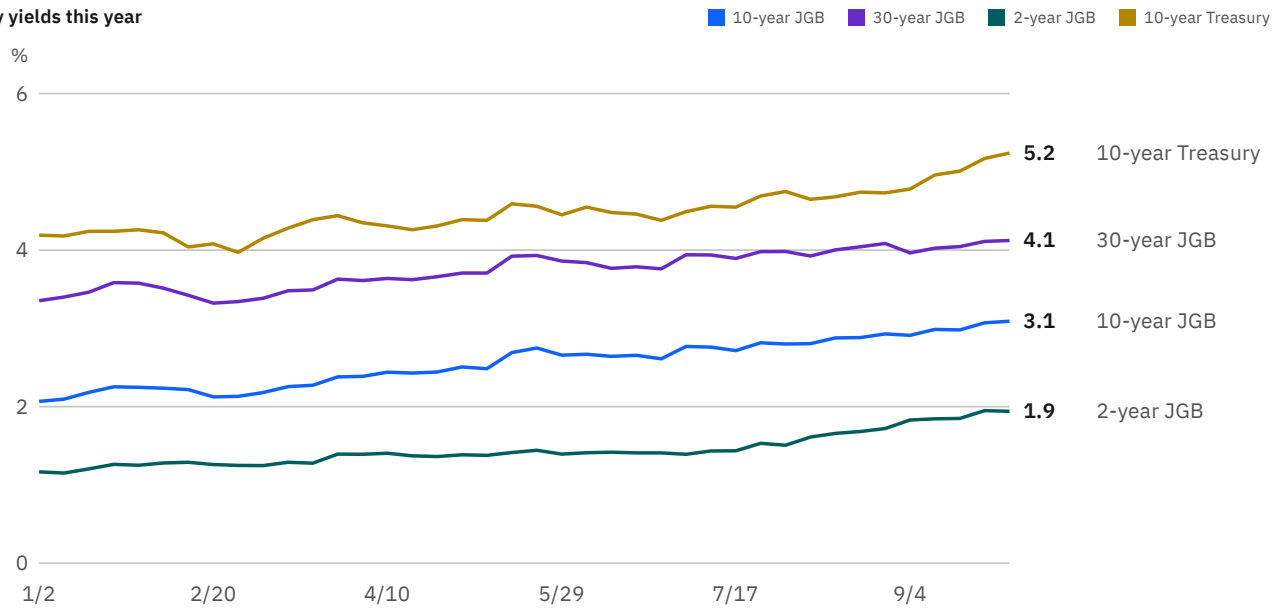
Yield	Week close	Week	YTD
2-year JGB	1.939%	-1bp	+77bp
5-year JGB	2.407%	-2bp	+84bp
10-year JGB	3.092%	+2bp	+103bp
30-year JGB	4.122%	+1bp	+77bp
10-year Treasury	5.24%	+7bp	-

Yield	Week close	Week	YTD
JGB Ministry of Finance daily constant-maturity yields, 2026-09-25 to 2026-10-01; the YTD based on 2025-12-30 Treasuries; FRED.	215bp	+5bp	–
US-Japan 10-year spread			

The JGB yield curve



Friday yields this year



FX	Week close	Quote, week	Yen, week	Yen, YTD
USD/JPY	157.93	-0.6%	+0.6%	-1.0%
EUR/JPY	177.62	-1.7%	+1.7%	+3.4%
CNY/JPY	23.55	-0.5%	+0.5%	-5.1%

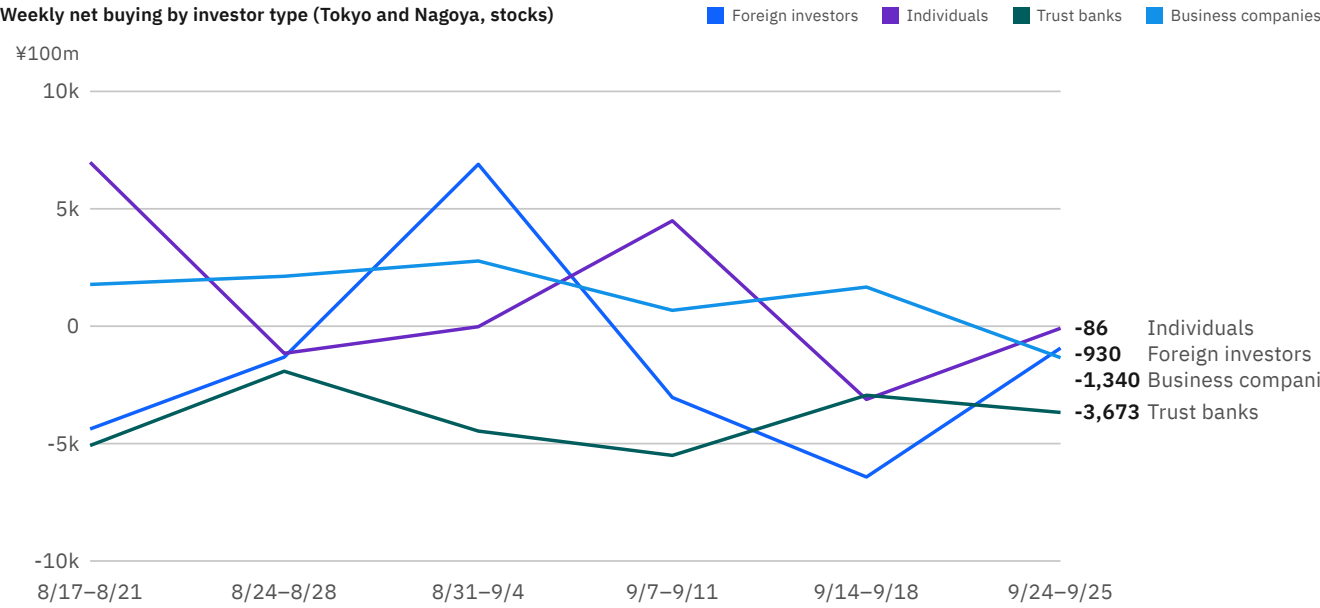
A rising quote means a weaker yen; the yen columns show the yen against that currency, positive meaning a stronger yen. Yahoo Finance daily closes.

The JGB curve steepened slightly. The 2-year and 5-year yields fell 0.9bp and 1.6bp, the 10-year and 20-year rose 2.1bp and 2.7bp, and the 30-year rose 1.0bp. The 2-year yield peaked at 1.981% on September 28 before easing; the 10-year closed at 3.092%, 103bp above the end of last year. The Ministry of Finance has not yet published October 2 data, so the table runs to October 1.

The US–Japan 10-year spread widened from 210bp to 215bp, yet the yen rose slightly against the dollar, the euro and the renminbi. The Nikkei Volatility Index rose from 20.30 to 22.58, after reaching 27.74 on September 29. The BOJ next meets on October 29–30 and the Fed on October 27–28; US CPI and Japanese price data released before then are likely to shape rate expectations in both countries and the yen (inference).

04

Investor flows



The latest week is 9/24–9/25; JPX has not published this week yet. In ¥100m; positive means net buying.

Week	Foreign investors	Individuals	Trust banks	Business companies
8/17–8/21	–¥437.8bn	+¥697.8bn	–¥508.3bn	+¥177.8bn
8/24–8/28	–¥131.9bn	–¥115.6bn	–¥191.6bn	+¥212.5bn
8/31–9/4	+¥689.3bn	–¥1.9bn	–¥446.9bn	+¥278.0bn
9/7–9/11	–¥303.7bn	+¥449.1bn	–¥550.7bn	+¥67.4bn
9/14–9/18	–¥642.5bn	–¥311.7bn	–¥294.3bn	+¥166.3bn
9/24–9/25	–¥93.0bn	–¥8.6bn	–¥367.3bn	–¥134.0bn

Source: JPX weekly trading by investor type, Tokyo and Nagoya combined, purchases minus sales. Foreign investors include institutions and individuals; individuals include cash and margin trading.

JPX usually publishes data for this week (September 28–October 2) on the fourth business day of the following week (October 8), so the latest week here is September 24–25 (two trading days). Over the six weeks shown, foreign investors were net sellers in five, for cumulative net selling of ¥919.6bn. Trust banks were net sellers in all six weeks, totalling ¥2.36trn, which may reflect pension rebalancing after equity gains (inference). Individuals were cumulative net buyers of ¥709.1bn. Business companies were cumulative net buyers of ¥767.9bn but turned net sellers of ¥134.0bn in the week of September 24–25, possibly reflecting position adjustments ahead of the interim ex-dividend date (inference).

Covered stocks

Company	Our rating	Week	vs Nikkei	YTD
Mitsui & Co. (8031)	Neutral	-3.3%	-6.3%	+5.6%

Mitsui & Co. fell 3.3% this week, 6.3 points behind the Nikkei 225; Mitsubishi Corp. fell 3.4% and the trading companies and wholesale sector ETF 2.1%. September 29 was the interim ex-dividend date, and Mitsui fell 3.8% that day; the weekly change uses unadjusted prices and includes the ex-dividend effect. Year to date Mitsui is up 5.6% and Mitsubishi Corp. 30.9%. Our rating on Mitsui is **Neutral**; see the report.

Week ahead

Date	Event	Significance
Oct 5	US September ISM services PMI (23:00)	August was 55.4, with prices paid at 72.6. Services p
Oct 6	BOJ Governor Ueda addresses the national securities convention (15:35)	Focus on any signal for the October 29–30 meeting.
Oct 8	Minutes of the Fed's September meeting (3:00)	The Fed raised rates 12–0 to 3.75%–4.00% in Septe
Oct 8	BOJ Regional Economic Report (Sakura Report, 14:00); Fast Retailing fiscal 2026 results	The Sakura Report shows how regional businesses a
Oct 9	Japan August household spending (8:30); Yaskawa Electric first-half results	Household spending fell 3.6% year on year in July. Y
Oct 14	US September CPI (21:30)	Due the week after next (Japanese markets close on

Times are Japan time.

Methodology and sources

Weekly change = last close of this week ÷ last close of the previous week – 1 (2026-09-28 to 2026-10-02), on closes not adjusted for dividends (price change only).

Prices and FX from Yahoo Finance (delayed). Indices Yahoo does not carry are replaced by ETFs: TOPIX → NEXT FUNDS TOPIX 連動型上場投信 (1306) ; JPX-Nikkei 400 → NEXT FUNDS JPX日経インデックス400連動型 (1591) ; TSE Growth Market 250 → 東証グロース市場250指数連動型 ETF (2516) . Sectors are the NEXT FUNDS TOPIX-17 sector ETFs.

JGB yields from the Ministry of Finance's daily constant-maturity table; the 10-year Treasury from FRED.

Trading by investor type from JPX's weekly release (Tokyo and Nagoya combined), usually published on the fourth business day of the following week.

BOJ and Fed policy rates and meeting dates from the two central banks' statements.

Data notes: TOPIX index levels (Sep 25 4,128.59; Sep 28 4,112.00; Sep 29 4,041.13; Oct 1 4,131.98; Oct 2 4,091.00) are from the news reports below. JGB yields run to October 1 (the Ministry of Finance has not yet published October 2), as does the 10-year Treasury (FRED).

Sources cited this week:

Nikkei: Nikkei closes 647 points lower as higher yields weigh (2026-10-02)

Zaikei: October 2 market close; Zaikei: Nikkei VI (2026-10-02)

TBL: Nikkei market summary, October 2

Zaikei: October 1 close, Nikkei up 2,203 points; OANDA: Nikkei summary, October 1

Micron Technology: fiscal Q4 2026 results (2026-09-30)

Nikkei: September 29 close, ex-dividend and US declines weigh; Zaikei: September 29 close

Nikkei: September 28 close, first decline in six sessions; Nikkei: September 25 close

Bank of Japan: Tankan summary, September 2026; OANDA: September Tankan results versus consensus

Bank of Japan: Summary of Opinions, September meeting (2026-10-01)

Nikkei: Tokyo September CPI rises 2.7%

Nikkei: FX at 17:00, yen rebounds to upper ¥157 range (2026-10-02)

Kabutan: trading by investor type, fourth week of September (2026-10-01); JPX: trading by investor type

Ministry of Finance: JGB interest rates; FRED: 10-year Treasury yield

Bank of Japan: change in the guideline for market operations (2026-09-18); Federal Reserve FOMC statement (2026-09-16)

Bank of Japan: release schedule; Bank of Japan: MPM schedule; Federal Reserve: meeting calendar; BLS: CPI release schedule

Fast Retailing IR calendar; Yaskawa Electric IR calendar

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Data as of 2026-10-02 · 雅虎财经（行情、汇率）；财务省（日本国债收益率）；JPX（投资者类别买卖）；FRED（美债收益率）；日银、美联储公告

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