Japan Weekly · Week 42, 2026 (Oct 12–Oct 16) · 4 trading days

Nikkei 225 fell 5.37% to 65,324; TOPIX closed at 4,066.00 (week -0.95%, 1306 ETF proxy) **Losses were concentrated in Advantest, Tokyo Electron and SoftBank Group, and the NT ratio fell from 16.82 to 16.07**

Tokyo had four trading sessions this week, with the market closed on October 12 for Sports Day. The Nikkei 225 fell 3,706.63 points (5.37%) to 65,324.29. TOPIX closed at 4,066.00 (week -0.95%, 1306 ETF proxy), and the NT ratio fell from 16.82 to 16.07. Advantest fell 17.02%, SoftBank Group 14.80% and Tokyo Electron 14.58%; together they accounted for about 85% of the Nikkei's weekly decline (estimate). On October 15, a higher-than-expected US September CPI and concern over AI financing led to selling in semiconductor shares, and the Nikkei fell 3,318.34 points, the third-largest point decline on record. The yen was little changed against the dollar at 158.14.

Nikkei 225	TOPIX	TSE Growth Market 250	10-year JGB	USD/JPY
-5.4%	-0.9%	-3.5%	2.958%	158.14
closed at 65,324.29	via 1306 ETF	via 2516 ETF	-7bp	+0.1% on the week (weaker yen)

Nikkei Volatility Index
32.17
+2.03 on the week

01

Key themes this week

The Nikkei 225 underperformed TOPIX by about 4.4 points, with the gap coming from Advantest, Tokyo Electron and SoftBank Group

The Nikkei 225 fell 5.37% from 69,030.92 to 65,324.29. TOPIX fell from 4,104.81 to 4,066.00 (NT ratio table; week -0.95%, 1306 ETF proxy). The gap was about 4.4 percentage points, and the NT ratio fell from 16.82 to 16.07. Most of the gap arose on two days: on October 13 the Nikkei fell 1.82% while TOPIX rose 0.14%, and on October 15 the Nikkei fell 4.90% while TOPIX fell 2.38%.

The gap came from high-priced semiconductor and AI-related shares. On October 13, Tokyo Electron, SoftBank Group and Advantest subtracted about 450, 399 and 261 points from the Nikkei (Fisco). On October 15, Advantest, Tokyo Electron and SoftBank Group subtracted about 1,303, 442 and 404 points (Fisco). Applying the per-share coefficients implied by these figures to the weekly price changes gives about -1,527 points for Advantest, -918 for Tokyo Electron and -695 for SoftBank Group, or about -3,140 points in total, 85% of the 3,707-point decline (estimate). Excluding the three, the Nikkei fell about 0.8%, close to TOPIX. Fast Retailing rose 5.29% and added about 307 points (estimate), a partial offset.

A higher-than-expected US CPI and concern over AI financing led to selling in semiconductors; the Nikkei fell 3,318 points on October 15

On October 13, the Nasdaq weakened after a well-known short seller downgraded the technology sector, and Middle East developments lifted crude prices. The Nikkei fell 1,253.40 points on Prime market turnover of ¥7.96 trillion (Fisco), and Kioxia fell 13.28%. On October 14, domestic semiconductor shares turned lower after ASML reported July to September results, and the Nikkei fell 33.23 points (Fisco).

US September CPI, released on October 14, rose 3.7% year over year against expectations of 3.6%; core CPI rose 2.6% against 2.5%. CME FedWatch odds of an October hike rose from 22.1% to 41.5% (Yahoo Finance). CoreWeave fell 15.46% and Oracle 8.83% that day amid concern over debt-funded AI investment by some technology companies (AP via ABC). The Philadelphia Semiconductor Index fell 4.30%.

On October 15, the Nikkei fell 3,318.34 points (4.90%) to 64,425.95, a sixth consecutive decline and the third-largest point decline on record (Kyodo), on Prime market turnover of ¥10.14 trillion (Fisco). Advantest fell 14.96%. The KOSPI fell 7.57% that day, with Samsung Electronics and SK hynix each down more than 10% intraday (Korea Herald), and fell 14.46% for the week. ASML guided fourth-quarter sales of €14.2 billion to €15.2 billion (ASML), and on October 15 TSMC guided fourth-quarter revenue of $52.3 billion to $54.3 billion (TSMC). This guidance did not prevent the decline; the selling mainly reflected concern over interest rates and the funding of AI investment rather than current results (inference).

On October 16, the Nikkei rose 898.34 points (1.39%). Thirty-two of 33 sectors advanced and Prime market turnover fell to ¥7.67 trillion; gains narrowed after an intraday high of 65,712.30 (Wealth Advisor). The rebound equaled about 27% of the prior day's decline.

Pharmaceuticals, autos and domestic-demand shares rose while steel and nonferrous and electrical and precision fell; sector dispersion limited the decline in TOPIX

Ten of the 17 TOPIX-17 sector ETFs rose and seven fell. Pharmaceuticals rose 6.28%, autos and transport equipment 4.65%, real estate 4.42%, retail 3.69% and trading companies and wholesale 3.58%, while steel and nonferrous fell 9.19%, electrical and precision 6.10% and machinery 2.62%. The decline in nonferrous metals was linked to AI-related cable makers: Fujikura fell 16.81% and Furukawa Electric 10.15%. Kioxia fell 23.59% and Disco 12.38% for the week.

Pharmaceuticals, real estate and retail attracted buying on October 15 (Fisco). Takeda rose 4.99% that day and 6.50% for the week. Toyota rose 6.30%, Nintendo 4.09% and

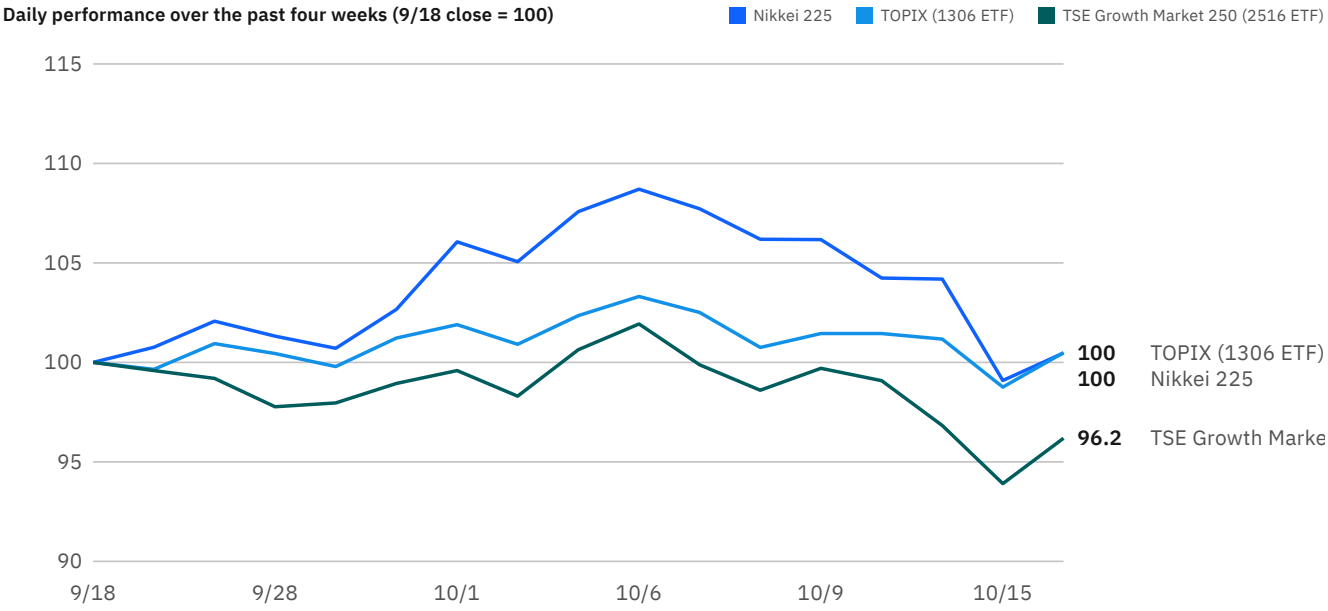
Sony Group 3.80%; no clear company-level news was identified, and rotation out of AI-related shares may have been the main factor (inference). Lower long-term JGB yields may have supported real estate (inference). The TSE Growth 250 (2516 ETF proxy) fell 3.52%.

> The Nikkei's 5.37% decline this week came mainly from three heavily weighted shares, while TOPIX fell less than 1%; the selling was concentrated in AI and semiconductor shares rather than across the market.

02

Market performance

Daily performance over the past four weeks (9/18 close = 100)



With only 4 trading days this week (10/13, 10/14, 10/15, 10/16), the window is extended to four weeks.

Index	Week	1M	YTD	Close
Nikkei 225	-5.4%	+2.2%	+29.8%	65,324.29
TOPIX (1306 ETF)	-0.9%	+1.1%	+19.7%	428.40
JPX-Nikkei 400 (1591 ETF)	-1.1%	+0.3%	+19.0%	36,710.00
TSE Growth Market 250 (2516 ETF)	-3.5%	+0.9%	+16.6%	616.50

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

Pharmaceuticals +6.3% YTD +6.2%	Autos & transport equipment +4.6% YTD -1.4%	Real estate +4.4% YTD -7.7%	Retail +3.7% YTD +2.1%	Trading cos. & wholesale +3.6% YTD +21.4%	Financials ex banks +2.9% YTD +27.5%
Energy resources +1.7% YTD +20.0%	Foods +1.7% YTD +20.2%	Transport & logistics +1.3% YTD +4.4%	IT & services +0.7% YTD +17.9%	Electric power & gas -0.2% YTD +4.5%	Raw materials & chemicals -1.3% YTD +20.7%
Banks -1.3% YTD +40.5%	Construction & materials -2.0% YTD +0.6%	Machinery -2.6% YTD +12.0%	Electric & precision -6.1% YTD +31.6%	Steel & nonferrous -9.2% YTD +33.0%	

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

Megacaps	Week	1M	YTD	Close
Toyota (7203)	+6.3%	+2.6%	-7.8%	¥3,094
Fast Retailing (9983)	+5.3%	+12.8%	+32.7%	¥75,580
Mitsui & Co. (8031)	+4.7%	-3.4%	+7.7%	¥5,000
Nintendo (7974)	+4.1%	+4.3%	-20.0%	¥8,479
Sony Group (6758)	+3.8%	+6.5%	-1.6%	¥3,959
Recruit (6098)	+3.7%	+7.4%	+108.2%	¥18,420
Mitsubishi Corp. (8058)	+2.8%	-4.4%	+31.8%	¥4,726
Hitachi (6501)	+1.8%	+7.4%	+17.7%	¥5,770
MUFG (8306)	+0.4%	-4.9%	+39.4%	¥3,475
Keyence (6861)	+0.3%	+6.4%	+42.5%	¥80,760
Tokyo Electron (8035)	-14.6%	+2.8%	+54.9%	¥10,630
SoftBank Group (9984)	-14.8%	-20.0%	+12.4%	¥4,944
Advantest (6857)	-17.0%	+12.5%	+75.9%	¥34,530

Price change, excluding dividends.

Indices: The Nikkei 225 fell 5.37%. TOPIX closed at 4,066.00 (week -0.95%, 1306 ETF proxy), the JPX-Nikkei 400 (1591 ETF proxy) fell 1.10%, and the TSE Growth 250 (2516 ETF proxy) fell 3.52%. The Nikkei Volatility Index closed Friday at 32.17, up 2.03 points on the week, after reaching 36.13 on Thursday.

Large caps: Toyota (+6.30%), Fast Retailing (+5.29%) and Mitsui & Co. (+4.71%) rose, while Advantest (-17.02%), SoftBank Group (-14.80%) and Tokyo Electron (-14.58%) fell. Of the other ten, only three gained less than 2%: Hitachi (+1.78%), MUFG (+0.38%) and Keyence (+0.27%).

03

Rates and FX

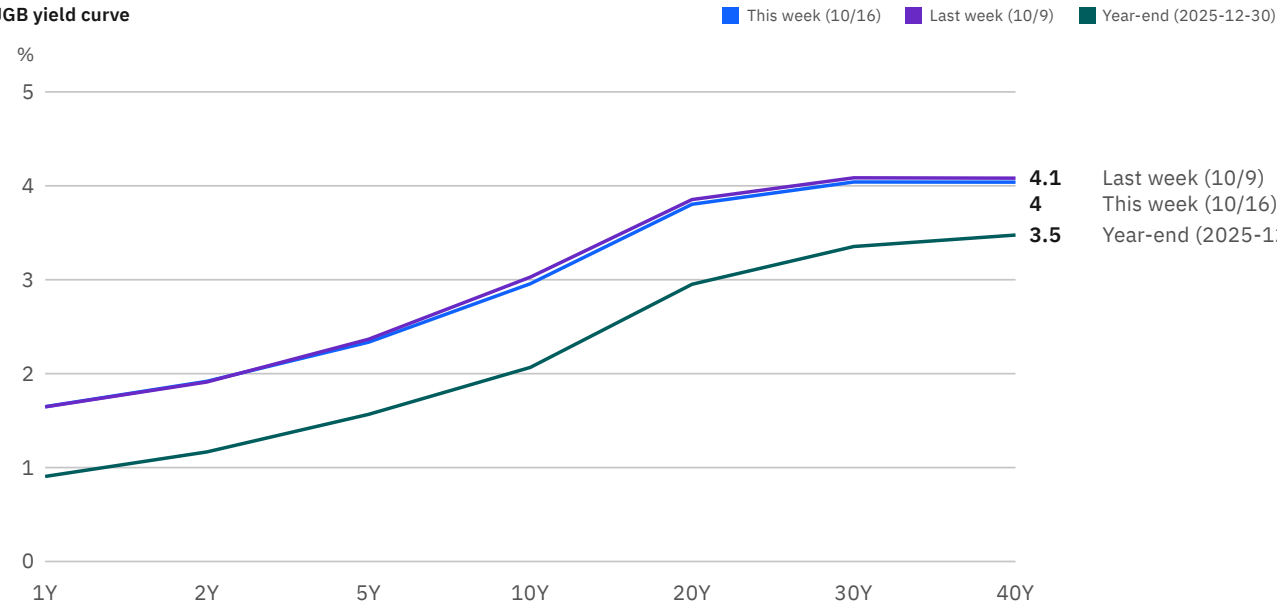
Central bank	Policy rate	Latest decision	Next meeting
Bank of Japan	Around 1.25%	Sep 18: raised by 25 bp (7-2; Board Members Asada and Sato favored a hold)	Oct 29-30
Federal Reserve	3.75% to 4.00%	Sep 16: raised by 25 bp (12-0)	Oct 27-28

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

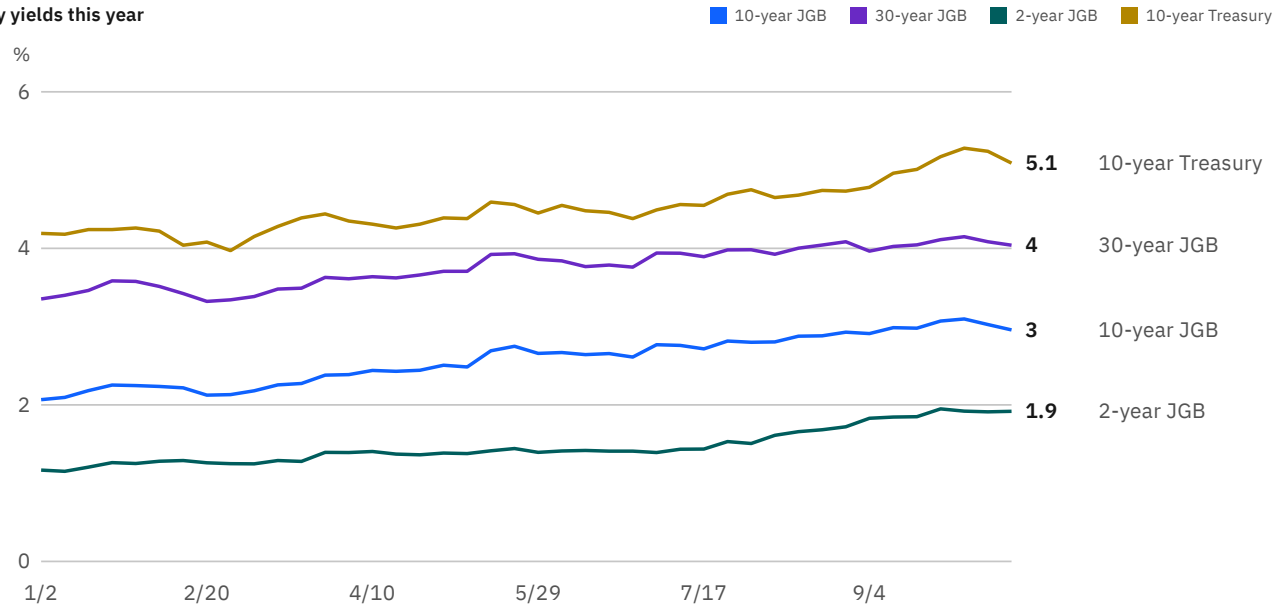
Yield	Week close	Week	YTD
2-year JGB	1.918%	+1bp	+75bp
5-year JGB	2.335%	-3bp	+77bp
10-year JGB	2.958%	-7bp	+89bp
30-year JGB	4.040%	-4bp	+69bp
10-year Treasury	5.09%	-15bp	–
US–Japan 10-year spread	213bp	-8bp	–

JGBs: Ministry of Finance daily constant-maturity yields, 2026-10-09 to 2026-10-16; the YTD base is 2025-12-30. Treasuries: FRED.

The JGB yield curve



Friday yields this year



FX	Week close	Quote, week	Yen, week	Yen, YTD
USD/JPY	158.14	+0.1%	-0.1%	-1.1%
EUR/JPY	177.32	+0.1%	-0.1%	+3.6%
CNY/JPY	23.63	+0.2%	-0.2%	-5.4%

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.

JGBs: As of October 16, the 2-year yield was 1.918% (+0.7 bp), the 5-year 2.335% (-3.1 bp), the 10-year 2.958% (-6.9 bp) and the 30-year 4.040% (-4.5 bp). The 10-year minus 2-year spread narrowed from 112 to 104 basis points, a flattening of the curve. The 10-year yield ended Friday below 3%, the first Friday close below that level since September 18, and is up 89 basis points year to date.

US-Japan spread: The 10-year Treasury yield fell from 5.24% to 5.09% (FRED, as of October 16), including 9 basis points on October 15. The real yield fell 17 basis points and breakeven inflation rose 2 basis points. Yields declined over the week despite the CPI upside, reflecting safe-haven demand during the equity selloff (inference). The US-Japan 10-year spread narrowed from about 221 to about 213 basis points. The yen was little changed against the dollar (-0.05%, 158.14), flat against the euro and down 0.21%

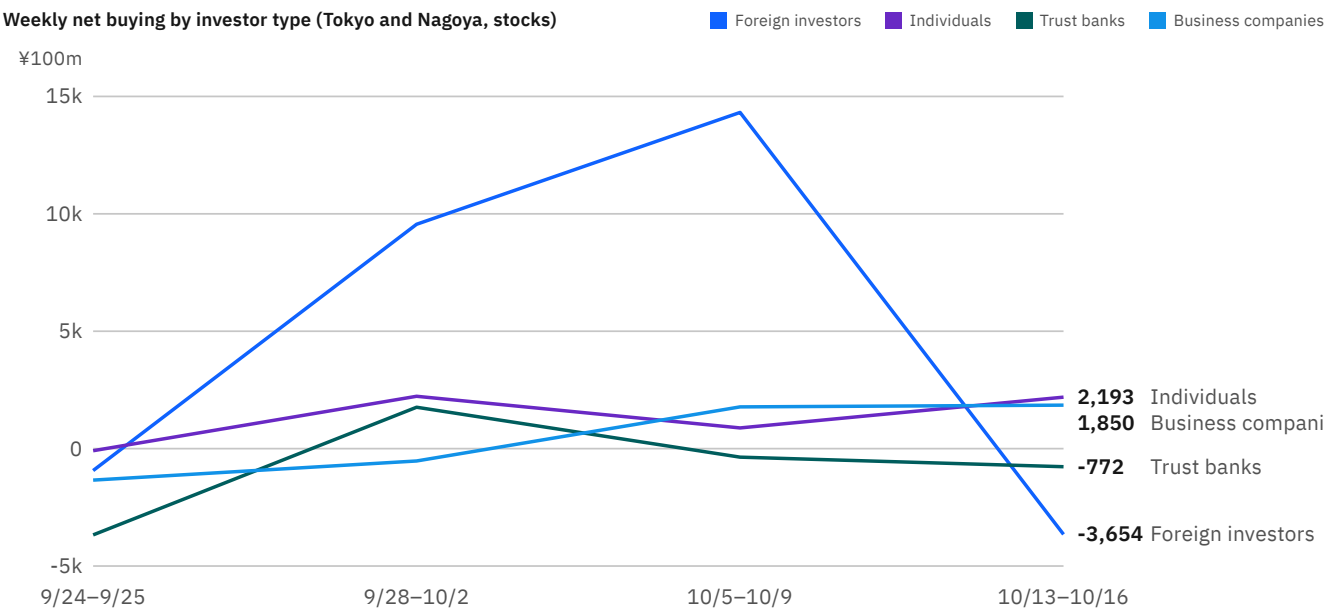
against the renminbi. Elevated crude prices, with Brent near $110, may be one reason the yen did not appreciate as the spread narrowed (inference).

Central banks: The BOJ raised its rate to around 1.25% on a 7-2 vote on September 18, and the Fed raised its range to 3.75% to 4.00% on a 12-0 vote on September 16. Governor Ueda said on October 6 that the BOJ would continue raising rates but did not signal October action (Bloomberg). Fed Chair Warsh said on October 16 that he does not prejudge policy decisions (Wealth Advisor).

04

Investor flows

Weekly net buying by investor type (Tokyo and Nagoya, stocks)



The latest week is 10/13–10/16. In ¥100m; positive means net buying.

Week	Foreign investors	Individuals	Trust banks	Business companies
9/24–9/25	−¥93.0bn	−¥8.6bn	−¥367.3bn	−¥134.0bn
9/28–10/2	+¥955.9bn	+¥222.9bn	+¥176.4bn	−¥52.8bn
10/5–10/9	+¥1,431.8bn	+¥88.1bn	−¥36.0bn	+¥178.0bn
10/13–10/16	−¥365.4bn	+¥219.3bn	−¥77.2bn	+¥185.0bn

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.

Because this issue is a backfill, the JPX data cover the report week (October 13 to 16, published by JPX on October 22). Foreign investors were net sellers of ¥365.4 billion in cash equities, after net buying of ¥1,431.8 billion the prior week, and net sellers of ¥654.5 billion in futures, for combined net selling of about ¥1.02 trillion (Kabutan via Matsui Securities). Individuals were net buyers of ¥219.3 billion, including ¥195.8 billion on margin. Business corporations were net buyers of ¥185.0 billion, which Kabutan attributes mainly to share buybacks. Investment trusts were net buyers of ¥137.9 billion, and trust banks were net sellers of ¥77.2 billion. Individuals and business corporations were the main buyers during foreign selling.

05

Covered stocks

Company	Our rating	Week	vs Nikkei	YTD
Mitsui & Co. (8031)	Neutral	+4.7%	+10.1%	+7.7%

Mitsui & Co., rated neutral, rose 4.71%, outperforming the Nikkei 225 by about 10.1 points; the trading companies and wholesale ETF rose 3.58%. The company reports on November 4 (Yahoo Finance schedule).

06

Week ahead

Date	Event	Significance
Oct 22	Disco earnings (October 22); Fanuc earnings (October 23)	Disco fell 12.38% this week. Both rep
Oct 23	September national CPI	National core CPI rose 1.7% year over
Oct 28	Advantest and Hitachi earnings	Advantest fell 17.02% this week and v
Oct 29	FOMC decision (early morning Japan time; meeting on October 27-28)	The current range is 3.75% to 4.00%.
Oct 29	US third-quarter GDP advance estimate and September PCE; US large-cap technology earnings season	PCE rose 3.4% year over year in Augus
Oct 30	BOJ decision and Outlook Report; October Tokyo CPI; Tokyo Electron and Kioxia earnings	The BOJ raised its rate to 1.25% in Se

Times are Japan time.

07

Methodology and sources

Weekly change = last close of this week ÷ last close of the previous week − 1 (2026-10-12 to 2026-10-16), on closes not adjusted for dividends (price change only). Markets were closed on 10/12, leaving 4 trading days.

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.

NT ratio and TOPIX close table; Fisco: October 13 contributions; Fisco: October 13 market summary; Fisco: October 14 contributions; Fisco: October 15 contributions; Fisco: October 15 market summary; Fisco: October 16 contributions; Kyodo: October 15; Kyodo: October 16; Wealth Advisor: October 16 close; Yahoo Finance: FedWatch and CPI (October 15); AP via ABC: October 14 US stocks; CNBC: October 15 US stocks; Korea Herald: KOSPI (October 15); ASML: third-quarter results (October 14); TSMC: third-quarter results (October 15); Bank of Japan: September decision; Bank of Japan: meeting schedule; Federal Reserve: September decision; Federal Reserve: meeting calendar; Bloomberg: Governor Ueda, October 6; Daiichi Life Research Institute: September meeting review (September 18); Daiwa Institute of Research: August national CPI (September 18); Statistics Bureau: CPI schedule; Matsui Securities: October 19 to 23 earnings schedule; Matsui Securities: October 26 to 30 earnings schedule; Kabutan via Matsui Securities: investor flows (data published October 22). TOPIX closes are from the NT ratio table and Wealth Advisor; the weekly change uses the 1306 ETF proxy (actual closes also

give -0.95%). Weekly contributions are estimated from Fisco's daily contributions for October 13 to 16 and price changes, and are not official figures. Single-stock moves, the Philadelphia Semiconductor Index and US share moves were checked against Yahoo Finance. Some earnings schedule sources were published after the report week and are used only to confirm dates. This issue was published as a backfill on November 2, 2026; the text uses only information public before the close on the report week's Friday, and investor flows use JPX data available at the time of the backfill.

This report is a research publication based on public market data and is intended for a general audience. It does not take into account any individual's financial circumstances and does not constitute investment advice. Data are delayed; original sources prevail.

Data as of 2026-10-16 · 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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Financial data are taken from original SEC EDGAR filings. Market data are delayed, and the sources are stated in each report.

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