Japan Weekly · Week 43, 2026 (Oct 19–Oct 23)

Nikkei 225 fell 4.03% to 62,693; TOPIX closed at 3,965.81 **Semiconductor and AI shares led declines, banks fell 6.5%, JGB yields declined and real estate rose 4.2%**

Over five trading sessions the Nikkei 225 fell 2,631.13 points (4.03%) to 62,693.16. TOPIX closed Friday at 3,965.81, with a weekly decline of 2.82% on the 1306 ETF proxy. The decline was concentrated in semiconductor and AI-related shares, and the Nikkei lost 1,713.40 points on October 22 alone. The Nikkei newspaper reported on October 22 that the Bank of Japan would hold rates in October. The 10-year JGB yield fell 12.1 basis points to 2.837%, banks fell 6.47% and real estate rose 4.19%. The yen appreciated 1.05% against the dollar.

Nikkei 225	TOPIX	TSE Growth Market 250	10-year JGB	USD/JPY
-4.0%	-2.8%	-2.9%	2.837%	156.49
closed at 62,693.16	via 1306 ETF	via 2516 ETF	-12bp	-1.0% on the week (stronger yen)

Nikkei Volatility Index
38.25
+6.08 on the week

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Key themes this week

Semiconductor and AI shares led declines; the Nikkei 225 lagged TOPIX by about 1.2 points

The Nikkei fell a combined 1,248.87 points on Monday and Tuesday, rose 545.82 points on Wednesday, fell 1,713.40 points (2.65%) on Thursday to close at the session low, and lost a further 214.68 points on Friday. It ended 11.3% below the October 6 close of 70,683.98. On Thursday, Advantest, Tokyo Electron, SoftBank Group, Ibiden and Kioxia together subtracted about 1,248 points. On the Prime market 684 issues rose and 821 fell that day, and TOPIX lost only 1.14%; the after-hours decline in Lam Research and

weakness in Korean shares were cited as pressures (Minkabu). That night the Nasdaq Composite fell 2.60% and the Philadelphia Semiconductor index fell 6.72%. The Nikkei's intraday loss on Friday exceeded 1,400 points before narrowing in the afternoon, on Prime market turnover of about ¥8.94 trillion (Minkabu).
For the week SoftBank Group fell 13.51%, Tokyo Electron 11.03% and Advantest 6.34%. SoftBank Group is down 32.3% over one month. Doubts about AI demand and financing have persisted since the sharp decline in CoreWeave bond prices the previous week (Kyodo, October 15), and this week's selling can be read as a continuation of that concern (inference). The steel and nonferrous ETF fell 7.88%, with Furukawa Electric down 14.0%, Sumitomo Electric 13.6% and Fujikura 10.3%; these cable makers' exposure to AI data center demand is a likely reason for the size of the decline (inference). The Nikkei's decline exceeded that of the 1306 ETF proxy for TOPIX by about 1.2 points, and about 1.6 points on index closes, and the NT ratio fell from about 16.07 to about 15.81.

Reports of a BOJ hold in October and lower JGB yields moved banks and real estate in opposite directions

The Nikkei newspaper reported on October 22 that the BOJ would keep its policy rate at around 1.25% at the October 29-30 meeting and state in the Outlook Report that underlying inflation has effectively reached 2% (Dai-ichi Life Research Institute, October 23). Sumitomo Mitsui DS Asset Management also had a hold as its base case and thought Board Member Takata was likely to propose a hike; it said markets priced about three hikes by September 2027 (SMDAM, October 22). National core CPI for September, released on October 23, rose 2.1% year over year, up from 1.7% in August, and core-core CPI rose 2.4% (Daiwa Institute of Research), broadly in line with expectations (Monex).

The 10-year JGB yield fell 12.1 basis points to 2.837% for the week, including 7.7 basis points on October 23, and is 26 basis points below the 3.097% of October 2. The bank ETF fell 6.47%, with declines of 4.33% on October 20 and 2.60% on October 23; MUFG fell 5.18%, Mizuho 7.0% and Resona 8.5%. FISCO said the report of an October hold and lower long-term rates in Japan and the US weighed on banks (Money Post, October 23). The market fell broadly on October 20, with 1,181 Prime issues declining (Stockweather); the immediate cause of the banks' decline that day could not be confirmed from a reliable source. The real estate ETF rose 4.19%, with Mitsui Fudosan up 5.4% and Mitsubishi Estate up 5.7%; lower yields are a possible reason (inference).

Domestic and defensive sectors rose, and foreign investors moved from net selling to modest net buying

Among TOPIX-17 sector ETFs, 7 rose and 10 fell. Energy resources rose 2.67%, pharmaceuticals 2.10%, electric power and gas 1.81%, retail 0.87% and foods 0.79%. Crude reached a one-month high on Monday, and INPEX attracted buying (Minkabu). On Friday the leading sectors among the TSE's 33 were real estate, retail, fishery and agriculture, foods and pharmaceuticals, and Fast Retailing contributed about 95 points to the Nikkei (Minkabu). On Thursday a critical PHP vulnerability drew funds into cybersecurity shares, and Trend Micro rose sharply (Minkabu). Among large caps, Sony Group rose 4.50% and Recruit 3.47%.

JPX data available at the time of this backfill show foreign investors as net buyers of ¥24.4 billion in the week of October 19 to 23, after net selling of ¥365.4 billion the week before. Trust banks sold a net ¥224.3 billion, the largest among the categories shown. These data were not yet published during the report week. Foreign investors were close to balanced in a week when the index fell 4%, which suggests that selling of semiconductor shares did not translate into aggregate net selling of cash equities (inference).

> The Nikkei's decline this week was concentrated in heavily weighted semiconductor and AI-related shares, while lower JGB yields divided rate-

sensitive sectors, with banks falling and real estate rising.

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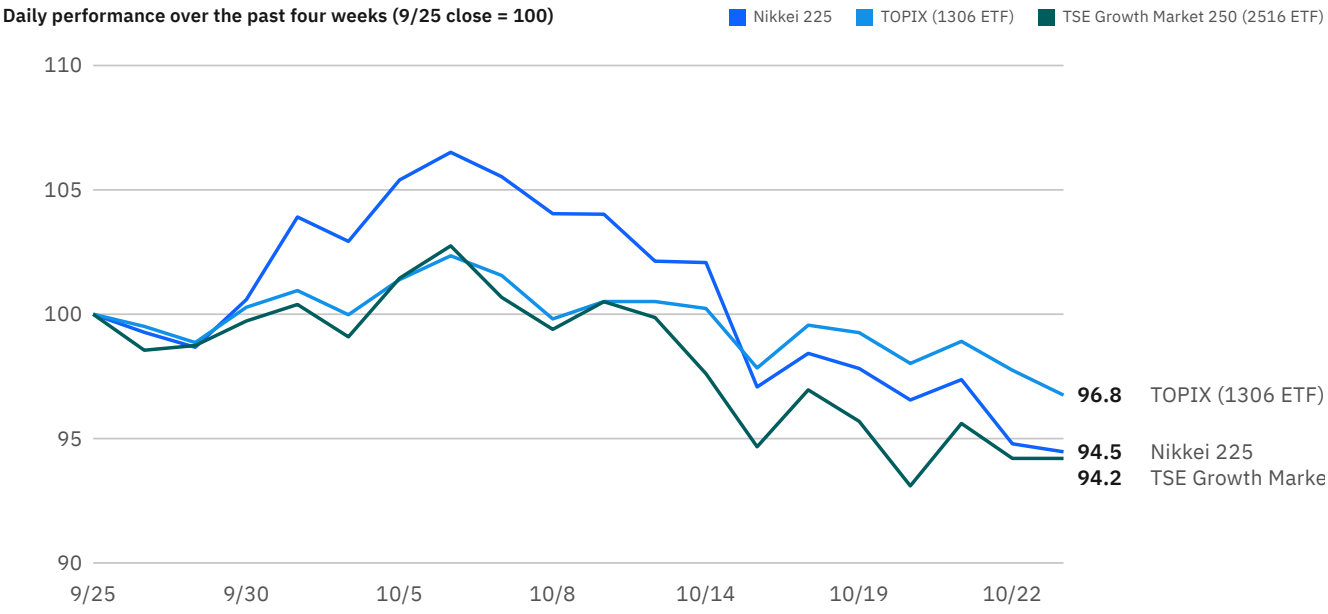
Market performance

Daily performance over the past four weeks (9/25 close = 100)



Index	Week	1M	YTD	Close
Nikkei 225	-4.0%	-3.6%	+24.5%	62,693.16
TOPIX (1306 ETF)	-2.8%	-2.3%	+16.3%	416.30
JPX-Nikkei 400 (1591 ETF)	-1.5%	-2.0%	+17.2%	36,150.00
TSE Growth Market 250 (2516 ETF)	-2.9%	-6.6%	+13.3%	598.90

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

Real estate +4.2% YTD -3.9%	Energy resources +2.7% YTD +23.2%	Pharmaceuticals +2.1% YTD +8.4%	Electric power & gas +1.8% YTD +6.4%	Retail +0.9% YTD +3.0%	Foods +0.8% YTD +21.1%
Transport & logistics +0.5% YTD +4.9%	Financials ex banks -0.1% YTD +27.4%	Trading cos. & wholesale -0.6% YTD +20.7%	Construction & materials -1.4% YTD -0.9%	IT & services -1.6% YTD +16.0%	Autos & transport equipment -1.6% YTD -3.0%
Raw materials & chemicals -2.4% YTD +17.8%	Electric & precision -4.1% YTD +26.3%	Machinery -4.8% YTD +6.6%	Banks -6.5% YTD +31.4%	Steel & nonferrous -7.9% YTD +22.6%	

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

Megacaps	Week	1M	YTD	Close
Sony Group (6758)	+4.5%	+11.9%	+2.8%	¥4,137
Recruit (6098)	+3.5%	+9.9%	+115.4%	¥19,060
Nintendo (7974)	+0.7%	+2.4%	-19.4%	¥8,539
Fast Retailing (9983)	+0.4%	+12.1%	+33.3%	¥75,880
Toyota (7203)	+0.4%	+2.6%	-7.5%	¥3,105

Megacaps	Week	1M	YTD	Close
Mitsubishi Corp. (8058)	-0.2%	-4.7%	+31.5%	¥4,715
Mitsui & Co. (8031)	-1.2%	-4.2%	+6.4%	¥4,942
Keyence (6861)	-2.9%	+2.4%	+38.3%	¥78,380
Hitachi (6501)	-3.6%	+0.7%	+13.5%	¥5,562
MUFG (8306)	-5.2%	-9.0%	+32.2%	¥3,295
Advantest (6857)	-6.3%	+0.9%	+64.7%	¥32,340
Tokyo Electron (8035)	-11.0%	-11.0%	+37.8%	¥9,458
SoftBank Group (9984)	-13.5%	-32.3%	-2.8%	¥4,276

Price change, excluding dividends.

Indices: The Nikkei 225 fell 4.03%, TOPIX closed at 3,965.81 (1306 ETF proxy -2.82% on the week), the JPX-Nikkei 400 (1591 ETF proxy) fell 1.53% and the TSE Growth 250 (2516 ETF proxy) fell 2.85%. The Nikkei Volatility Index closed Friday at 38.25, up 6.08 points on the week.

Sectors: Steel and nonferrous (-7.88%), banks (-6.47%), machinery (-4.84%) and electrical and precision (-4.08%) fell the most; real estate (+4.19%), energy resources (+2.67%), pharmaceuticals (+2.10%) and electric power and gas (+1.81%) rose the most.

Large caps: SoftBank Group (-13.51%), Tokyo Electron (-11.03%), Advantest (-6.34%), MUFG (-5.18%), Hitachi (-3.60%) and Keyence (-2.95%) fell, while Sony Group (+4.50%), Recruit (+3.47%), Nintendo (+0.71%), Fast Retailing (+0.40%) and Toyota (+0.36%) rose.

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Rates and FX

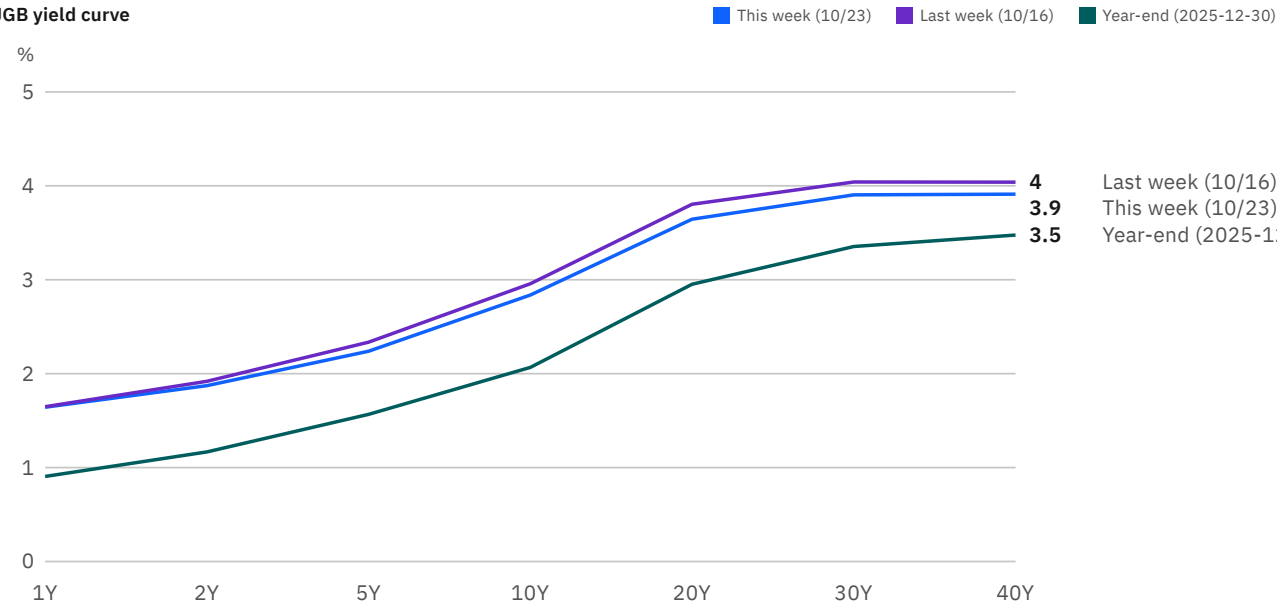
Central bank	Policy rate	Latest decision	Next meeting
Bank of Japan	Around 1.25%	Sep 18: raised 25 bp (7-2), effective Sep 24	Oct 29-30
Federal Reserve	3.75% to 4.00%	Sep 16: raised 25 bp (12-0)	Oct 27-28

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

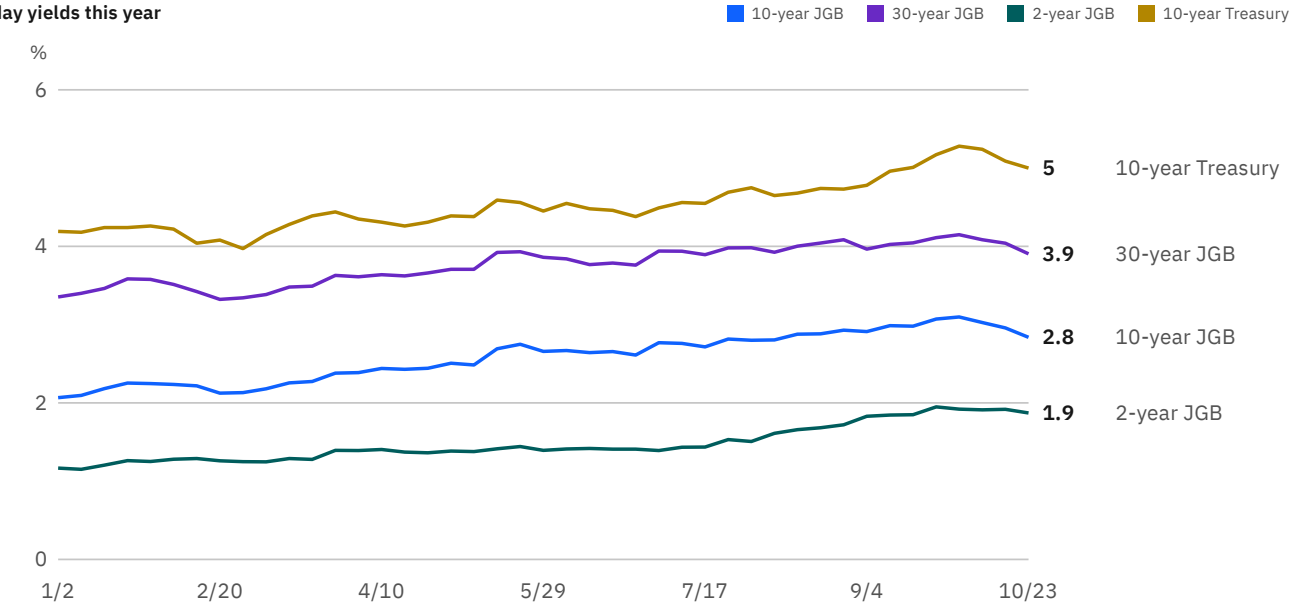
Yield	Week close	Week	YTD
2-year JGB	1.872%	-5bp	+70bp
5-year JGB	2.238%	-10bp	+67bp
10-year JGB	2.837%	-12bp	+77bp
30-year JGB	3.904%	-14bp	+55bp
10-year Treasury	5.00%	-9bp	–
US–Japan 10-year spread	216bp	+3bp	–

JGBs: Ministry of Finance daily constant-maturity yields, 2026-10-16 to 2026-10-23; 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	156.49	-1.0%	+1.1%	-0.1%
EUR/JPY	175.60	-1.0%	+1.0%	+4.6%
CNY/JPY	23.43	-0.9%	+0.9%	-4.6%

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 23, the 2-year yield was 1.872% (-4.6 bp), the 5-year 2.238% (-9.7 bp), the 10-year 2.837% (-12.1 bp), the 20-year 3.645% (-15.8 bp) and the 30-year 3.904% (-13.6 bp). The curve bull-flattened, with the 10-year minus 2-year spread narrowing from 104.0 to 96.5 basis points. The 10-year yield is up 77.1 basis points year to date.

US-Japan spread: The 10-year Treasury yield was 5.00% (FRED, as of October 23), down 9 basis points on the week. Because the JGB yield fell further, the spread widened from about 213 to about 216 basis points while the yen appreciated, so the spread does not explain this week's yen move. The yen rose 1.05% against the dollar, 0.98% against the euro and 0.86% against the renminbi.

Timing of the yen move: The USD/JPY figure of 156.49 in the table is Yahoo Finance's daily value labelled October 23. Yahoo's hourly data show the yen's gain occurring mainly from Tokyo afternoon to that night on October 22, with quotes mostly near 156.8 during Tokyo and London hours on October 23, so the daily series may be misdated. OANDA attributed the October 22 move to concern over the PHP vulnerability and a lower 10-year Treasury yield (OANDA, October 23).

Policy expectations: Markets broadly expected a BOJ hold in October, and Dai-ichi Life Research Institute forecast a December hike on October 14 (Dai-ichi Life Research Institute). Fed funds futures implied a probability of about 7% for an October hike (Dai-ichi Life Research Institute, October 23).

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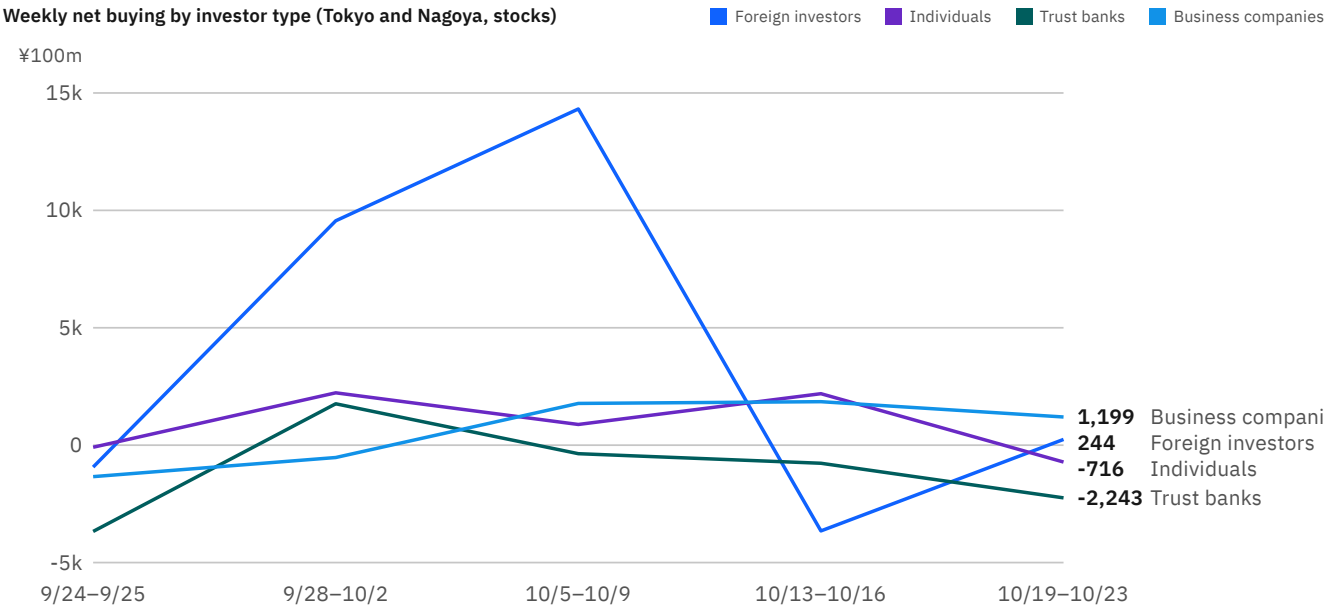
Investor flows

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



The latest week is 10/19–10/23. 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
10/19–10/23	+¥24.4bn	−¥71.6bn	−¥224.3bn	+¥119.9bn

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.

This section covers the report week of October 19 to 23. These data had not been published at the time and are taken from JPX figures available at the time of this backfill. Foreign investors were net buyers of ¥24.4 billion (net sellers of ¥365.4 billion the prior week), individuals net sellers of ¥71.6 billion, investment trusts net buyers of ¥39.2 billion, business corporations net buyers of ¥119.9 billion and trust banks net sellers of ¥224.3 billion. The Nikkei fell 2,631 points in the week, and individuals moved from net buying of ¥219.3 billion in the prior week to net selling. Business corporations were net buyers for a third consecutive week, which may reflect share buybacks (inference).

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Covered stocks

Company	Our rating	Week	vs Nikkei	YTD
Mitsui & Co. (8031)	Neutral	-1.2%	+2.9%	+6.4%

Mitsui & Co., rated neutral, fell 1.16%, outperforming the Nikkei 225 by about 2.9 points. The trading companies and wholesale ETF fell 0.61%. The company reports on November

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Week ahead

Date	Event	Significance
Oct 28	FOMC decision (Oct 29, 3:00 Japan time); US Q3 advance GDP and September PCE (Oct 29, 21:30)	Fed funds futures implied a hike probal
Oct 28	Advantest and Hitachi earnings (Oct 28); Tokyo Electron, Kioxia, TDK and Lasertec earnings (Oct 30)	Results and guidance from these comp
Oct 30	BOJ decision and Outlook Report; Tokyo CPI for October (8:30)	Markets expect a hold at around 1.25%
Nov 3	TSE closed (Culture Day); US midterm elections	Tokyo has four trading sessions that we
Nov 4	Mitsui & Co. and Mitsubishi Corp. earnings (Nov 4); Toyota, Sony Group and Nintendo earnings (Nov 5)	Crude prices and the yen are the main
Nov 6	US October employment report (22:30)	Payrolls rose 29,000 in September and

Times are Japan time.

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Methodology and sources

Weekly change = last close of this week ÷ last close of the previous week − 1 (2026-10-19 to 2026-10-23), 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.

Minkabu: October 23 close; Minkabu: October 22 close; Minkabu: October 21 close; Minkabu: October 20 close; Minkabu: October 19 close; Stockweather: October 20 market report; Kyodo: October 15 close; Dai-ichi Life Research Institute: monetary policy after underlying inflation reaches 2% (October 23); Dai-ichi Life Research Institute (October 14); SMDAM: BOJ October preview (October 22); Daiwa Institute of Research: September national CPI (October 23); Monex: September national CPI (October 23); Money Post: Resona (October 23); OANDA: USD/JPY (October 23); Kabutan: earnings schedule for October 26 to 30 (October 23); Bank of Japan: September 18 decision; Federal Reserve: September 16 decision; Federal Reserve: FOMC calendar; BLS: September employment report; JPX: trading by investor type, October 19 to 23. The TOPIX close is from Minkabu; the weekly change uses the 1306 ETF proxy. On index closes (October 16 at 4,066.00, derived from the October 19 close of 4,067.48 and its 1.48-point change) the decline is about 2.46%, about 0.36 points smaller than the ETF. The NT ratio uses the same index closes. The USD/JPY dating issue is described under Rates and FX. The Nasdaq, the Philadelphia Semiconductor index and shares not in the tables above (Mizuho, Resona, Mitsui Fudosan, Mitsubishi Estate, Furukawa Electric, Sumitomo Electric, Fujikura) use Yahoo Finance unadjusted closes. This issue was backfilled on November 2, 2026; the text uses only information public before the close on the Friday of the report week, and investor flows use JPX data published by 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 2026-10-23 · 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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