

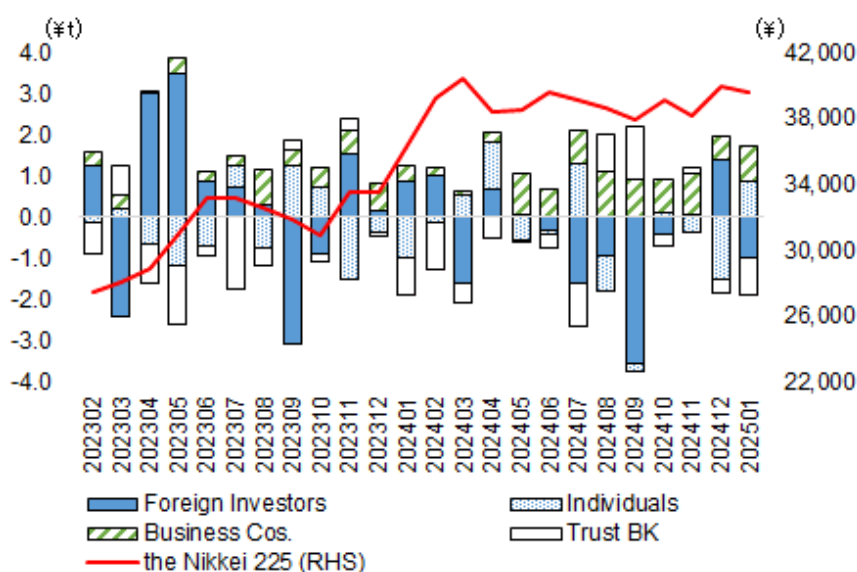
Researcher's Eyes

Investors Trading Trends in Japanese Stock Market: An Analysis for January 2025

Chizuru MORISHITA / Researcher, Financial Research Dept.
mchizuru@nli-research.co.jp

In January 2025, the Nikkei 225 briefly surpassed 40,000, but declined mid-month due to rising U.S. interest rates, stricter semiconductor export restrictions to China, and speculation about a BOJ rate hike, falling to 38,444 on the 15th. Market sentiment improved as concerns over President Trump's policies eased, pushing the Nikkei to 39,958 on the 23rd. However, the BOJ's rate hike on the 24th halted gains, and China's AI "DeepSeek" led to concerns about investment slowdowns in related sectors, triggering a sell-off in tech stocks and bringing the Nikkei to 39,016 on the 28th. It rebounded slightly by month-end, closing at 39,572. Business corporations and individuals were net buyers, while foreign investors and trust banks were net sellers (as shown in Figure 1).

Figure 1 Trading Trends by Major Types of Investors

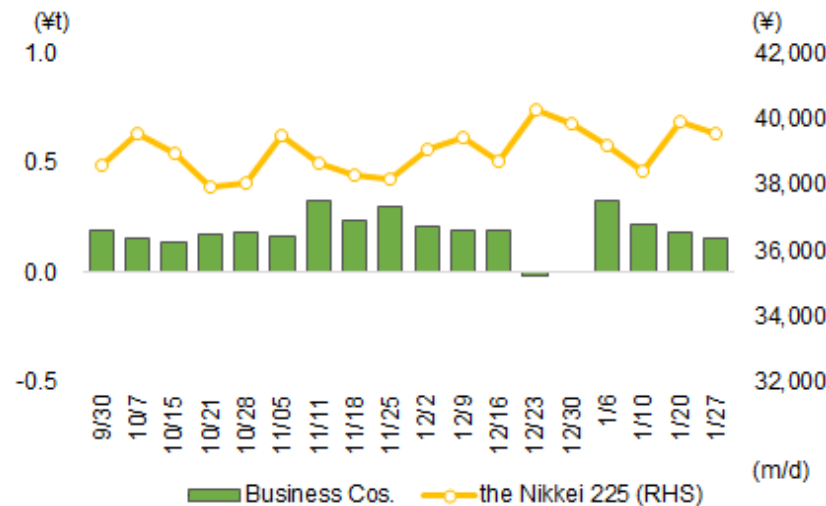


Note: Total of cash equities for two markets and futures including the total of Nikkei 225 futures, Nikkei 225 mini, TOPIX futures, mini TOPIX futures, and JPX Nikkei 400 futures.

Source: NLI Research Institute, based on TSE

The trading by type of investors in January 2025 (January 6 to 31) shows that business corporations were the largest net buyers, with a total net purchase of 889.1 billion yen in cash equities and futures (as shown in Figure 2). Business corporations continued their share buyback activities, marking their 44th consecutive month of net buying.

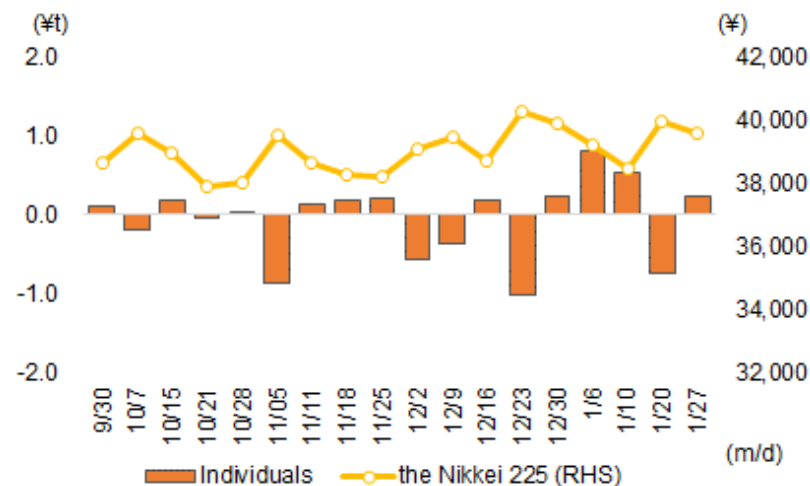
Figure 2 Business cos. as net buyers for 44 consecutive months



Note: Total of cash equities and futures for business corporations, weekly
Source: NLI Research Institute

In January 2025, individuals were also net buyers, with a total net purchase of 854.4 billion yen in cash equities and futures (as shown in Figure 3).

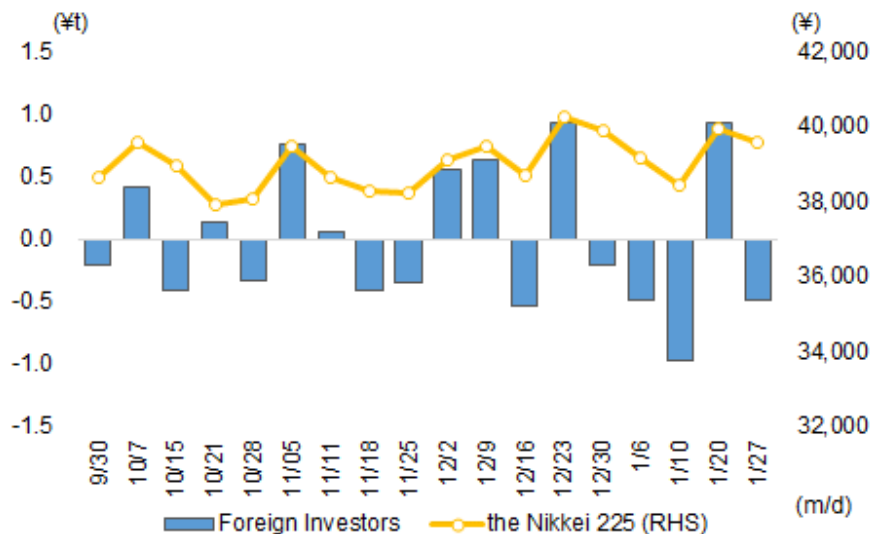
Figure 3 Individuals were net buyers



Note: Total of cash equities and futures for individuals, weekly
Source: NLI Research Institute

On the other hand, foreign investors were the largest net sellers in January 2025, with a total net sale of 1.017 trillion yen in cash equities and futures (as shown in Figure 4).

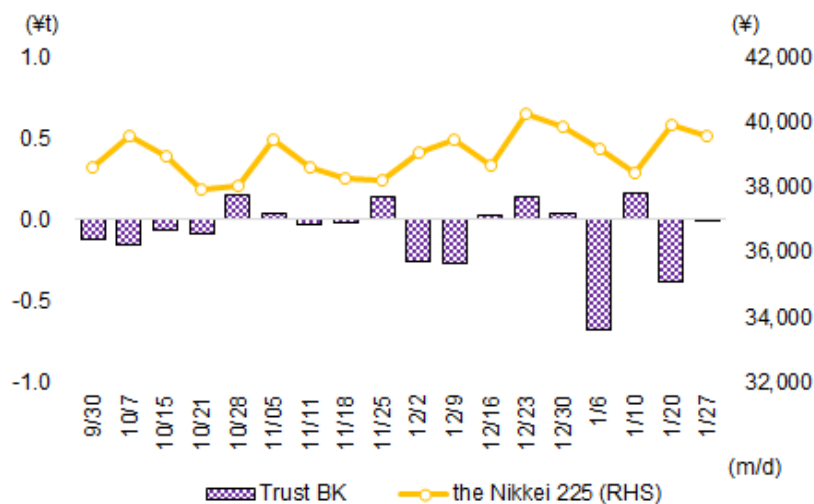
Figure 4 Foreign investors were net sellers



Note: Total of cash equities and futures for foreign investors, weekly
Source: NLI Research Institute

Trust banks were also net sellers in January 2025, with a total net sale of 906.0 billion yen in cash equities and futures (as shown in Figure 5).

Figure 5 Trust banks were net sellers

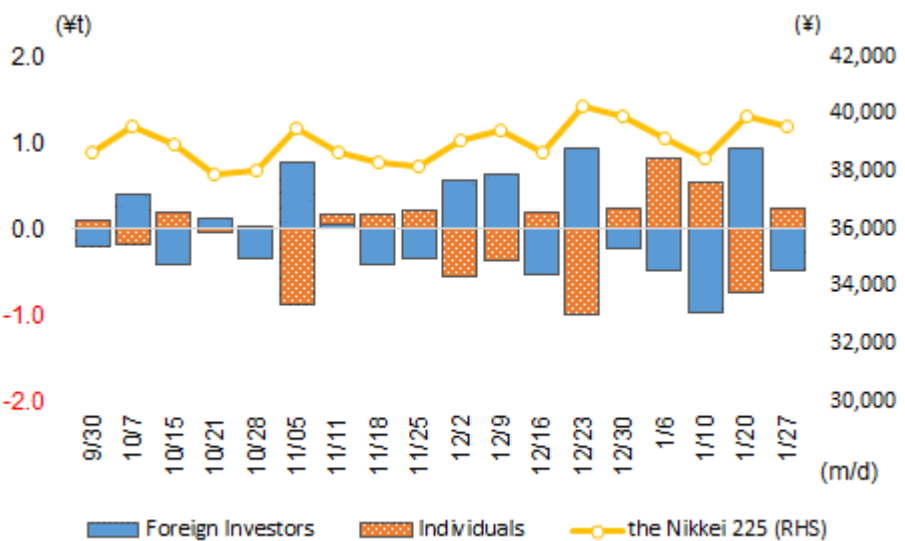


Note: Total of cash equities and futures for trust banks, weekly
Source: NLI Research Institute

Figure 6 summarizes the weekly trading trends of foreign investors and individuals since October 2024. During this period, foreign investors and individuals exhibited inverse trading

behaviors. When foreign investors were net buyers, the Nikkei tended to rise, and when they were net sellers, it declined. Meanwhile, individuals adopted a contrarian investment strategy, actively buying when stock prices fell and selling when they rose. On a value basis, except for the fourth week of December 2024, when individuals recorded a significant net sale exceeding 1 trillion yen, neither foreign investors nor individuals saw weekly net buy or sell figures exceeding 1 trillion yen. Throughout this period, the Nikkei fluctuated between 38,000 and 40,000, showing no clear directional trend. As a result, both foreign investors and individuals engaged mainly in short-term trading within this range.

Figure 6 Foreign investors and individuals exhibited inverse trading behaviors.



Note: Total of cash equities and futures for foreign investors and individuals, weekly
Source: NLI Research Institute