

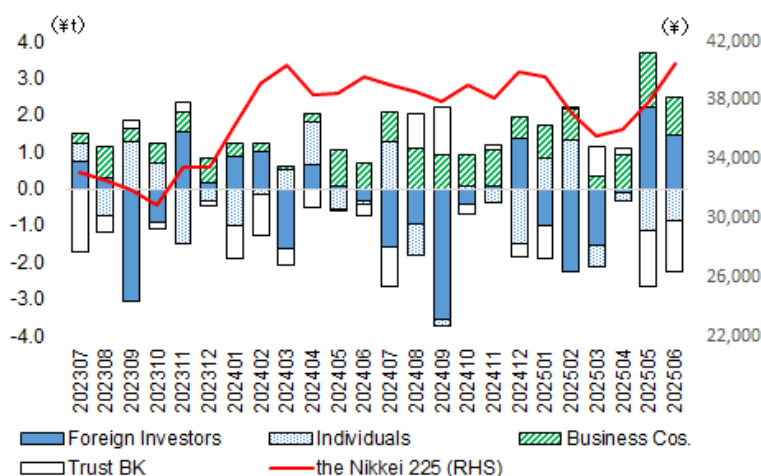
Researcher's Eyes

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

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In June 2025, the Nikkei 225 rose for the third consecutive month. In early June, the market was weighed down by renewed U.S.-China trade tensions, worsening geopolitical conditions in the Middle East, and a statement from former U.S. President Trump indicating plans to raise tariffs, resulting in the Nikkei hovering in the upper 37,000-yen range. During the mid-month period, the market moved sideways amid ongoing geopolitical risks and uncertainty surrounding the Federal Reserve's monetary policy stance. However, in late June, the market turned upward following a ceasefire agreement between Israel and Iran and supportive remarks from senior Fed officials advocating for early rate cuts. This led to a rally in U.S. high-tech stocks, which in turn boosted Japanese equities. Particularly, semiconductor-related stocks with high weighting in the Nikkei contributed significantly to the gains. The Nikkei surpassed 39,500 on the 26th and, on the following day (the 27th), reclaimed the 40,000 level for the first time in approximately five months. The index ended the month at 40,487. By investor type, foreign investors and business corporations were net buyers, while trust banks and individuals were net sellers (as shown in Figure 1).

Figure 1 Trading Trends by Major Types of Investors

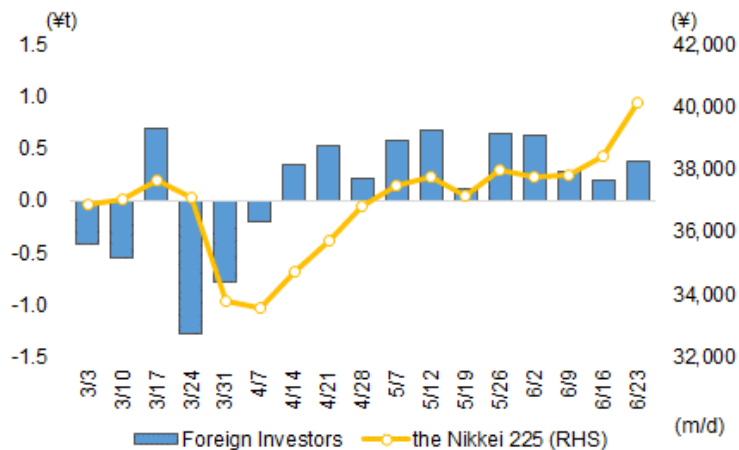


Note: Total of cash equities for two markets and futures including the total of Nikkei 225 futures, Nikkei 225 mini, TOPIX futures, mini TOPIX futures, and JPX Nikkei 400 futures.

Source: NLI Research Institute, based on TSE

The trading by type of investors in June 2025 (June 2 to June 27) shows that foreign investors were the largest net buyers, with a total net purchase of 1.4664 trillion yen in cash equities and futures (as shown in Figure 2). On a weekly basis, foreign investors recorded net buying for 11 consecutive weeks, starting from the third week of April.

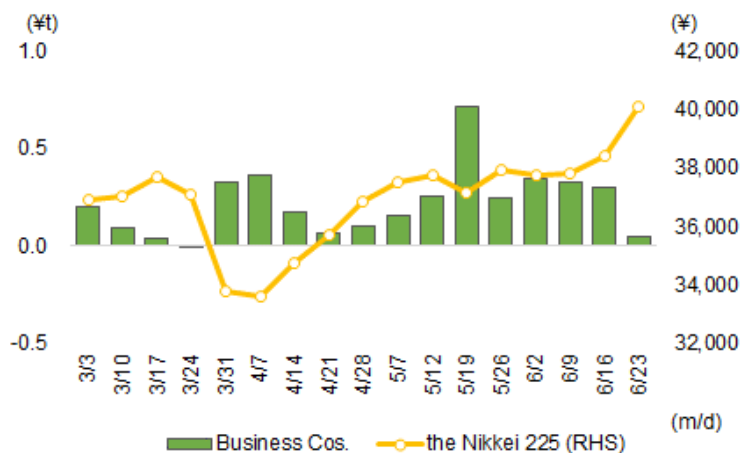
Figure 2 Foreign Investors Record Eleven Consecutive Weeks of Net Buying



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

In June, business corporations were also net buyers, with a total net purchase of 1.0146 trillion yen in cash equities and futures, marking their 49th consecutive month of net buying. From April to June 2025, share buyback announcements by TOPIX constituent companies totaled 9.1 trillion yen, approximately 1.2 times higher than the same period the previous year. On a weekly basis, business corporations recorded net purchases of around 300 billion yen in each of the first three weeks of June. However, in the fourth week (June 23 to 27), the net purchase shrank to just 46.3 billion yen, reflecting the usual tendency to scale back share buybacks toward the end of the fiscal quarter (as shown in Figure 3).

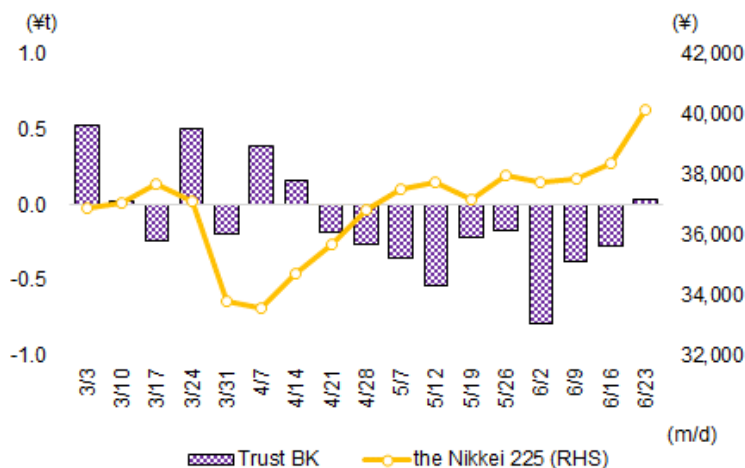
Figure 3 Business cos. as Net Buyers for 49 Consecutive Months



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

On the other hand, trust banks were the largest net sellers in June, with a total net sale of 1.4105 trillion yen in cash equities and futures. On a weekly basis, they recorded nine consecutive weeks of net selling from the fourth week of April through the third week of June. However, in the fourth week of June (June 23 to 27), they shifted to a modest net buying position of 33.0 billion yen (as shown in Figure 4).

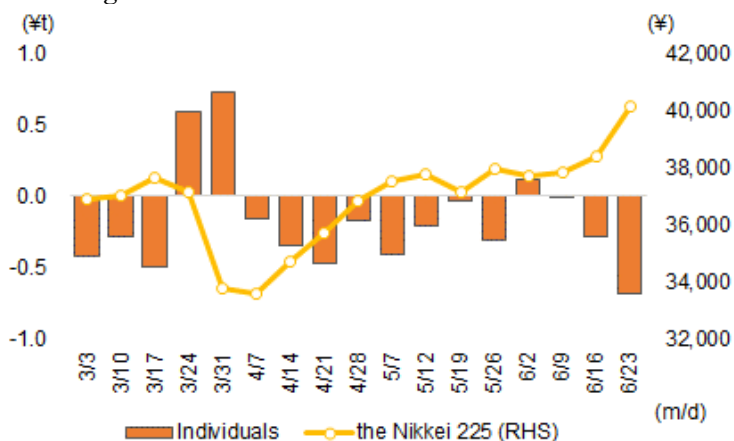
Figure 4 Trust Banks Record Remain Net Sellers



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

In June, individuals also recorded a net sale of 859.7 billion yen in cash equities and futures. In particular, during the fourth week of June (June 23–27), they posted a substantial net sale of 688.4 billion yen (as shown in Figure 5). During the same week, the Nikkei rose by 1,747 yen, supported by a ceasefire agreement between Israel and Iran and a rally in U.S. tech stocks. This suggests that individuals exhibited a contrarian investment approach, buying during market declines and selling into strength.

Figure 5 Individuals also Remain Net Sellers



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

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