IFR JAPAN CAPITAL MARKETS BRIEFING

ALL INTERNATIONAL YEN BONDS
BOOKRUNNERS: 1/1/2013 TO 8/3/2013

	Managing bank or group	No. of issues	Total ¥(m)	Share (%)
1	Sumitomo Mitsui Finl Grp	4	33,090.00	19.7
2	Goldman Sachs	1	28,000.00	16.7
3	Barclays	3	21,500.00	12.8
4	Nomura	5	17,500.00	10.4
5	Daiwa Securities Group	3	10,000.00	6.0
=5	Citigroup	3	10,000.00	6.0
7	Mizuho	2	7,500.00	4.5
8	BNP Paribas	1	6,000.00	3.6
9	Credit Agricole CIB	1	5,000.00	3.0
10	Natl Agricultural Coop Fed	1	4,000.00	2.4
	Total	**15**	**167,870.00**	

Source: Thomson Reuters (SDC code: K12)

JAPAN EQUITY & EQUITY RELATED
BOOKRUNNERS: 1/1/2013 TO 7/3/2013

	Managing bank or group	No. of issues	Total ¥(m)	Share (%)
1	Nomura	13	139,667.33	22.4
2	Sumitomo Mitsui Finl	10	99,524.98	16.0
3	Morgan Stanley	6	86,273.53	13.9
4	Mizuho Financial Group	10	70,335.76	11.3
5	Daiwa Securities Group	8	57,711.26	9.3
6	Barclays	3	53,455.63	8.6
7	Citigroup	1	42,614.69	6.8
8	Goldman Sachs & Co	2	28,292.69	4.5
9	UBS	3	19,693.87	3.2
10	BofA Merrill Lynch	2	14,180.00	2.3
	Total	**38**	**622,328.68**	

Source: Thomson Reuters (SDC code: C1e)

Equities

The upswing in Japan's stock market showed no sign of slowing today: the Nikkei gained 0.53% today to close at 12,346, and hit another four and a half year high.

The jumbo ¥746.9bn (US$7.78bn) JAPAN TOBACCO selldown by the government shrugged off the 3.68% fall today to price at ¥2,949, or a discount of 2% on the day's ¥3,010 closing. The government sold 253.2m shares at the lowest end of the 2%–4% discount range. The share price fell today but has gained 3.8% since the deal was launched on February 25.

In the days following the launch of the government's sale, Japan Tobacco had bought back 80m shares for around ¥250bn. The sale will cut the government's holding in the world's third-largest tobacco company to under 40%.

The deal is split into two tranches, with 57.5% to be sold domestically and 42.5% to overseas investors. *Daiwa* and *Goldman Sachs* are joint global co-ordinators across both pieces, while *Mizuho* is joint bookrunner on the former and JP Morgan on the latter.

The domestic tranche sees *Nomura, SMBC Nikko* and *Mitsubishi UFJ Morgan Stanley* joining the syndicate, while 30 other houses are also involved with deal shares ranging between 0.04% and 2.03%.

On the overseas tranche, *Bank of America Merrill Lynch, Mizuho, Morgan Stanley, Nomura, UBS, Barclays, Citigroup, Deutsche Bank and SMBC Nikko* join the three bookrunners as syndicate members.

The deal is so huge – total issuance that has priced so far this quarter is just under ¥1.4trn, compared with ¥2.1trn for all of last year – that it has propelled Daiwa to the top of the Japan ECM leagues tables for the current quarter as well as the full Japanese financial year ending March 2013, according to preliminary Thomson Reuters data.

For the current quarter, fellow JT JGC Goldman Sachs is now in second place and domestic bookrunner Mizuho in third place. JP Morgan trails just behind Nomura in fifth place.

For the year starting April 2012, Daiwa is now ranked in top place, followed by Nomura, Mizuho, SMBC Nikko and Mitsubishi UFJ Morgan Stanley.

DAIWA HOUSE RESIDENTIAL INVESTMENT CORP priced its new share issue at ¥396,000, or a 2.5% discount on today's ¥386,100 closing, at the lowest end of the 2.5%–5% discount range. The 28,000 share offering will raise ¥10.8bn. The share price has stayed stable on the ¥397,000 closing on March 1, the day the deal was launched.

Funds raised will help the J-REIT finance the acquisition of two properties, in Osaka and Tokyo, for ¥5.74bn.

Daiwa, *MUMSS* and *Nomura* are joint bookrunners. *Mizuho*, *SMBC Nikko* and *UBS* are also on the syndicate.

Real estate firm SUN FRONTIER FUDOUSAN's new share issue priced at ¥107,628, or a 4.5% discount on the day's ¥112,700 closing, and at just below the middle of the 3.5%-6.5% discount range. The 49,000 share offering will raise ¥5.3bn. The shares have lost 6.1% since the deal was launched on March 1, when they closed at ¥114,600.Funds raised will finance the acquisition of buildings that will be renovated before being sold on.

Daiwa is sole bookrunner, with *Ichiyoshi* as co-manager and *Mizuho* also on the syndicate.

People & Markets

At a parliamentary hearing today, Haruhiko Kuroda, the government's nominee to head the Bank of Japan, said the central bank would increase its purchase of risk assets, including stock. He said the central bank should focus on influencing market expectations because there was "limited room" to lower interest rates further.

However, he also insisted the BoJ will continue to buy massive volumes of Japanese government bonds as "an integral part of major monetary easing" efforts.

In the meantime, Japan's Government Pension Investment Fund, will also be seeking to increase the weight of Japanese stock in its portfolio to 17% by March 2014 from the current 5%.

GPIF is certainly riding the wave of optimism about Japan stock. The world's largest government pension fund booked a gain of ¥111trn on its domestic stock investments in the three months to the end of December 2012. The Nikkei gained 21% during the same period.

EDITORIAL ENQUIRIES

Atanas Dinov
+81 3 4589 2306
atanas.dinov@thomsonreuters.com

Mia Stubbs
+81 3 4589 2305
mia.stubbs@thomsonreuters.com

SUBSCRIPTION ENQUIRIES

EMEA
+44 (0)20 7369 7317
rm.emeasales@thomsonreuters.com

ASIA-PACIFIC
+852 3762 3336
rm.apsales@thomsonreuters.com

JAPAN
+813 4589 2311
rm.apsales@thomsonreuters.com

US
+646 223 6123
rm.ussales@thomsonreuters.com

CLIENT SUPPORT

+800 8727 8326
rm.clientsupport@thomsonreuters.com

ADVERTISING

EMEA, US
+44 (0)20 7369 7556
leonie.welss@thomsonreuters.com

ASIA-PACIFIC
+65 9755 5031
shahid.hamid@thomsonreuters.com

PIPELINE

DEBT:

- **WEEK OF MAR 11: Hon Hai** eyeing a potential debut 3-year Euroyen for pricing as early as week of March 11.
- **WEEK OF MAR 11: BTMU Sydney Branch** to issue a 3-year FRN A$ benchmark (*MS, MUS, NAB, Westpac*)
- **AFTER WEEK OF MAR 11: Marubeni** eyeing potential US dollar Reg S funding after completing its roadshow on March 7 (*Citigroup, GS, JPM*)
- **MID-MAR: IFFIm** 5-year Vaccine Bonds Uridashi in R, TL (*Daiwa*)
- **MID-MAR: SMBC** to price 3-year A$ and 5-year US$ Uridashi (*Nikko*)
- **MID-MAR: ANZ** 4-year Uridashi in A$, NZ$, Ps (*Nomura*)
- **H1-H2:** The **Czech Rep** is expected to issue a Samurai. Deadline for the RFP pitches was on Jan 21

EQUITIES:

- **MARCH 11:** pricing of government's ¥935bn **Japan Tobacco** sell down (*Daiwa, Goldman Sachs, Mizuho, JP Morgan*), **Daiwa House Residential Investment Corp**'s ¥12.2bn follow-on (*Daiwa, Mitsubishi UFJ Morgan Stanley, Nomura*), **Sun Frontier Fudousan's** ¥6.42bn follow-on (*Daiwa*)
- **MARCH 12:** pricing of **Nomura Real Estate Holdings** ¥57.6bn secondary share sale (*Nomura*) and **Broadleaf**'s ¥20.3bn IPO (*Nomura*)
- **MARCH 18:** pricing of **Orix J-reit**'s ¥17bn follow-on (*Daiwa, Nomura, UBS*)
- **2013: Seibu Holdings**' ¥100bn IPO (*BofA Merrill, JP Morgan, Mizuho, Nomura* and *UBS*), **AeonREIT**'s ¥100bn IPO (*Nomura*), **Suntory**'s ¥500bn IPO (*Nomura*)
- **2015: Japan Post Holdings**' ¥2trn IPO (to be mandated)