

JOHN MILLAR MANAGER OF MARTIN CURRIE PACIFIC TRUST

Japanese market sentiment at “all time low”

Martin Currie Pacific Trust manager claims country's financial stocks are in an 'uninspiring' state

By Gary Shepard



The Japanese market lacks direction, with domestic exposure continuing to be a barrier to growth, according to John Millar, manager of Martin Currie Pacific Trust.

Millar explained that sentiment towards Japan has now reached an all-time low, with financial stocks looking particularly uninspiring.

“Most of Asia has good growth from domestic buyers into the market,” he said. “This is not the same in Japan, where they are sellers. Foreigners are also marginal investors and have been taking money out of the country.”

However, Millar added that valuations of Japanese companies

have come down to more attractive levels with price/earnings ratios down to about 14 to 15 times earnings.

“If earnings growth comes through, this might see more interest in Japan,” he said.

Elsewhere in the region, Millar added that he is also looking towards progress in corporate earnings growth in China, which will be driven by domestic investors.

He pointed out that although the Chinese market has fallen by double-digits from its earlier peak, it is still up year-to-date, and there is continued steady appreciation of the Renminbi, which currently stands at about 7.4 to the US dollar.

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