

# Nikkei hits five-week high on sliding yen, rising hopes of BOJ easing

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By Joshua Hunt

TOKYO (Reuters) - Japanese stocks rose to a 5-1/2 week high on Thursday morning after the yen resumed a weakening trend against the U.S. dollar amid a bounce in oil prices and growing expectations of further easing from the Bank of Japan.

The Nikkei share average climbed 2 percent to end the morning session at 17,236.37. The benchmark index hit a morning session high of 17,265.67, its highest point since March 15.

"Market participants are becoming more confident in their expectations of easing from the Bank of Japan next week and the yen has resumed its decline," said Andrew Meredith, co-managing director at Tyton Capital Advisors.

"This, along with a surge in oil prices, brought on an index wide lift to the Nikkei this morning."

Oil prices rose 4 percent overnight due to a smaller-than-expected build in U.S. crude inventories, offsetting concerns of a glut that were stoked by the end of a Kuwaiti strike.

The U.S. dollar hit a two-week high of 109.88 against the yen, lifting shares of exporters like tire maker Bridgestone Corp, which climbed 2.2 percent.

Auto exporter Toyota Motor Corp gained 2.6 percent during the morning session while Honda Motor Co Ltd shares rose 2.1 percent.

Shares of Mitsubishi Motor Corp were untraded with a glut of sell orders after the automaker admitted to manipulating test data to overstate the fuel economy of 625,000 cars sold in Japan.

Mitsubishi Motor Corp ended more than 15 percent lower on Wednesday after announcing a press conference to address the issue late that afternoon.

"In a lot of respects I think yesterday's selling of Mitsubishi was a bit overdone," said Gavin Parry, managing director at Parry International Trading.

"From what we know so far it's all very domestic, with no U.S. impact and no impact in Europe, and I think people are a bit hasty to cast this in the same light as the Volkswagen scandal. But of course the facts aren't all in yet, so it's hard to know for sure."

Fujifilm Holdings Corp ended the morning session 4.9 percent higher and hit a three-week high after the Nikkei business daily reported the imaging company would project a record group operating profit of around 220 billion yen (\$2.0 billion) for the fiscal year ending March 2017.

The broader Topix climbed 1.5 percent to end the morning session at 1,386.03 with each of its 33 subindexes in positive territory.

The JPX-Nikkei Index 400 rose 1.5 percent to 12,542.67.

(\$1 = 109.7400 yen)

(Reporting by Joshua Hunt; Editing by Simon Cameron-Moore)

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