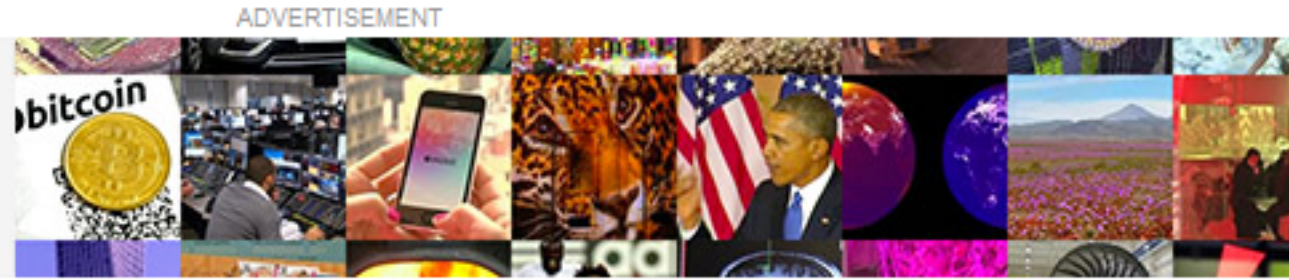


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Markets | Thu Apr 28, 2016 8:23am IST

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Nikkei climbs on hopes BOJ will announce more easing later in day

TOKYO, APRIL 28 | BY JOSHUA HUNT

Japanese stocks rose for the first time in four days on Thursday morning as investors waited to see if the Bank of Japan will deploy more stimulus when it announces its policy decision later this afternoon.

The Nikkei share average climbed 1.4 percent to 17,532.47 during late morning trade as investors took in stride the U.S. Federal Reserve's as-expected decision to leave rates unchanged on Wednesday.

The Tokyo Stock Exchange will be closed for a national holiday on Friday and the benchmark Nikkei index is on track to end the shortened trading week flat.

Overnight, the Fed left interest rates unchanged and kept the door open to a hike in June while showing little sign it was in a hurry to tighten monetary policy amid an apparent slowdown in the U.S. economy.

Markets are now focused on this afternoon's BOJ decision, with growing expectation that the central bank might step up stimulus to nurse a stubbornly weak economy back to life and stoke inflation.

"Coming off the Fed's comments yesterday, markets are expecting some form of easing from the BOJ, though they may have to get creative with today's statements," said Andrew Meredith, co-managing director at Tyton Capital Advisors.

Market players said that the number of investors waiting on the sidelines could spark a rally even without significant policy action from the BOJ.

Oil prices hit fresh 2016 highs after the Fed's decision, while U.S. stocks edged up and the yen remained subdued in early trade.

The bounce in global crude prices helped Japan's oil and coal products sector climb 1.7 percent higher.

Shares of Fujifilm Holdings Corp rose 4.3 percent after the company announced solid earnings for the year through March 2016 as well as a plan to repurchase up to 3.9 percent of its own shares for about 50 billion yen (\$447.43 million).

Mitsubishi Motors Corp soared more than 8 percent after the company, which admitted manipulating fuel economy tests for mini-vehicles in Japan, said on Wednesday that its vehicles sold in the U.S. for the model years 2013 to 2017 have correct mileage ratings.

Market players said the news may have helped ease investor fears of the kinds of stiff penalties imposed by U.S. regulators.

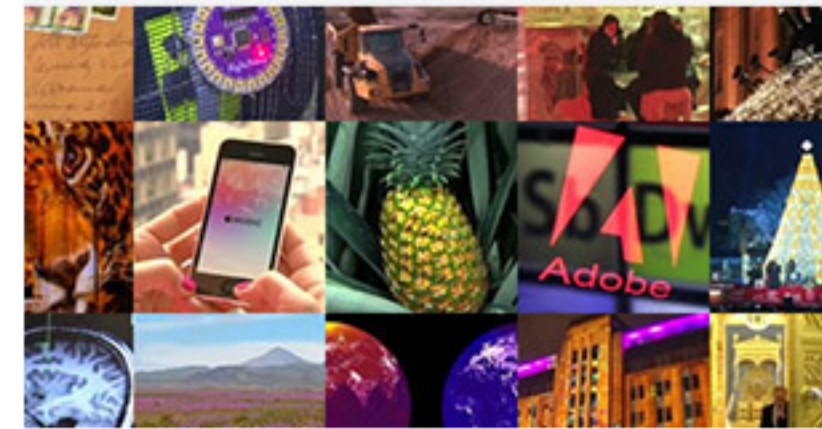
Nintendo Co Ltd bucked the morning's strength, tumbling 6 percent after the video game giant announced disappointing earnings and guidance, as well as plans to sell its majority stake in the Seattle Mariners Major League Baseball team.

Manufacturing automation giant Fanuc Corp's earnings also disappointed, causing its shares to plunge 6 percent.

The broader Topix climbed 1.3 percent to 1,402.68 with all but two of its 33 subindexes in positive territory during late morning trade. The index remained on course to edge down less than one percent for the shortened trading week.

The JPX-Nikkei Index 400 rose 1.3 percent to 12,694.05. (\$1 = 111.7500 yen) (Reporting by Joshua Hunt; Editing by Shri Navaratnam)

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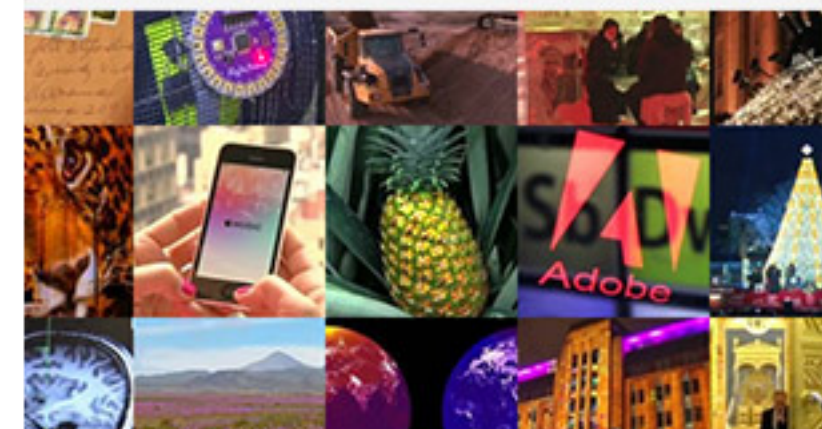


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