



Japan's Nikkei 225 Bounces Back Strongly After Record Loss, Sparks Asian Market Rally

Description

In Hong Kong, according to CNN, Japanese stocks rebounded strongly on Tuesday after suffering significant losses the day before. The Nikkei 225 index and the broader Topix each rose by about 9%, while South Korea's Kospi and Taiwan stocks also made gains. Neil Newman, head of strategy at Astris Advisory in Tokyo, explained that the bounce back in Japan is a common occurrence after a market crash and that the country's economy remains strong.

The previous day, the Nikkei experienced its largest one-day drop since October 1987, closing 12.4% lower. This plunge had a domino effect on global markets, with major Asian, European, and US markets all experiencing substantial losses. The upheaval was driven by concerns about a potential recession in the US economy and the rapid unwinding of popular carry trades involving the yen.

The yen's surge, triggered by the Bank of Japan's signaling of a more hawkish monetary policy, led to the unwinding of investment strategies that had been in place for many years, causing market turbulence. Despite these challenges, Japanese Prime Minister Fumio Kishida remains optimistic about the economy, highlighting positive indicators like the recent increase in inflation-adjusted real wages. Overall, the situation in Japan reflects a mix of economic stability and market volatility.

Vocabulary List:

1. **Rebounded** /rɪˈbaʊndɪd/ (verb): Returned to a previous state after a decline.
2. **Plunge** /plʌndʒ/ (verb): To fall suddenly and dramatically.
3. **Turbulence** /ˈtɜːrbjʊləns/ (noun): Violent or unsteady movement of air or water; disturbance.
4. **Optimistic** /ˌɒptɪˈmɪstɪk/ (adjective): Hopeful and confident about the future.
5. **Economic** /ˌiːkəˈnɒːmɪk/ (adjective): Relating to the economy or financial affairs.
6. **Indicators** /ˈɪndɪkeɪtəz/ (noun): Factors that provide information about a situation or trend.

Comprehension Questions

Multiple Choice

1. What was the percentage rise of the Nikkei 225 index and the broader Topix after rebounding on



Tuesday?

- Option: 6%
- Option: 9%
- Option: 12%
- Option: 15%

2. What triggered the yen's surge causing market turbulence?

- Option: US Stock Market Crash
- Option: European economic downturn
- Option: Bank of Japan's hawkish monetary policy
- Option: Decrease in oil prices

3. Which country's stocks also made gains along with Japan on Tuesday?

- Option: South Korea
- Option: China
- Option: India
- Option: Australia

4. What did the Nikkei experience the day before rebounding strongly?

- Option: Highest gain since 2010
- Option: Largest one-day drop since October 1987
- Option: Stagnant movement
- Option: Gradual rise in value

5. Who is the head of strategy at Astris Advisory in Tokyo?

- Option: Fumio Kishida
- Option: Neil Newman
- Option: Ratan Naval Tata
- Option: Tom Hanks

6. What positive indicator did Japanese Prime Minister Fumio Kishida highlight about the economy?

- Option: Decrease in GDP
- Option: Increase in unemployment rates
- Option: Increase in inflation-adjusted real wages
- Option: Fall in consumer spending

Answer

Multiple Choice: 1. 9% 2. Bank of Japan's hawkish monetary policy 3. South Korea 4. Largest one-day drop since October 1987 5. Neil Newman 6. Increase in inflation-adjusted real wages



Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What term is used to determine the current worth of a company or asset?
Option: A) Aspire
Option: B) Valuation
Option: C) Manufacturing
Option: D) Investment
2. Which term describes the ability to adjust to new conditions or challenges?
Option: A) Resistance
Option: B) Adaptable
Option: C) Momentum
Option: D) Structure
3. What term pertains to the production consumption and transfer of wealth?
Option: A) Optimistic
Option: B) Economic
Option: C) Subsidies
Option: D) Guidance
4. What term refers to the process of combining different parts into a whole?
Option: A) Anticipated
Option: B) Integration
Option: C) Performing
Option: D) Plunge
5. Which term signifies the strength or force that allows something to continue or grow stronger?
Option: A) Significant
Option: B) Momentum
Option: C) Restructuring
Option: D) Turbulence
6. What process involves examining something in detail to understand it better?
Option: A) Plunge
Option: B) Analysis
Option: C) Resistance
Option: D) Leverage
7. What term means to give assistance or backup to someone or something?



- Option: A) Volatility
- Option: B) Support
- Option: C) Indicator
- Option: D) Valuation

8. Which term describes using borrowed funds for investment expecting the profits to be greater than the interest payable?

- Option: A) Lever
- Option: B) Guidance
- Option: C) Leverage
- Option: D) Volatility

9. What term characterizes something that is intricate or challenging to understand?

- Option: A) Navigating
- Option: B) Complicated
- Option: C) Aspire
- Option: D) Subsidies

10. Which term describes something that is expected or predicted to happen?

- Option: A) Anticipated
- Option: B) Optimistic
- Option: C) Structure
- Option: D) Integration

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

- 11. _____ is the act of opposing or withstanding something.
- 12. The action or process of investing money for profit or material result is called _____.
- 13. The economy _____ after a brief downturn.
- 14. The aviation industry faced _____ during the storm.
- 15. He sought _____ from his mentor to make the right decision.
- 16. The _____ of the new product exceeded expectations.
- 17. The team provided _____ to their leader during a challenging time.
- 18. Employees who are _____ can easily adjust to changes in the work environment.



19. Sales and revenue are key _____ of a company's financial health.

20. The _____ of the property was higher than expected.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. The discovery of a new species was a milestone in the field of biology.
22. The sector contributes significantly to the country's GDP.
23. Many young students to have successful careers in science and technology.
24. The stock market took a sudden due to economic uncertainty.
25. Despite the challenges he remained about the future of the project.
26. The company announced a plan to improve efficiency and reduce costs.
27. The company invested in training programs to enhance the skills of its .
28. Investors were cautious due to the in the stock market.
29. The team successfully through the complex regulatory environment.
30. The government provided to support the development of renewable energy projects.

Answer

Multiple Choice: 1. B) Valuation 2. B) Adaptable 3. B) Economic 4. B) Integration 5. B) Momentum 6. B) Analysis 7. B) Support 8. C) Leverage 9. B) Complicated 10. A) Anticipated

Gap-Fill: 11. Resistance 12. Investment 13. rebounded 14. turbulence 15. guidance 16. performance 17. support 18. adaptable 19. indicators 20. valuation

Matching sentence: 1. significant 2. manufacturing 3. aspire 4. plunge 5. optimistic 6. restructuring 7. workforce 8. volatility 9. navigating 10. subsidies

CATEGORY

1. Business - LEVEL3

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