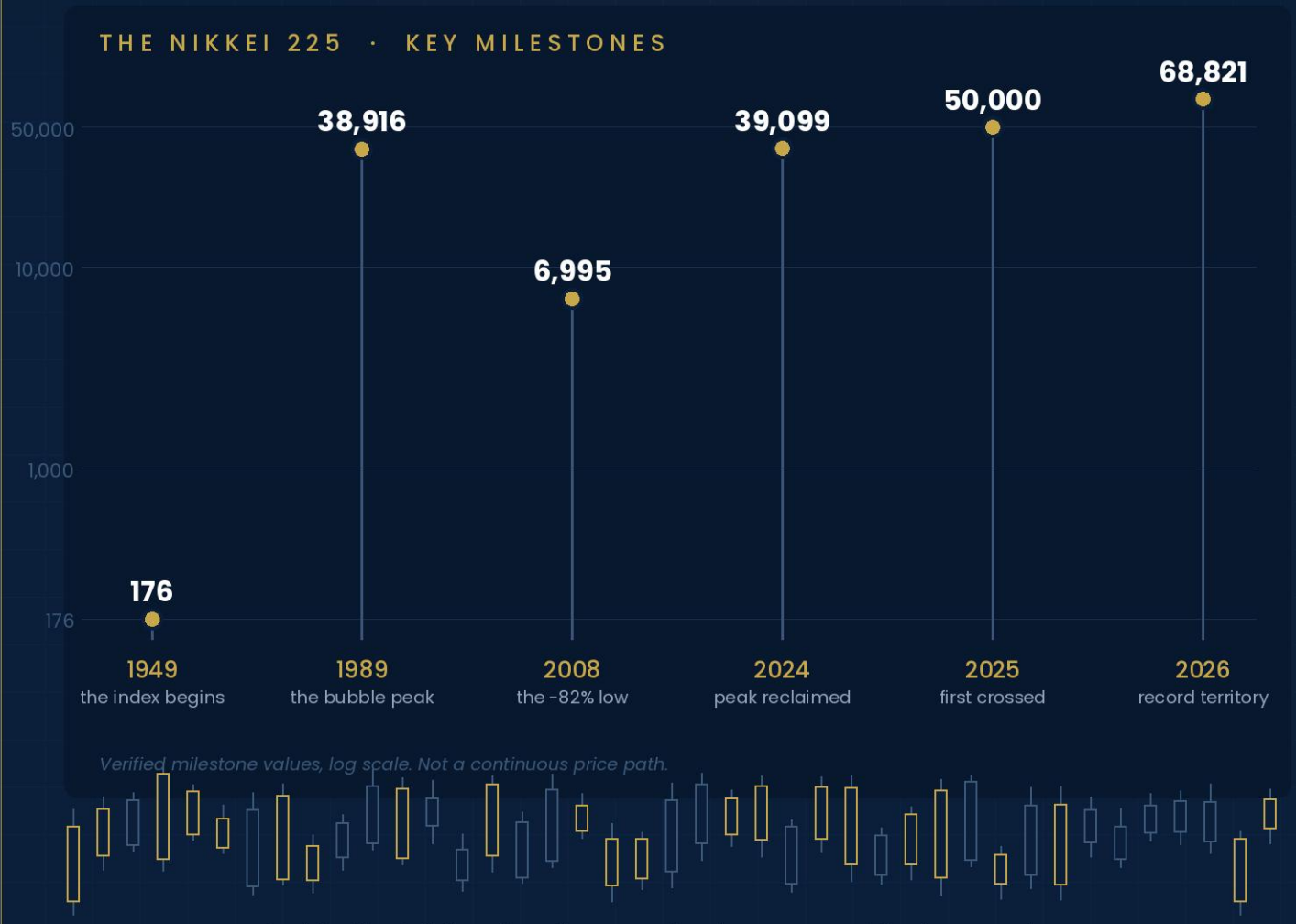
THE COMPLETE
TRADER'S *Edge*
FRAMEWORK · MIND · METHOD · MONEY

CTE RESEARCH SHEET · No. 06

The Markets of Japan

Rice, Candlesticks, and the 34-Year Wait



Inside: the full timeline, the recurring lessons, and the key numbers.

PART ONE

The Timeline

THE RICE CENTURIES · 1730-1877

- **1730** The Dojima Rice Exchange opens: the world's first futures market
- **1750s** Munehisa Homma's era; candlestick analysis takes shape in Osaka

MEIJI TO RUIN · 1878-1949

- **1878** The Tokyo Stock Exchange opens in the Meiji industrial drive
- **1945** War reduces the economy, and the exchange, to rubble
- **1949** The Nikkei's base: 176.21 in May, calculation begins 1950

THE MIRACLE · 1950-1989

- **1960s** Keiretsu-driven growth; Sony and Toyota conquer world markets
- **1989** The bubble peaks: Nikkei 38,916, eight of the world's top ten firms

THE LOST DECADES · 1990-2012

- **2008** The Nikkei touches 6,995 intraday, 82% below the peak
- **2012** Deflationary psychology grips a full generation of savers

THE COMEBACK · 2013-2026

- **2013** Abenomics and massive BOJ easing begin the long repair
- **2024** On 22 February, the 1989 peak is finally surpassed, 34 years later
- **2024** 5 August: a record one-day crash, then a record rebound next day
- **2026** The Nikkei trades near 69,000, setting fresh records

PART TWO

The Recurring Lessons

1. **Markets do not owe you a recovery on your schedule.**
   Japan's peak took 34 years to reclaim.
2. **Crowd psychology can become the trend itself.**
   Deflationary thinking gripped a nation for a generation.
3. **"It always comes back" has a survival requirement.**
   Your timeframe, leverage and lifespan must outlast the wait.
4. **Crowded trades exit through a stampede.**
   August 2024: a record crash and record rebound in 48 hours.
5. **Price is a record of human emotion.**
   Osaka's rice traders drew that insight as candlesticks.
6. **Manage risk per position, not per era.**
   The long run rescued no one who was leveraged in 1990.
7. **Decline is not destiny.**
   The market that symbolised stagnation became a world leader.

> *"One cannot help feeling that successful investment in Japan requires not just a suspension of disbelief but superstitious faith, too."*
> — Financial Times, 1989

THE TRANSFORMATION

176 → 68,821

The Nikkei 225, from its 1949 base to July 2026 — via a 34-year detour.

34 yrs	**-82%**	**1730**
from the 1989 peak to reclaiming it	peak to the 2008 low	futures trading begins at Dojima