Nikkei soars to seven-year high on public pension fund, BOJ euphoria

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TOKYO (Reuters) - Japan's Nikkei share average hit a seven-year high on Tuesday as investors gave a thumbs up to the Bank of Japan's unexpected move to ease policy further and the public pension fund's reallocation of assets to switch more funds to domestic stocks.

The Nikkei benchmark index climbed 2.7 percent to 16,862.47, its highest level since 2007. The index surged 4.8 percent on Friday, marking its biggest daily gain in eighteen months.

Turnover at the Tokyo Stock Exchange's main board hit 5.4 trillion yen, the second highest on record.

Financial and real estate shares outperformed the market, with Daiwa Securities surging 12.3 percent, Nomura Holdings jumped 7.7 percent and Tokyo Fudosan shot up 7.1 percent.

The broader Topix added 2.6 percent to close at 1,368.65, while the JPX-Nikkei Index 400 gained 2.8 percent, closing at 12,507.72.

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