

Market Review for December 2020

5th January 2021

The Japanese equity market for December rose and TOPIX ended up higher at 2.84%. The market favoured the news that US president Trump had signed the unemployment benefits package in the latter half of the month whilst the market struggled to find a direction between vaccine distribution and concerns over domestic economic activities evoked by the rise of the number of Covid-19 cases in Japan.

Table 1. Market Performance

2020	As of the end of Dec	Dec	Year to Date
TOPIX	1,804.68	2.84%*	4.84%*
Nikkei 225	27,444.17	3.82%	16.01%
USD/JPY**	103.25	104.28 (30 Nov)	108.68 (end of 2019)

*MTD: 2.97%, YTD: 7.39% in total return index, **Reuters London 4pm

Figure 1. TOPIX and USD/JPY in 2020

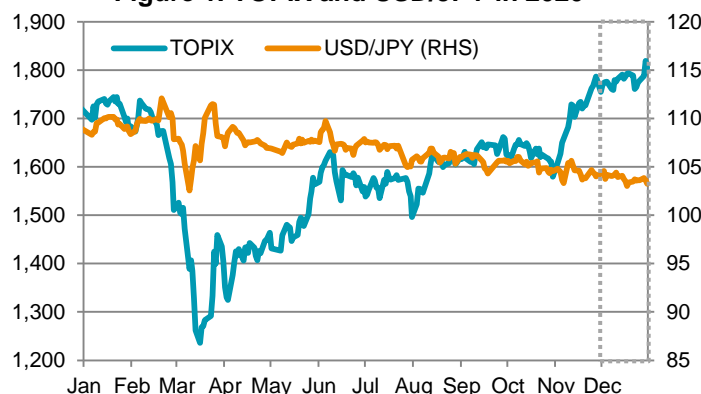


Figure 2. Global Equity Market Monthly Performance
(as of the end of December 2020, local currency)

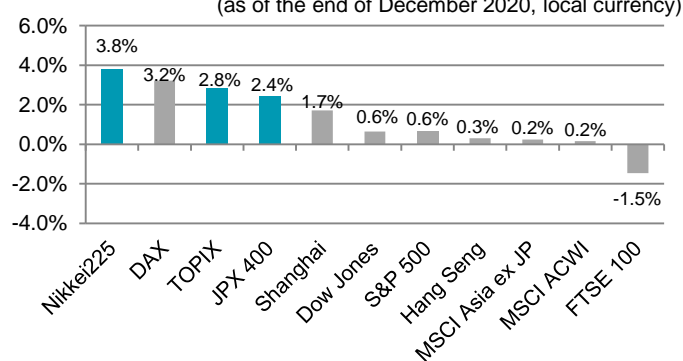


Table 2. Top 5 performing sectors in December 2020

Sector	Return
Nonferrous Metals	14.44%
Pulp & Paper	12.96%
Marine Transportation	11.64%
Transportation Equipments	8.20%
Other Products	5.21%

Table 3. Bottom 5 performing sectors in December 2020

Sector	Return
Rubber Products	-5.48%
Air Transportation	-4.91%
Services	-2.70%
Mining	-2.62%
Real Estate	-2.44%

Table 4. Top 5 performing stocks* in December 2020

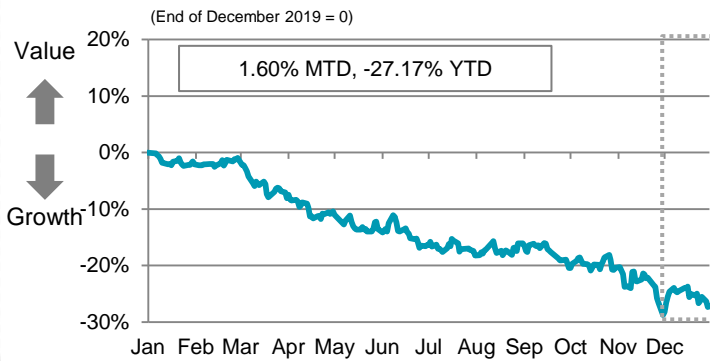
Name	Return
Mitsubishi Heavy Industries (7011 JP)	34.21%
Denso (6902 JP)	24.45%
Oji Holdings (3861 JP)	23.84%
Japan Post Insurance (7181 JP)	21.38%
Azbil (6845 JP)	20.38%

Table 5. Bottom 5 performing stocks* in December 2020

Sector	Return
Ito En (2593 JP)	-18.98%
MonotaRO (3064 JP)	-17.58%
Nippon Paint Holdings (4612 JP)	-15.26%
Rakuten (4755 JP)	-14.97%
Suzuki Motor (7269 JP)	-14.67%

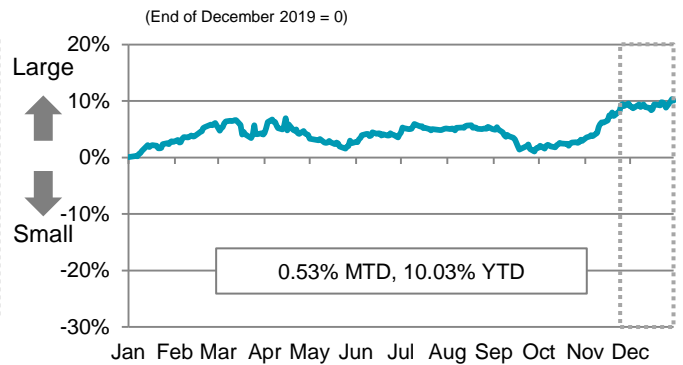
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread in 2020



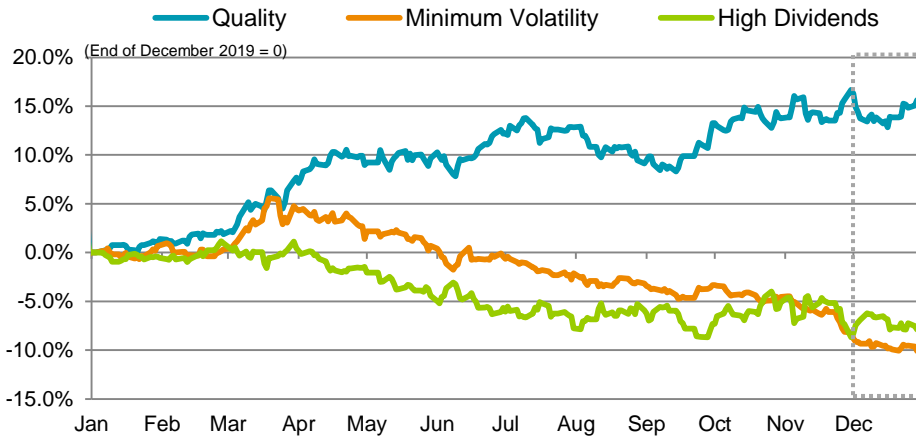
The spread between Russell Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread in 2020



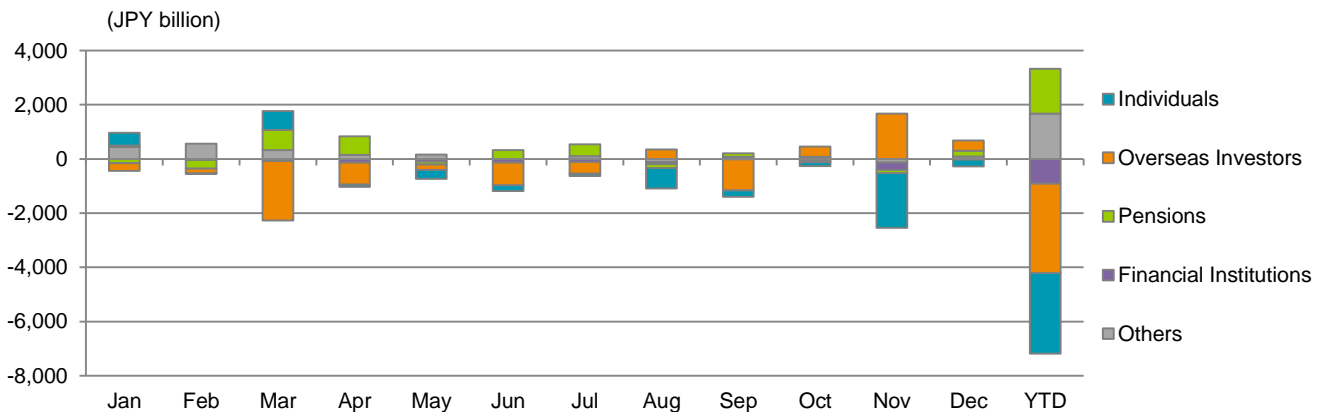
The spread between Russell Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan in 2020



Data: Bloomberg, Nomura Securities, SuMi TRUST (as at the end of December 2020)

Figure 6. Monthly Investment Activities by Investor Type in the Japanese Equity Market



Data: Bloomberg, SuMi TRUST (as of 25th December 2020)

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