

Market Review for February 2021

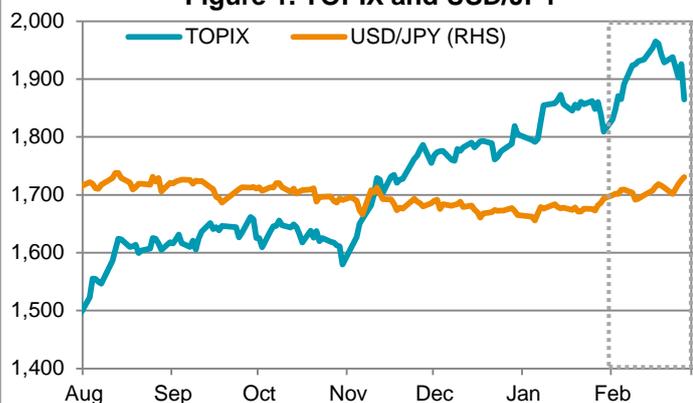
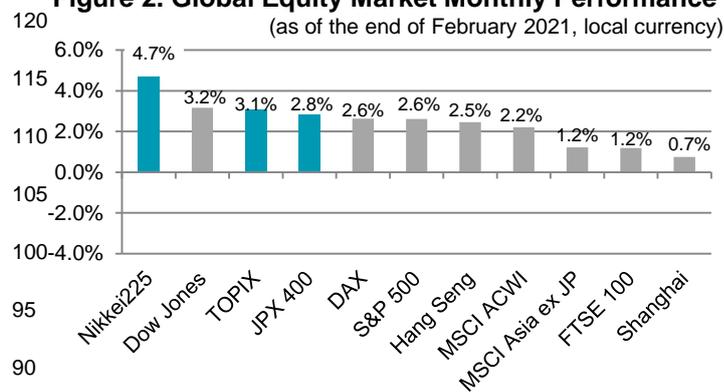
 2nd March 2021

TOPIX ended up 3.08% on the previous month-end. The expectations for a recovery of company's earnings and US additional economic stimulus pushed the market higher. The market lost the momentum in the latter half of the month due to the decline of the US equity market following a sharp hike in US bond yield but closed higher than the previous month-end.

Table 1. Market Performance

| 2021 | As of the end of Feb. | February | Year to Date |
|------------|-----------------------|-----------------|----------------------|
| TOPIX | 1,864.49 | 3.08%* | 3.31%* |
| Nikkei 225 | 28,966.01 | 4.71% | 5.55% |
| USD/JPY** | 106.54 | 104.07 (31 Jan) | 103.25 (end of 2020) |

*MTD: 3.12%, YTD: 3.36% in total return index, **Reuters London 4pm

Figure 1. TOPIX and USD/JPY

Figure 2. Global Equity Market Monthly Performance

Table 2. Top 5 performing sectors in February 2021

| Sector | Return |
|-----------------------|--------|
| Mining | 26.62% |
| Air Transportation | 23.92% |
| Marine Transportation | 20.48% |
| Iron & Steel | 18.87% |
| Banks | 13.97% |

Table 3. Bottom 5 performing sectors in February 2021

| Sector | Return |
|-----------------------|--------|
| Pharmaceutical | -6.51% |
| Foods | -3.91% |
| Precision Instruments | -2.13% |
| Electric Power & Gas | -1.74% |
| Chemicals | -1.43% |

Table 4. Top 5 performing stocks* in February 2021

| Name | Return |
|-------------------------|--------|
| Japan Airline (9201 JP) | 35.80% |
| Nippon Steel (5401 JP) | 29.87% |
| Inpex (1605 JP) | 29.59% |
| Nippon Yusen (9101 JP) | 26.97% |
| JFE Holdings (5411 JP) | 22.99% |

Table 5. Bottom 5 performing stocks* in February 2021

| Sector | Return |
|---------------------------------|---------|
| Tokyo Century (8439 JP) | -17.97% |
| PeptiDream (4587 JP) | -17.02% |
| Nippon Paint Holdings (4612 JP) | -15.92% |
| Santen Pharmaceutical (4536 JP) | -15.54% |
| Azbil (6845 JP) | -15.26% |

*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread



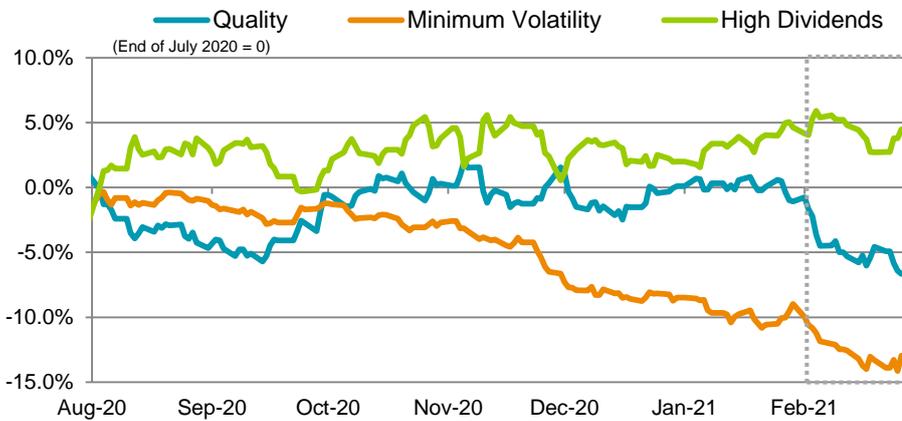
The spread between Russell Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread



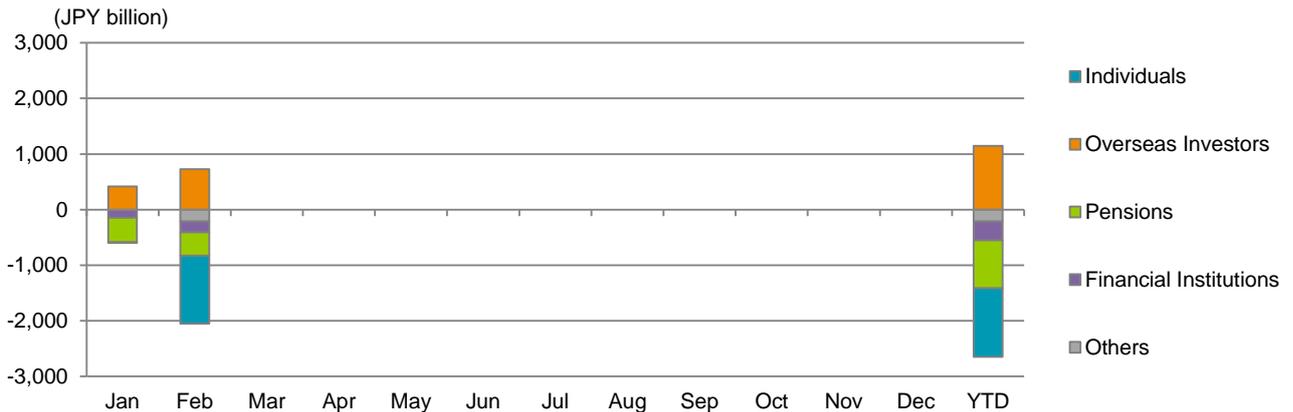
The spread between Russell Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan



Data: Bloomberg, Nomura Securities, SuMi TRUST (as at the end of February 2021)

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



Data: Bloomberg, SuMi TRUST (as of 19th February 2021)

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