

Market Review for October 2023

This is a marketing communication. Please note past performance information does not predict future returns.

MONTHLY REVIEW

The Japanese equity market saw TOPIX fall by 3% while the Nikkei 225 slid by 3.1%. In the first half of the month the Japanese equity market was rocked by swings in US bond yields and rising tensions in the Middle East. Speculation over the Bank of Japan (BOJ) potentially amending its monetary policy strategy also weighed on equities. Towards the end of the month US long-term interest rates topped 5%, which was a headwind for Japanese equities. Large cap stocks outperformed in the beginning of the month but small and mid cap stocks dominated towards the end of the month.

TABLE 1. MARKET PERFORMANCE

| 2023 | As of the end of October 2023 | Oct-23 | Year to Date |
|------------|-------------------------------|-----------------|----------------------|
| TOPIX | 2,323.39 | -3.00% | 19.14% |
| Nikkei 225 | 31857.62 | -3.14% | 18.26% |
| USD/JPY* | 151.68 | 149.37 (Sep-23) | 131.12 (end of 2022) |

*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

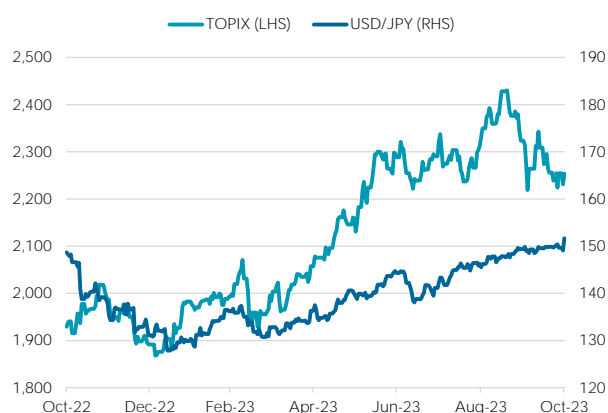


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of October 2023, local currency)

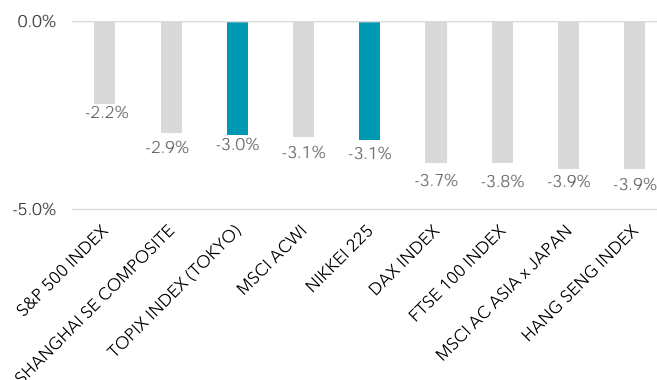


TABLE 2. TOP 5 PERFORMING SECTORS

| Sectors | Return |
|--------------|--------|
| Foods | 1.48% |
| Pulp & Paper | 1.17% |
| Banks | 0.36% |
| Insurance | 0.32% |
| Retail Trade | -0.13% |

TABLE 3. BOTTOM 5 PERFORMING SECTORS

| Sectors | Return |
|---------------------------|--------|
| Pharmaceutical | -7.34% |
| Machinery | -6.37% |
| Iron & Steel | -6.35% |
| Transportation Equipments | -6.01% |
| Nonferrous Metals | -5.51% |

TABLE 4. TOP 5 PERFORMING STOCKS*

| Name | Ticker | Return |
|--------------------|----------------|--------|
| ZENSHO HOLDINGS | 7550 JT Equity | 21.96% |
| NISSHIN SEIFUN | 2002 JT Equity | 19.50% |
| TOYO SUISAN KAISHA | 2875 JT Equity | 18.67% |
| YAMAZAKI BAKING | 2212 JT Equity | 16.63% |
| OSAKA GAS | 9532 JT Equity | 15.43% |

TABLE 5. BOTTOM 5 PERFORMING STOCKS*

| Name | Ticker | Return |
|-----------------------|----------------|---------|
| MITSUBISHI MOTOR | 7211 JT Equity | -25.91% |
| MONOTARO | 3064 JT Equity | -24.99% |
| BAYCURRENT CONSULTING | 6532 JT Equity | -24.79% |
| PANASONIC | 6752 JT Equity | -22.18% |
| NIDEC | 6594 JT Equity | -21.79% |

*Stocks with a market cap of over JPY 500 billion

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of October 2023)

FIGURE 3. VALUE-GROWTH SPREAD



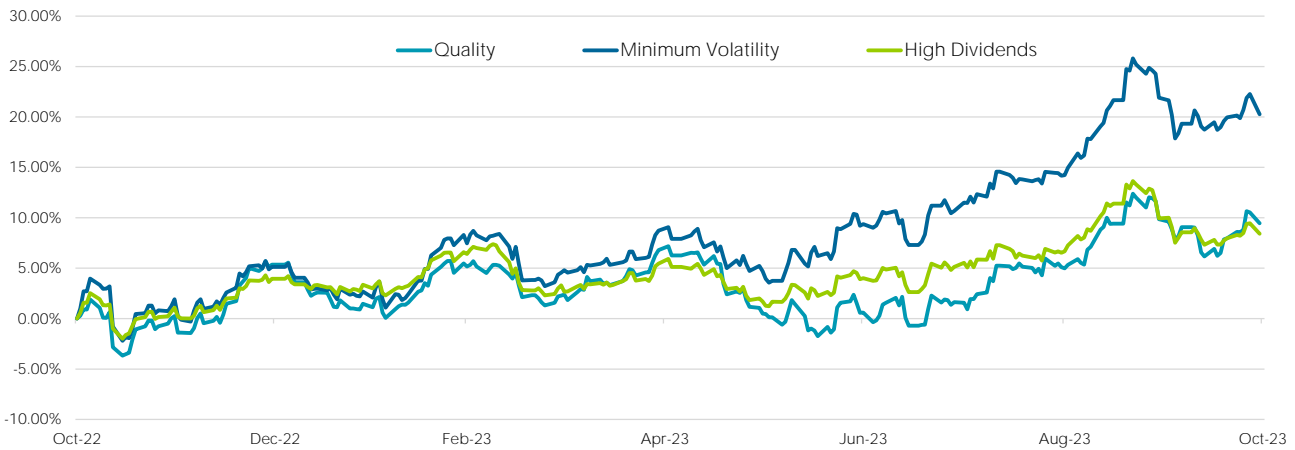
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



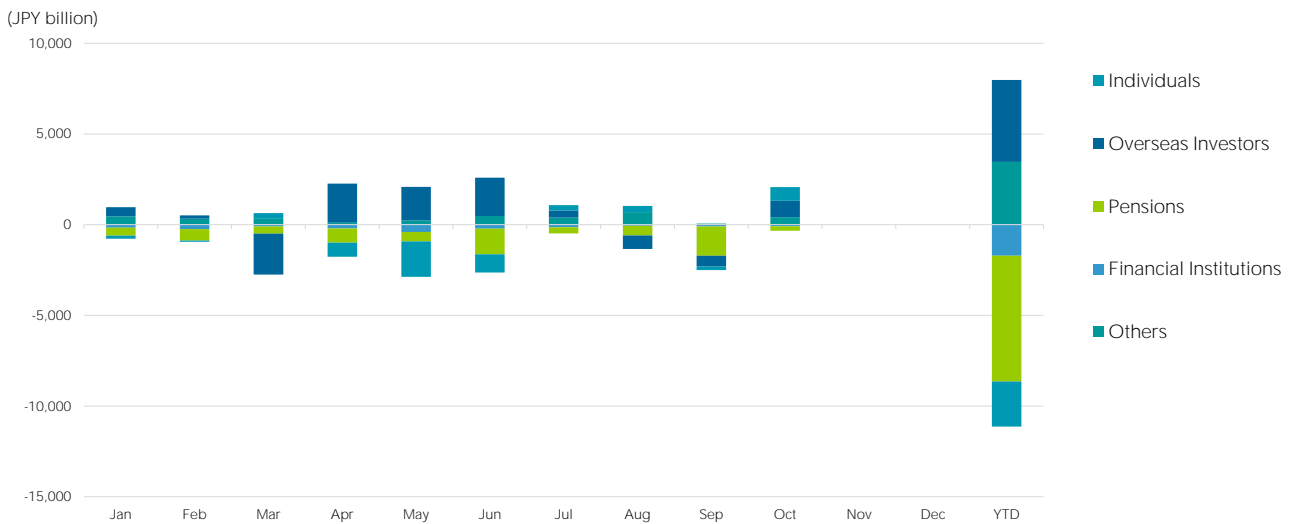
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

FIGURE 5. MSCI JAPAN FACTOR INDEXES SPREAD AGAINST MSCI JAPAN*



*The measurement begins from the end of October 2022, starting from 0%.

FIGURE 6. MONTHLY INVESTMENT ACTIVITIES BY INVESTOR TYPE IN THE JAPANESE EQUITY MARKET**



**Latest month figures are until the 3rd week of the month

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of October 2023)

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