

## Market Review for June 2023

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

3rd July 2023

### MONTHLY REVIEW

The Japanese stock market rallied for six consecutive months in June, with the Nikkei 225 closing above 33,000 on 30 June. The Bank of Japan's decision to maintain its loose monetary policy at its meeting on 16 June was well received by the markets, as yen depreciation boosted expectations of higher earnings for exporters amidst rising US interest rates. With Japan's wage growth at its highest level in 30 years, the stock market looks to be in an upward trend as domestic demand is expected to also increase. All sectors saw growth in June and small- and mid-cap stocks in particular outperformed large caps towards the month-end.

TABLE 1. MARKET PERFORMANCE

2023	As of the end of June 2023	Jun-23	Year to Date
TOPIX	2,288.60	7.41%	20.98%
Nikkei 225	33,189.04	7.45%	27.19%
USD/JPY*	144.31	139.34 (May-23)	131.12

\*Bloomberg's preferred default source of generic FX data

FIGURE 1. TOPIX and USD/JPY

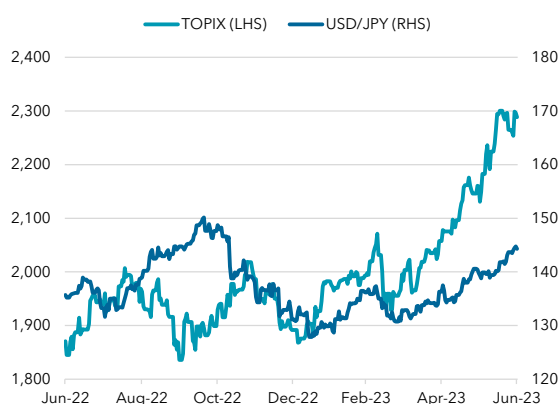


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of June 2023, local currency)

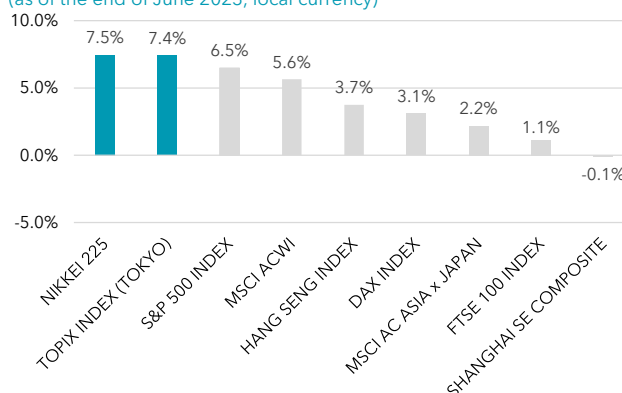


TABLE 2. TOP 5 PERFORMING SECTORS

Sectors	Return
Electric Appliance	17.31%
Precision Instruments	16.03%
Insurance	13.47%
Machinery	12.96%
Electric Power & Gas	11.56%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sectors	Return
Marine Transportation	1.32%
Nonferrous Metals	2.50%
Textiles & Apparels	2.83%
Oil & Coal Products	2.83%
Glass & Ceramics Products	2.87%

TABLE 4. TOP 5 PERFORMING STOCKS\*

Name	Ticker	Return
KAWASAKI HEAVY INDUSTRIES	7012 JT Equity	25.44%
SOCIONEXT	6526 JT Equity	24.52%
MITSUBISHI	8058 JT Equity	24.06%
SOFTBANK GROUP	9984 JT Equity	23.71%
MITSUMI & CO	8031 JT Equity	22.87%

TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

Name	Ticker	Return
RAKUTEN GROUP	4755 JT Equity	-13.37%
TIS	3626 JT Equity	-8.16%
KEIO	9008 JT Equity	-7.88%
MONOTARO	3064 JT Equity	-6.03%
TAIYO YUDEN	6976 JT Equity	-5.94%

\*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 June 2023)

FIGURE 3. VALUE-GROWTH SPREAD



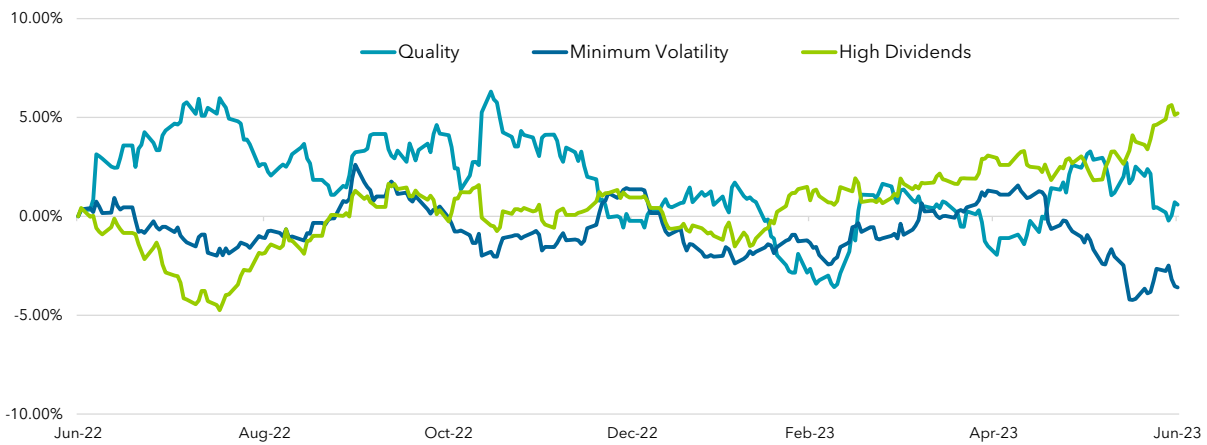
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



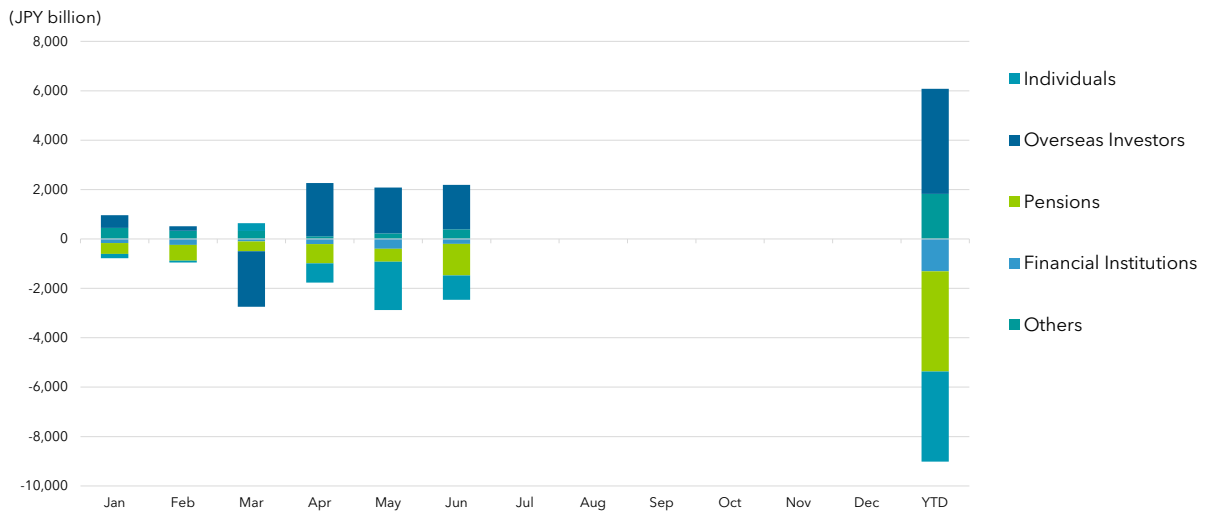
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



\*The measurement begins from the end of June 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 June 2023)

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