

## Market Review for August 2023

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

1st September 2023

### MONTHLY REVIEW

The Japanese equity market saw TOPIX increase by 0.4% and the Nikkei 225 slide by 1.7% in August. In the first half of the month, concerns over rising long-term US interest rates and China's economy weighed on Japanese equities. However in the second half of the month Japanese equities rebounded following the positive performance of US semi-conductor stocks like NVIDIA and Governor Powell's speech at Jackson Hole, which was not as hawkish as markets had feared. August saw small-cap stocks outperform large-cap stocks.

TABLE 1. MARKET PERFORMANCE

| 2023       | As of the end of August 2023 | Aug-23          | Year to Date |
|------------|------------------------------|-----------------|--------------|
| TOPIX      | 2,332.00                     | 0.41%           | 23.27%       |
| Nikkei 225 | 32,619.34                    | -1.67%          | 25.00%       |
| USD/JPY*   | 145.53                       | 142.29 (Aug-23) | 131.12       |

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

FIGURE 1. TOPIX and USD/JPY

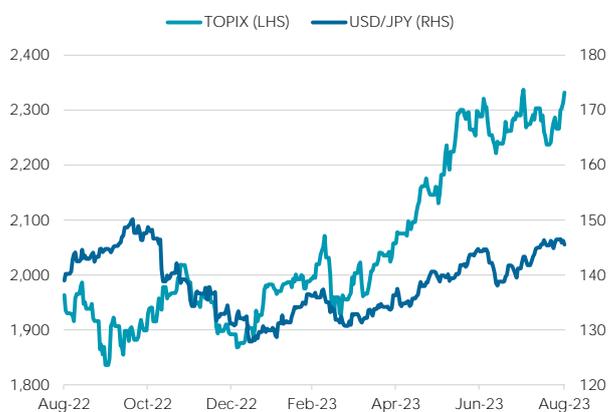


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of August 2023, local currency)

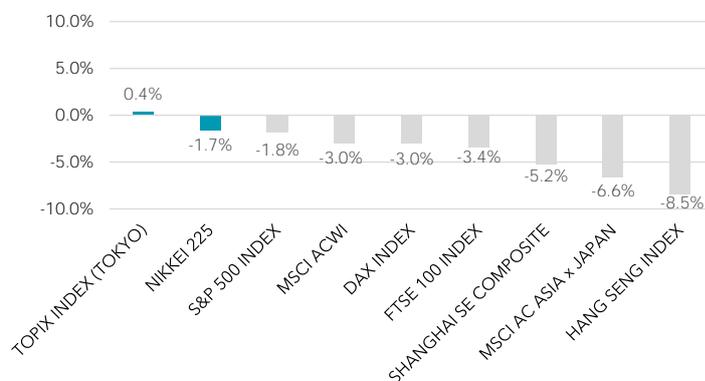


TABLE 2. TOP 5 PERFORMING SECTORS

| Sectors                         | Return |
|---------------------------------|--------|
| Marine Transportation           | 11.79% |
| Mining                          | 9.68%  |
| Oil & Coal Products             | 6.76%  |
| Fishery, Agriculture & Forestry | 6.28%  |
| Electric Power & Gas            | 6.10%  |

TABLE 3. BOTTOM 5 PERFORMING SECTORS

| Sectors               | Return |
|-----------------------|--------|
| Precision Instruments | -4.75% |
| Electric Appliance    | -3.50% |
| Air Transportation    | -2.98% |
| Textiles & Apparels   | -2.93% |
| Nonferrous Metals     | -2.77% |

TABLE 4. TOP 5 PERFORMING STOCKS\*

| Name                      | Ticker         | Return |
|---------------------------|----------------|--------|
| YAMAZAKI BAKING           | 2212 JT Equity | 34.48% |
| ROHTO PHARMACEUTICAL      | 4527 JT Equity | 25.31% |
| MITSUBISHI HEAVY INDUSTRY | 7011 JT Equity | 22.86% |
| ITOCHU TECHNO SOLUTIONS   | 4739 JT Equity | 20.07% |
| SUMITOMO FOREST           | 1911 JT Equity | 19.74% |

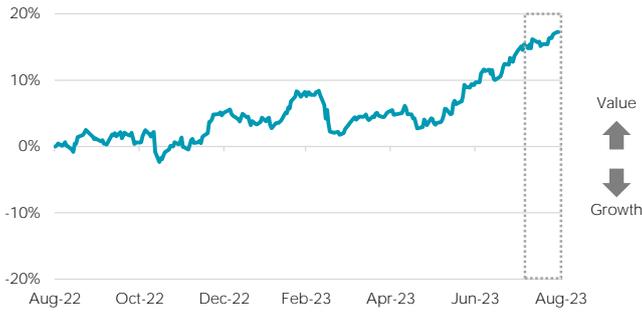
TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

| Name                 | Ticker         | Return  |
|----------------------|----------------|---------|
| SYSMEX               | 6869 JT Equity | -19.47% |
| YAMAHA               | 7951 JT Equity | -18.20% |
| NIKON                | 7731 JT Equity | -16.10% |
| SQUARE ENIX HOLDINGS | 9684 JT Equity | -16.01% |
| HAKUHODO DY HOLDINGS | 2433 JT Equity | -15.28% |

\*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 August 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



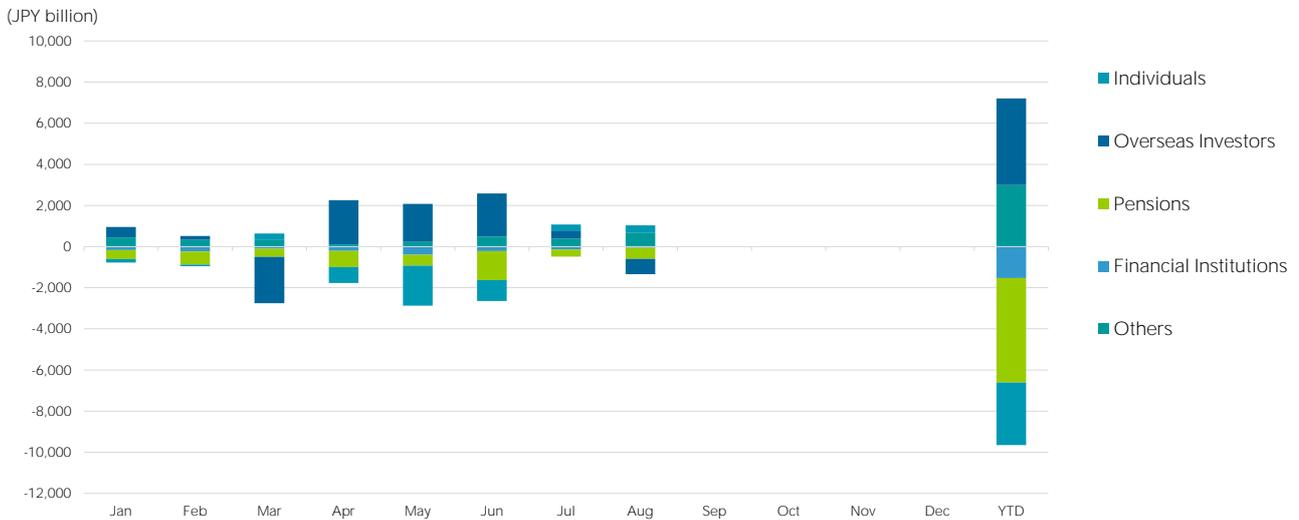
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



\*The measurement begins from the end of August 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

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Any enquiries regarding the products should be made to:

Kei Ohashi

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8412

Email: [imd@smtil.com](mailto:imd@smtil.com)

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