Market Review for December 2021

5th January 2022

TOPIX ended up on the previous month-end. The Japanese equity market rose as excessive concerns over a new Covid-19 variant, Omicron, receded although it saw temporary declines due to news of monetary policy meetings at the FRB, ECB and Bank of Japan.

Table 1. Market Performance

2021	As of the end of Dec 2021	December 2021	Year to Date
TOPIX	1,992.33	3.32%*	10.40%*
Nikkei 225	28,791.71	3.49%	4.91%
USD/JPY**	115.16	113.55 (30 Nov)	103.25 (end of 2020)

*MTD: 3.45%, YTD: 12.74% in total return index, **Reuters London 4pm

Figure 1. TOPIX and USD/JPY

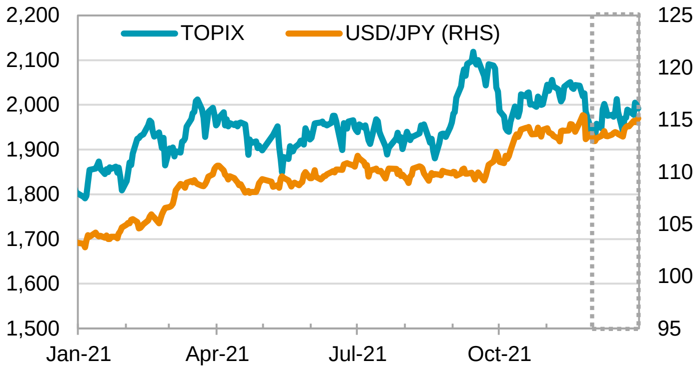
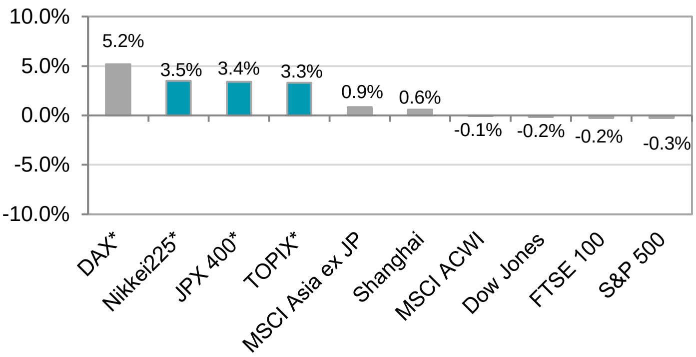


Figure 2. Global Equity Market Monthly Performance

(as of the end of December 2021, local currency)



*The figures are calculated based on the closing price as of 30th December 2021

Table 2. Top 5 performing sectors in December 2021

Sector	Return
Marine Transportation	24.72%
Iron & Steel	8.54%
Warehousing & Harbour Transportation Services	7.42%
Mining	7.42%
Insurance	7.30%

Table 3. Bottom 5 performing sectors in December 2021

Sector	Return
Information & Communication	-3.15%
Precision Instruments	-0.60%
Retail Trade	0.50%
Electric Power & Gas	1.01%
Real Estate	1.04%

Table 4. Top 5 performing stocks* in December 2021

Name	Return
Kawasaki Kisen Kaisha (9107 JP)	42.09%
Mitsui OSK Lines (9104 JP)	31.38%
Toppan (7911 JP)	25.13%
Lasertec (6920 JP)	18.64%
Nippon Yusen KK (9101 JP)	18.38%

Table 5. Bottom 5 performing stocks* in December 2021

Sector	Return
Oracle Japan (4716 JP)	-21.68%
Pan Pacific International Holdings (7532 JP)	-18.03%
Nihon M&A Center Holdings (2127 JP)	-15.41%
Tsuruha Holdings (3391 JP)	-13.75%
Z Holdings (4689 JP)	-11.25%

*Stocks with a market cap of over JPY 500 billion

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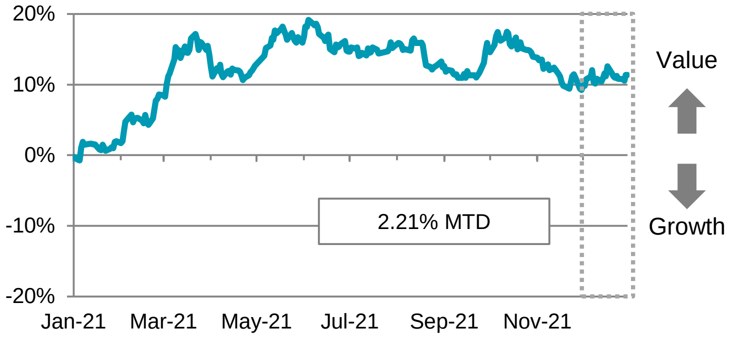
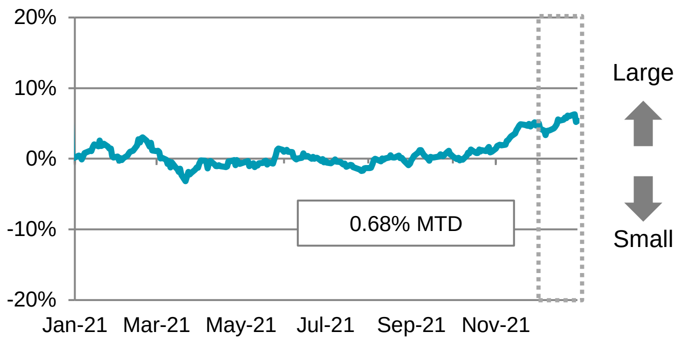
Figure 3. Value-Growth Spread



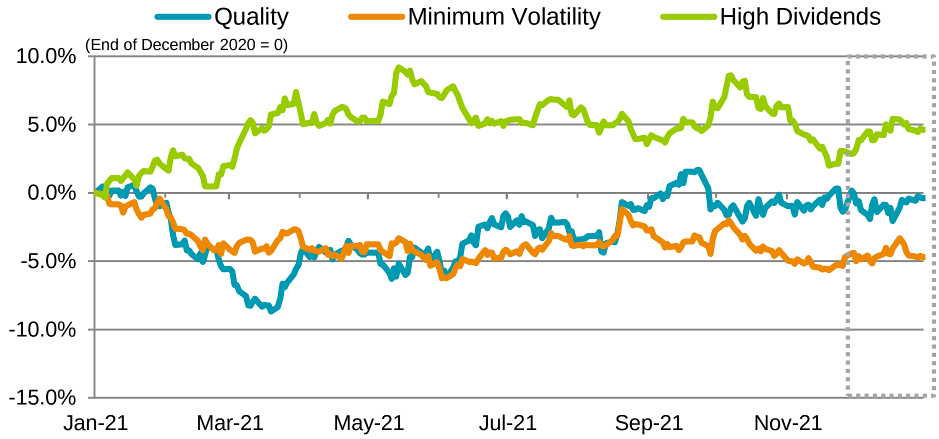
The spread between the Russell Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread



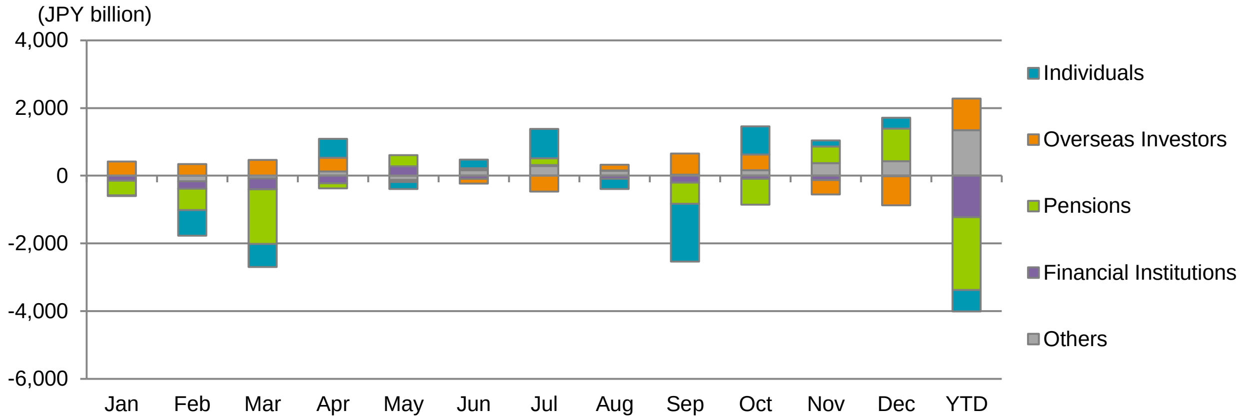
The spread between the Russell Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan



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

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



Data: Bloomberg, SuMi TRUST (as of 24th December 2021)

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