

Market Review for December 2022

3rd January 2023

TOPIX ended down on the previous month-end. The Japanese equity market started down at the beginning of the month due to deterioration in the ISM manufacturing index and the yen appreciating against the US dollar. The market later rallied on the back of slowing inflation in the U.S., but in the latter half of the month the market sharply closed lower, reflecting factors such as the yen's appreciation due to the BOJ's yield curve control (YCC) revision and the increase in the number of new COVID-19 cases in China.

Table 1. Market performance

2022	As of the end of Dec 2022	Dec 2022	Year to Date
TOPIX	1891.71	-4.73%	-5.05%
Nikkei 225	26094.50	-6.70%	-9.37%
USD/JPY*	131.95	139.54 (30 Nov)	115.16 (end of 2021)

*Reuters London 4pm

Figure 1. TOPIX and USD/JPY

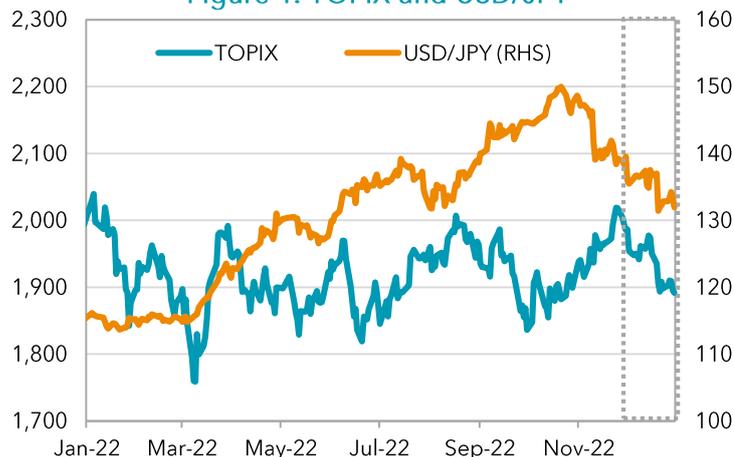


Figure 2. Global Equity Market Monthly Performance (as of the end of Dec 2022, local currency)

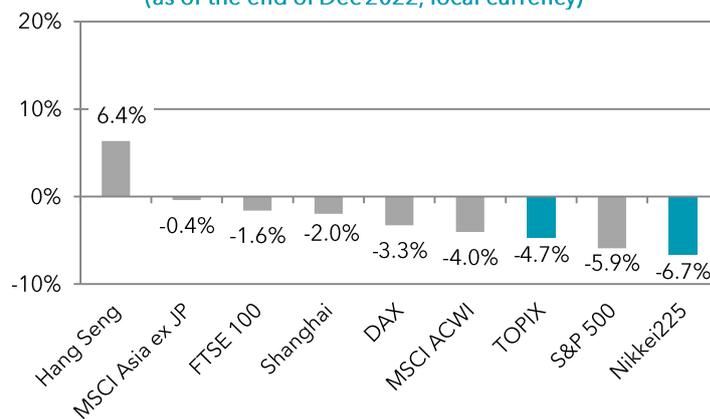


Table 2. Top 5 performing sectors in December 2022

Sectors	Return
Banks	11.69%
Insurance	4.16%
Marine Transportation	1.43%
Electric Power & Gas	1.42%
Iron & Steel	1.34%

Table 3. Bottom 5 performing sectors in December 2022

Sectors	Return
Real Estate	-10.51%
Transportation Equipment	-10.37%
Precision Instruments	-10.36%
Electric Appliance	-9.80%
Mining	-8.63%

Table 4. Top 5 performing stocks* in December 2022

Name	Return
Mitsubishi UFJ Financial Group (8306 JP)	17.73%
Dai-ichi Life Holdings (8750 JP)	17.71%
MatsukiyoCocokara (3088 JP)	15.38%
Chiba Bank (8331 JP)	15.35%
Concordia Financial Group (7186 JP)	15.30%

Table 5. Bottom 5 performing stocks* in December 2022

Name	Return
MonotaRO (3064 JP)	-20.51%
Nidec (6594 JP)	-19.86%
Mitsubishi Motors (7211 JP)	-19.81%
Yokogawa Electric (6841 JP)	-17.97%
Open House Group (3288 JP)	-16.61%

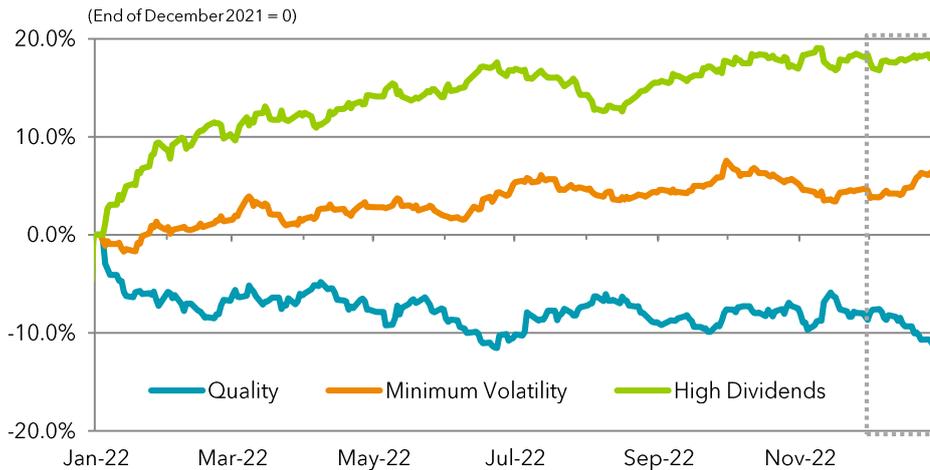
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread

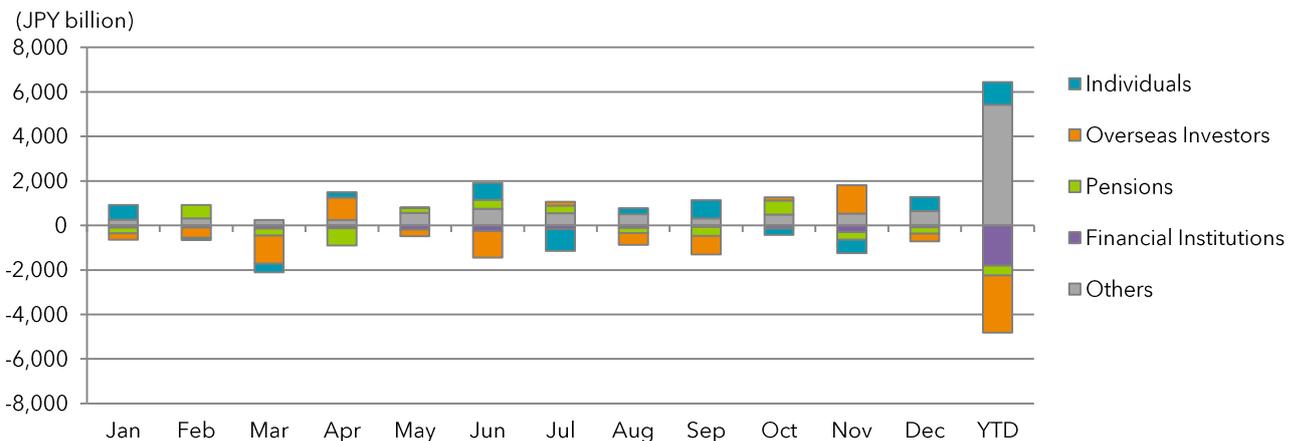

The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

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, SuMi TRUST (as at the end of December 2022)

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


Data: Bloomberg, SuMi TRUST (as of 23rd December 2022)

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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

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