

Market Review for July 2022

1st August 2022

TOPIX ended up on the previous month-end. The Japanese equity market was supported by the current ruling parties' election win and expectations for a slowdown of US interest rate rises. The Liberal Democratic Party, one of the current ruling parties, won the majority at the upper house election. The market favoured this, bringing more political stability to Kishida's cabinet. In addition Federal Reserve Chair Powell's comments at the FOMC meeting hinted at a delayed interest rate rise, which underpinned the market.

Table 1. Market performance

2022	As of the end of Jul 2022	Jul 2022	Year to Date
TOPIX	1,940.31	3.71%	-2.61%
Nikkei 225	27,801.64	5.34%	-3.44%
USD/JPY*	133.65	135.86 (30 Jun)	115.16 (end of 2021)

*Reuters London 4pm

Figure 1. TOPIX and USD/JPY

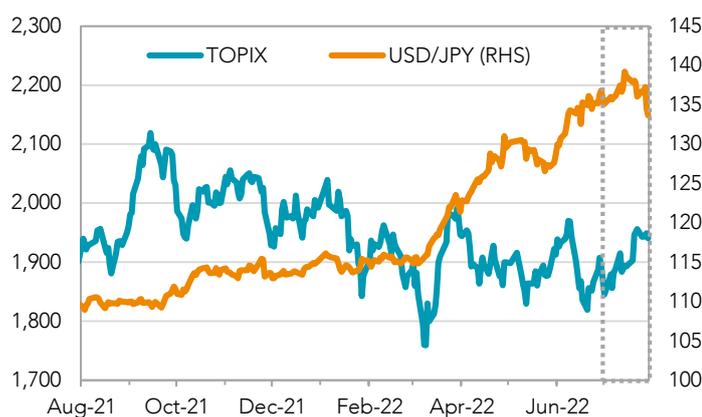


Figure 2. Global Equity Market Monthly Performance (as of the end of Jul 2022, local currency)

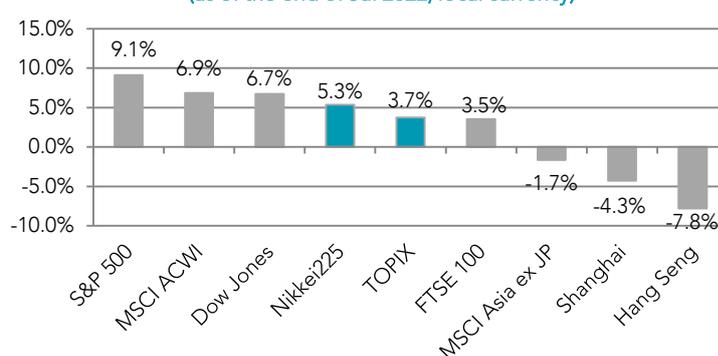


Table 2. Top 5 performing sectors in July 2022

Sector	Return
Marine Transportation	14.31%
Services	10.80%
Precision Instruments	9.97%
Metal Products	5.76%
Electric Appliances	5.53%

Table 4. Top 5 performing stocks* in July 2022

Name	Return
Recruit Holdings (6098 JP)	23.98%
Nihon M&A Center Holdings (2127 JP)	22.31%
Lasertec (6920 JP)	19.72%
Asahi Intecc (7747 JP)	19.58%
Kawasaki Kisen Kaisha (9107 JP)	18.42%

Table 3. Bottom 5 performing sectors in July 2022

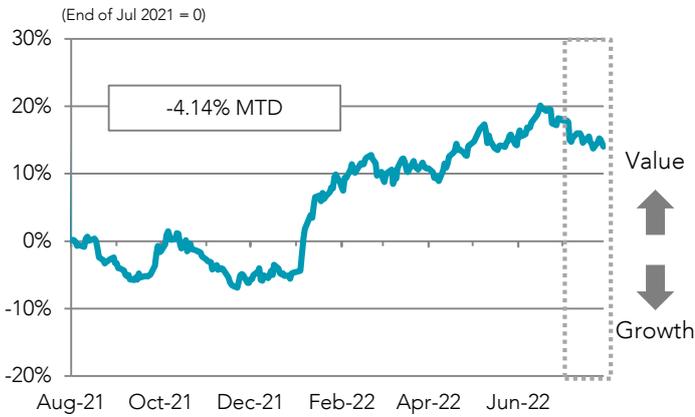
Sector	Return
Insurance	-2.53%
Electric Power & Gas	-2.44%
Air Transportation	-1.76%
Pulp & Paper	-1.71%
Textiles & Apparels	-0.31%

Table 5. Bottom 5 performing stocks* in July 2022

Name	Return
MatsukiyoCocokara (3088 JP)	-8.56%
Dai-ichi Life Holding (8750 JP)	-8.25%
Osaka Gas (9532 JP)	-7.90%
Tokyo Electric Power Holdings (9501 JP)	-7.76%
T&D Holdings (8795 JP)	-7.76%

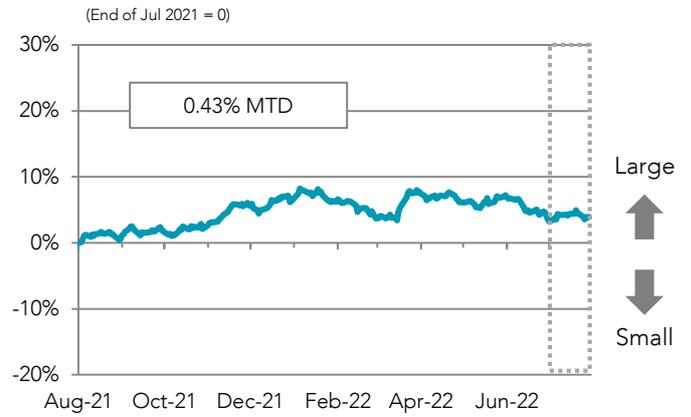
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread



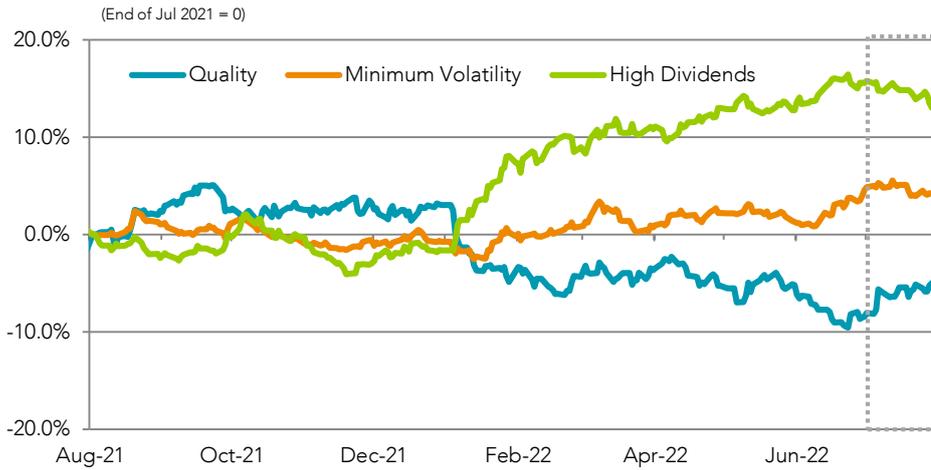
The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread



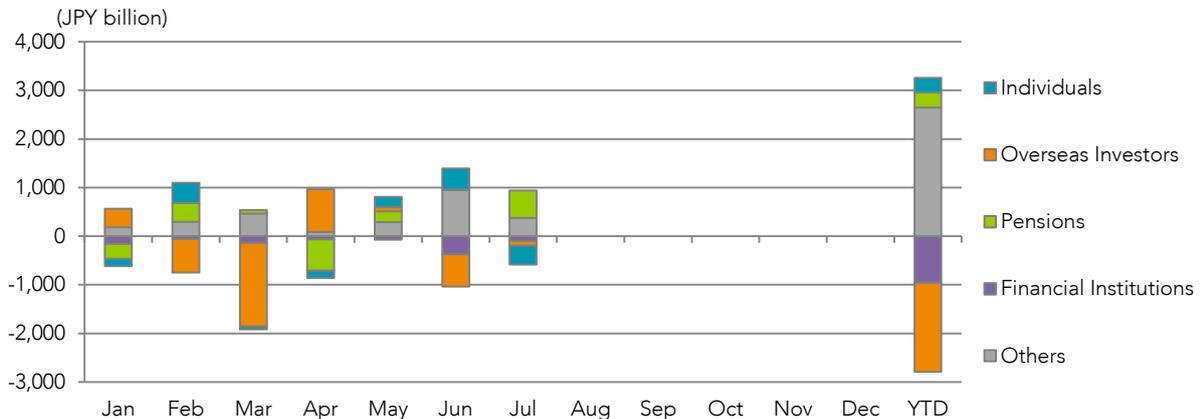
The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan



Data: Bloomberg, Nomura, SuMi TRUST (as at the end of July 2022)

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



Data: Bloomberg, SuMi TRUST (as of 22nd July 2022)

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