

## Market Review for March 2022

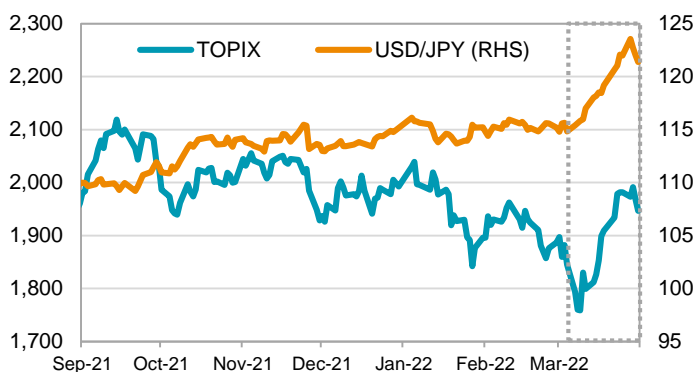
 1<sup>st</sup> April 2022

TOPIX ended up on the previous month-end. The Japanese equity market started on a low due to the news of Russia's invasion of Ukraine and concerns over increasing prices of commodities. The market then recovered on yen depreciation against the US dollar due to the widening interest rate spread between Japan and the US, as well as on a pause of increasing oil prices.

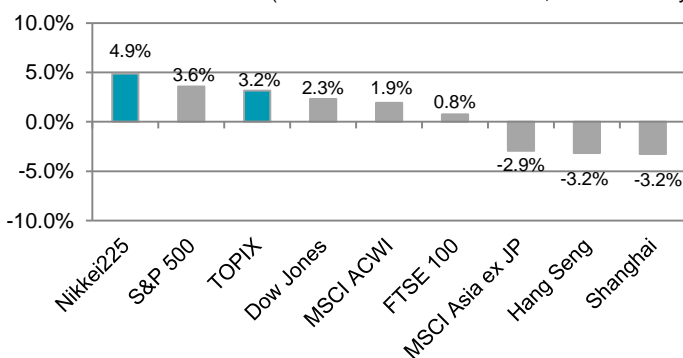
**Table 1. Market Performance**

| 2022       | As of the end of Mar 2022 | March 2022      | Year to Date         |
|------------|---------------------------|-----------------|----------------------|
| TOPIX      | 1,946.40                  | 3.15%*          | -2.31%*              |
| Nikkei 225 | 27,821.43                 | 4.88%           | -3.37%               |
| USD/JPY**  | 121.38                    | 115.18 (28 Feb) | 115.16 (end of 2021) |

\*MTD: 4.30%, YTD: -1.17% 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 March 2022, local currency)


**Table 2. Top 5 performing sectors in March 2022**

| Sector             | Return |
|--------------------|--------|
| Mining             | 19.17% |
| Wholesale Trade    | 10.13% |
| Services           | 6.09%  |
| Electric Appliance | 5.64%  |
| Insurance          | 5.48%  |

**Table 3. Bottom 5 performing sectors in March 2022**

| Sector              | Return |
|---------------------|--------|
| Metal Products      | -3.13% |
| Textiles & Apparels | -2.63% |
| Foods               | -2.48% |
| Pulp & Paper        | -2.09% |
| Construction        | -1.55% |

**Table 4. Top 5 performing stocks\* in March 2022**

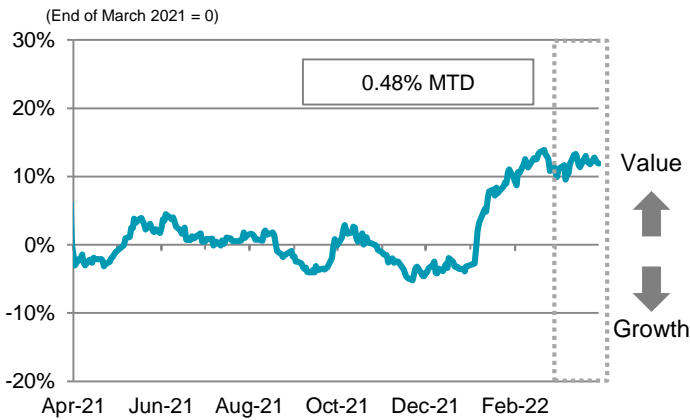
| Name                                 | Return |
|--------------------------------------|--------|
| MonotaRo (3046 JP)                   | 22.51% |
| Inpex (1605 JP)                      | 21.52% |
| Shinko Electric Industries (6967 JP) | 21.37% |
| Nippon Express Holdings (9147 JP)    | 20.63% |
| Konami Holdings (9766 JP)            | 19.60% |

**Table 5. Bottom 5 performing stocks\* in March 2022**

| Sector                        | Return  |
|-------------------------------|---------|
| Koito Manufacturing (7276 JP) | -15.96% |
| Kansai Paint (4613 JP)        | -14.18% |
| Nitori Holdings ( JP)         | -10.93% |
| Tokyo Century (8439 JP)       | -10.42% |
| Lixil (5938 JP)               | -10.37% |

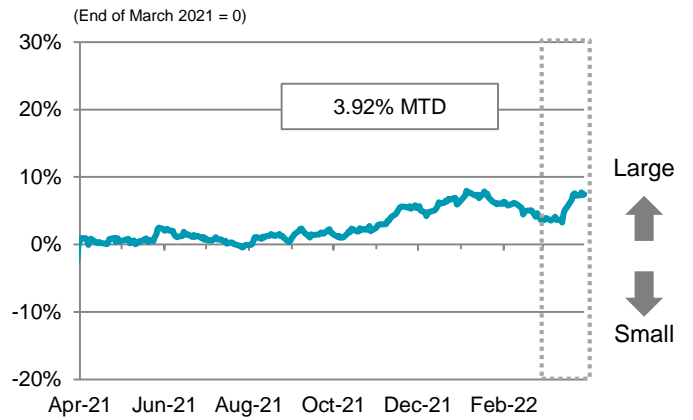
\*Stocks with a market cap of over JPY 500 billion

**Figure 3. Value-Growth Spread**



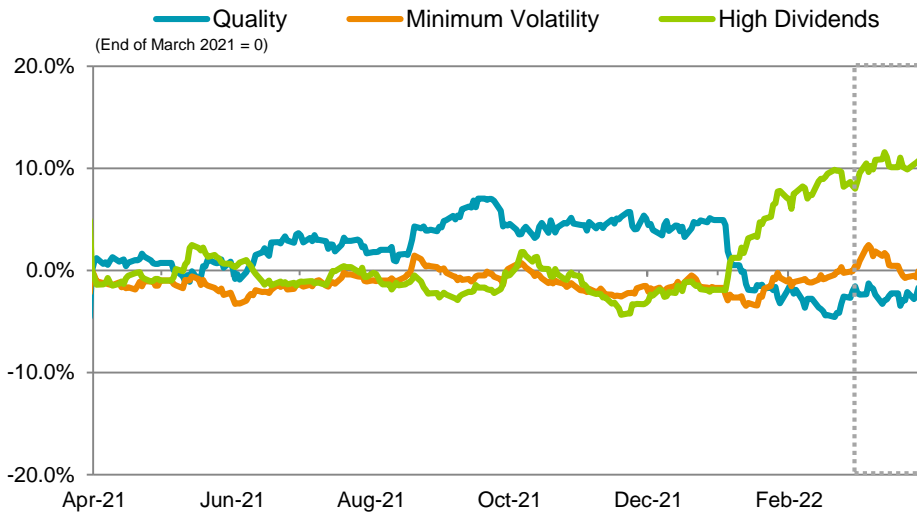
The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means value dominant)

**Figure 4. Large-Small Cap Spread**



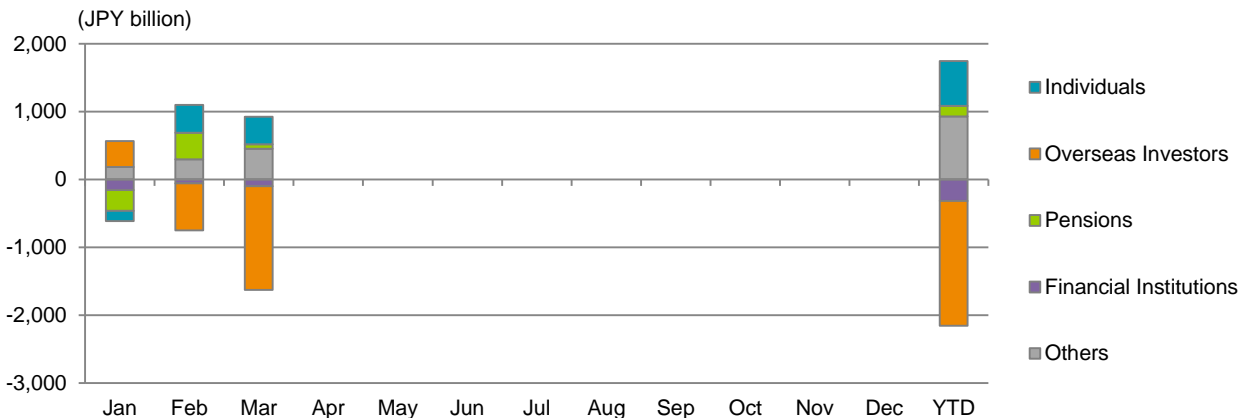
The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

**Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan**



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

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



Data: Bloomberg, SuMi TRUST (as of 25<sup>th</sup> March 2022)

## Disclaimer – UK

This marketing communication is issued by Sumitomo Mitsui Trust International Limited (“SMTI”). SMTI is authorised and regulated by the United Kingdom’s Financial Conduct Authority (the “FCA”), whose address is 12 Endeavour Square, London, E20 1JN, United Kingdom.

This marketing communication has been made available to you only because SMTI has classified you as a professional client in accordance with the FCA’s rules. If you have received this marketing communication from a source other than SMTI, you should contact SMTI before using it or relying on it. You must not send this marketing communication to any other person without first having received written approval from SMTI.

The information contained in this marketing communication (the “Material”) is being made available for information purposes only and is designed to provide information on the investment services which SMTI may offer to clients.

Nothing in the Material amounts to or should be construed as an actual offer by SMTI to provide any investment services to any person. If SMTI agrees to provide any investment services to any person, those services will be the subject of a separate written agreement between SMTI and that person. Furthermore, the Material has not been prepared with any consideration of the individual circumstances of any person to whom it is communicated.

Accordingly, it is not intended to, and does not, constitute a personnel recommendation in relation to the purchase or sale of, or exercise of any rights in relation to, any financial instruments or advice in relation to any investment policy or strategy to be followed. The Material also does not contain the results of any investment research carried out by SMTI and is not intended to amount to a financial promotion of any particular financial instrument which may be referred to in it.

While SMTI uses all reasonable endeavours to ensure the Material is accurate, it has not been prepared with a view to any person relying on it. Accordingly, SMTI accepts no responsibility for any loss caused to any recipient of this document as a result of any error, inaccuracy or incompleteness in the Material, nor for any error in the transmission or receipt of this communication.

Any enquiries regarding the products should be made to:

Shigeo Mito

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8446

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

Sumitomo Mitsui Trust International Limited is authorised and regulated by the Financial Conduct Authority

© Sumitomo Mitsui Trust International Limited 2022