

## Market Review for May 2023

2nd June 2023

### MONTHLY REVIEW

The Japanese stock market reached a 33 year high in May, with the TOPIX index up 3.6% and the Nikkei 225 up 7.0%. The market reacted favourably towards the middle of the month as overseas investors bought up Japanese equities, driven by expectations of a rise in wages and a recovery in domestic demand and corporate earnings. Rising inflation in the US also provided a tailwind for export-oriented stocks due to the depreciation of the yen. Meanwhile the market softened towards the month-end as April industrial production fell short of the market consensus.

TABLE 1. MARKET PERFORMANCE

2023	As of the end of May 2023	May-23	Year to Date
TOPIX	2,130.63	3.56%	12.63%
Nikkei 225	30,887.88	7.04%	18.37%
USD/JPY*	139.34	136.30 (Apr-23)	131.12

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

FIGURE 1. TOPIX and USD/JPY

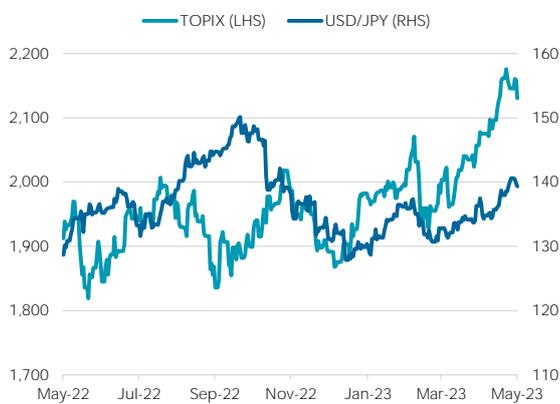


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of May 2023, local currency)

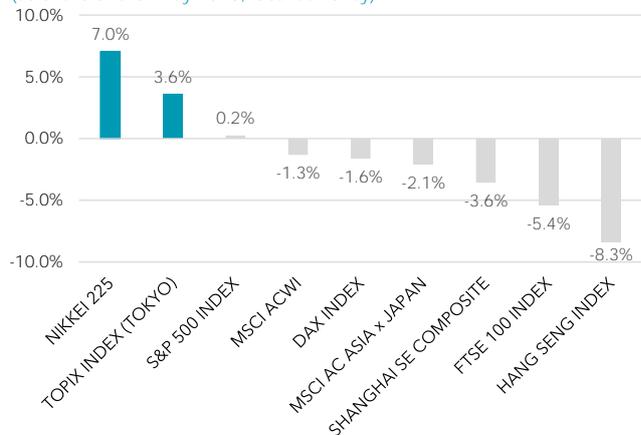


TABLE 2. TOP 5 PERFORMING SECTORS

Sectors	Return
Electric Appliance	9.37%
Precision Instruments	9.15%
Insurance	7.58%
Machinery	5.56%
Electric Power & Gas	5.38%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sectors	Return
Marine Transportation	-6.68%
Nonferrous Metals	-5.55%
Textiles & Apparels	-5.24%
Oil & Coal Products	-4.90%
Glass & Ceramics Products	-1.42%

TABLE 4. TOP 5 PERFORMING STOCKS\*

Name	Ticker	Return
ADVANTEST	6857 JT Equity	69.92%
SOCIONEXT	6526 JT Equity	48.85%
IBIDEN	4062 JT Equity	43.23%
SCREEN HOLDINGS	7735 JT Equity	32.64%
DISCO	6146 JT Equity	32.06%

TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

Name	Ticker	Return
SHARP	6753 JT Equity	-17.18%
LIXIL	5938 JT Equity	-15.57%
SUMITOMO METAL MINING	5713 JT Equity	-15.55%
RAKUTEN GROUP	4755 JT Equity	-14.67%
NIPPON PAINT HOLDINGS	4612 JT Equity	-12.43%

\*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 May 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



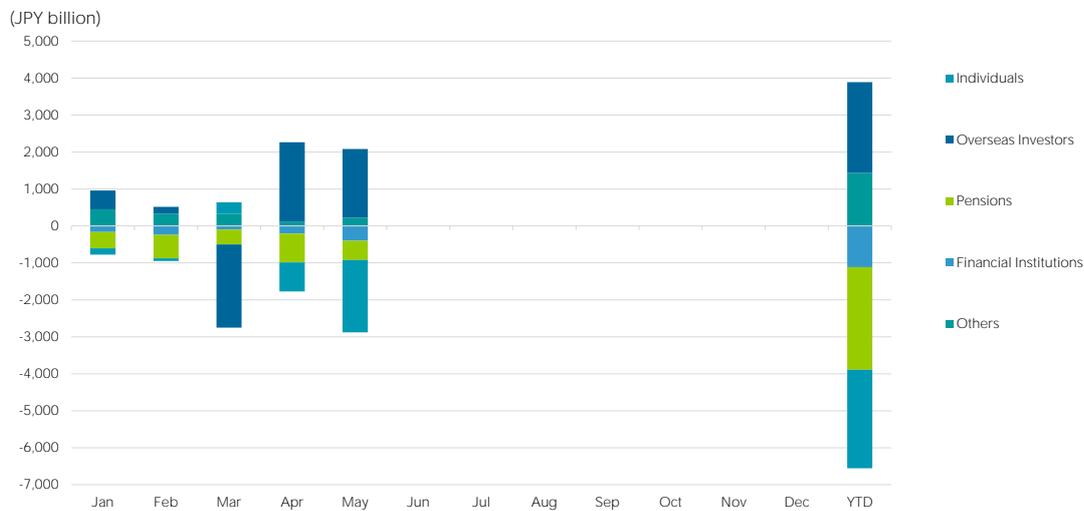
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



\*End of May 2022=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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