

Market Review for January 2021

2nd February 2021

TOPIX ended up 0.23% on the previous month-end. In the first half of the month the Japanese equity market rallied on news that the Democrats had won majority control of Congress, and with this the expectations for additional US stimulus pushed the market higher. However, market sentiment was dampened by the resurgence of COVID-19 cases in Japan and turmoil in the US equity market around the GameStop share surge caused by retail investors at the end of the month. As a result, the market closed almost flat.

Table 1. Market Performance

| 2021 | As of the end of Jan. | January | Year to Date |
|------------|-----------------------|-----------------|----------------------|
| TOPIX | 1,808.78 | 0.23%* | 0.23%* |
| Nikkei 225 | 27,663.39 | 0.80% | 0.80% |
| USD/JPY** | 104.70 | 103.25 (31 Dec) | 103.25 (end of 2020) |

*MTD: 0.23%, YTD: 0.23% in total return index, **Reuters London 4pm

Figure 1. TOPIX and USD/JPY

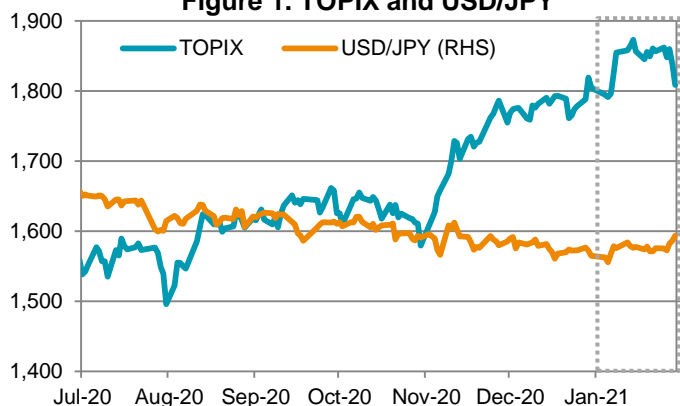


Figure 2. Global Equity Market Monthly Performance
(as of the end of January 2021, local currency)

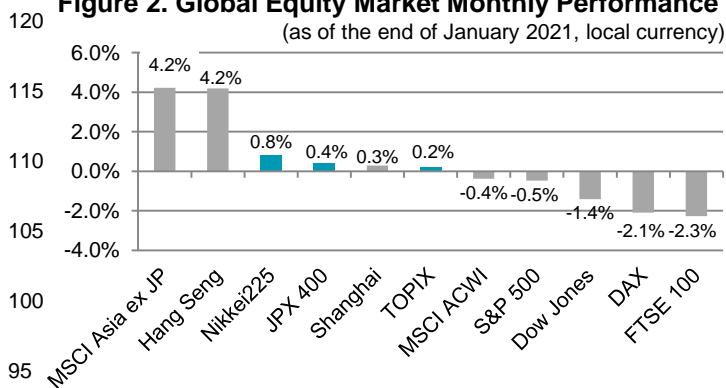


Table 2. Top 5 performing sectors in January 2021

| Sector | Return |
|--------------------------------|--------|
| Oil & Coal Products | 12.61% |
| Rubber Products | 11.26% |
| Mining | 7.05% |
| Securities & Commodity Futures | 3.95% |
| Electric Appliance | 3.93% |

Table 3. Bottom 5 performing sectors in January 2021

| Sector | Return |
|---------------------------|--------|
| Precision Instruments | -6.53% |
| Marine Transportation | -5.94% |
| Iron & Steel | -5.14% |
| Transportation Equipments | -4.75% |
| Other Products | -4.62% |

Table 4. Top 5 performing stocks* in January 2021

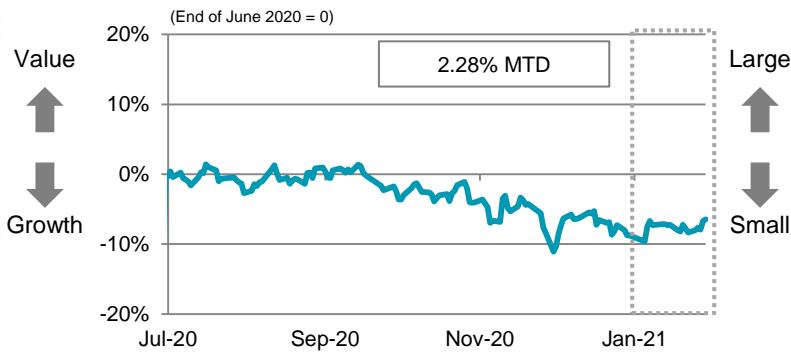
| Name | Return |
|---|--------|
| Tokyo Electric Power Company Holdings (9501 JP) | 47.43% |
| Sharp (6753 JP) | 39.00% |
| Taiyo Yuden (6976 JP) | 26.99% |
| Ryohin Keikaku (7453 JP) | 18.81% |
| Sumitomo Chemical (4005 JP) | 18.80% |

Table 5. Bottom 5 performing stocks* in January 2021

| Sector | Return |
|---------------------------------|---------|
| Nippon Paint Holdings (4612 JP) | -16.86% |
| Olympus (7733 JP) | -16.26% |
| Nihon M&A Center (2127 JP) | -11.88% |
| Toho Gas (9533 JP) | -9.96% |
| M3 (2413 JP) | -9.57% |

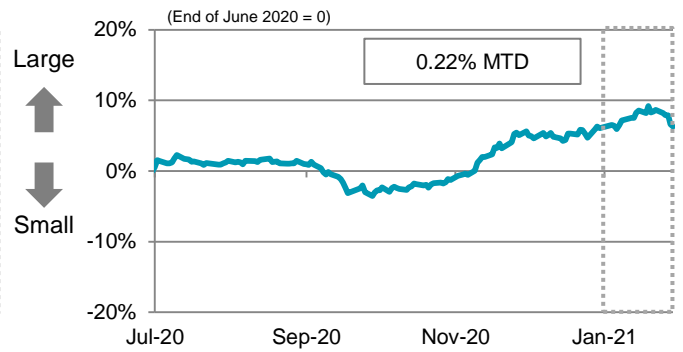
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread



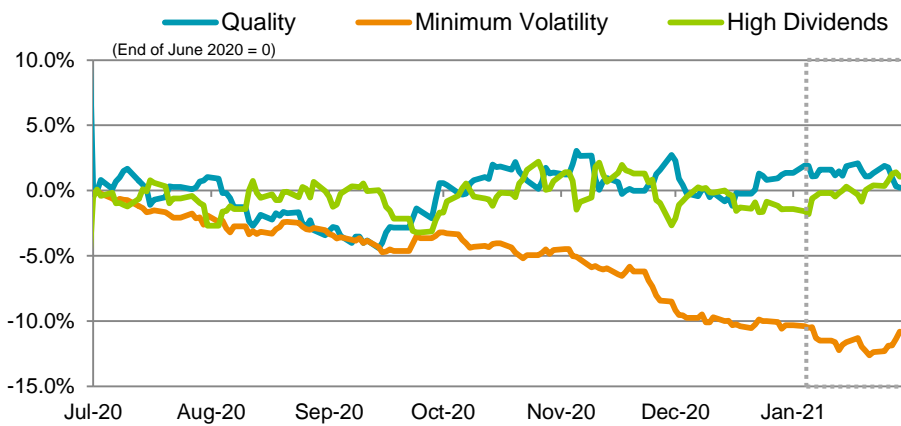
The spread between Russell Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread



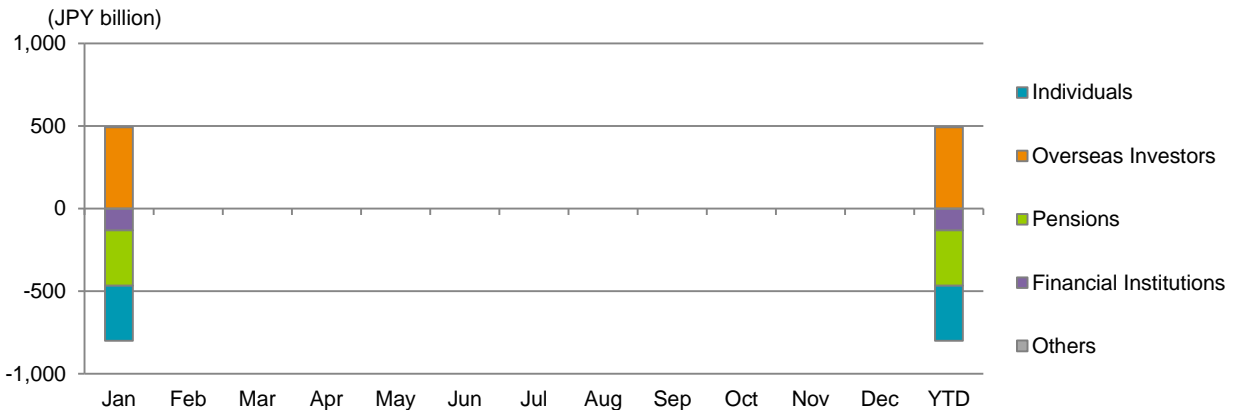
The spread between Russell Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan



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

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



Data: Bloomberg, SuMi TRUST (as of 22nd January 2021)

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