

## Market Review for July 2024

This is a marketing communication. Please note past performance information does not predict future returns.

### MONTHLY REVIEW

In July, the Japanese equity market saw significant fluctuations. At the start of the month the Nikkei 225 and TOPIX indices reached new historic highs riding the wave of the weak yen and strong US markets but ultimately ended the month in negative territory, dropping by 1.2% and 0.5% respectively. In terms of the TOPIX, downward movement was driven by a drop in the TOPIX 100 large cap index while small caps in the TOPIX Small remained flat and mid caps in the TOPIX Mid400 saw gains. Alongside a tumultuous political and economic environment in the US as the election hots up and US stock indices falling back from historic highs earlier in the month there have also been significant movements in the Japanese economic sphere. The 31st of July saw the Bank of Japan raise its policy rate from 0-0.1% to 0.25%. Following this, the yen surged to the 149 yen to the dollar level, a sharp increase from the 38 year low of 161.7 yen/dollar that was seen at the start of the month.

TABLE 1. MARKET PERFORMANCE (as of the end of July 2024)

	Index	Return	Year to Date
TOPIX	2,794.26	-0.55%	18.08%
Nikkei 225	39,101.82	-1.22%	16.85%

	Jul-24	Jun-24	End of 2023
USD/JPY*	160.88	149.98	141.04

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

FIGURE 1. TOPIX and USD/JPY

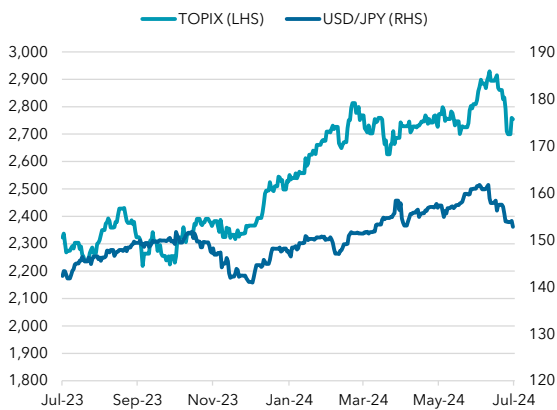


FIGURE 2. GLOBAL EQUITY MARKET MONTHLY PERFORMANCE (as of the end of July 2024, local currency)

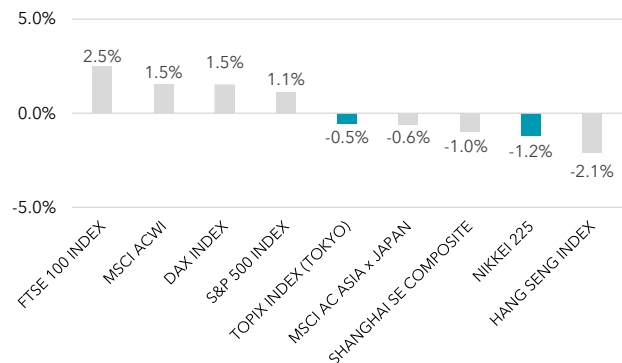


TABLE 2. TOP 5 PERFORMING SECTORS

Sector	Return
Pharmaceutical	7.98%
Construction	5.85%
Real Estate	4.93%
Foods	4.70%
Metal Products	3.72%

TABLE 3. BOTTOM 5 PERFORMING SECTORS

Sector	Return
Transportation Equipments	-7.27%
Electric Power & Gas	-4.89%
Nonferrous Metals	-4.79%
Electric Appliance	-4.03%
Machinery	-3.94%

TABLE 4. TOP 5 PERFORMING STOCKS\*

Name	Ticker	Return
BAYCURRENT CONSULTING	6532 JT Equity	40.28%
SEIBU HOLDINGS	9024 JT Equity	27.06%
NS SOLUTIONS	2327 JT Equity	26.51%
SUMITOMO FOREST	1911 JT Equity	25.56%
KEWPIE	2809 JT Equity	20.29%

TABLE 5. BOTTOM 5 PERFORMING STOCKS\*

Name	Ticker	Return
LASERTEC	6920 JT Equity	-25.66%
SOCIONEXT	6526 JT Equity	-19.19%
DISCO	6146 JT Equity	-18.97%
RENESAS ELECTRON	6723 JT Equity	-14.32%
EBARA	6361 JT Equity	-13.74%

\*Stocks with a market cap of over JPY 500 billion at the beginning of the month

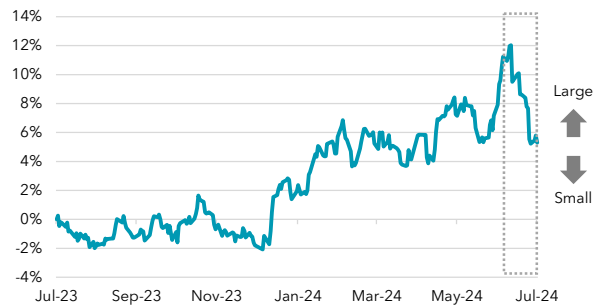
Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of July 2024)

FIGURE 3. VALUE-GROWTH SPREAD



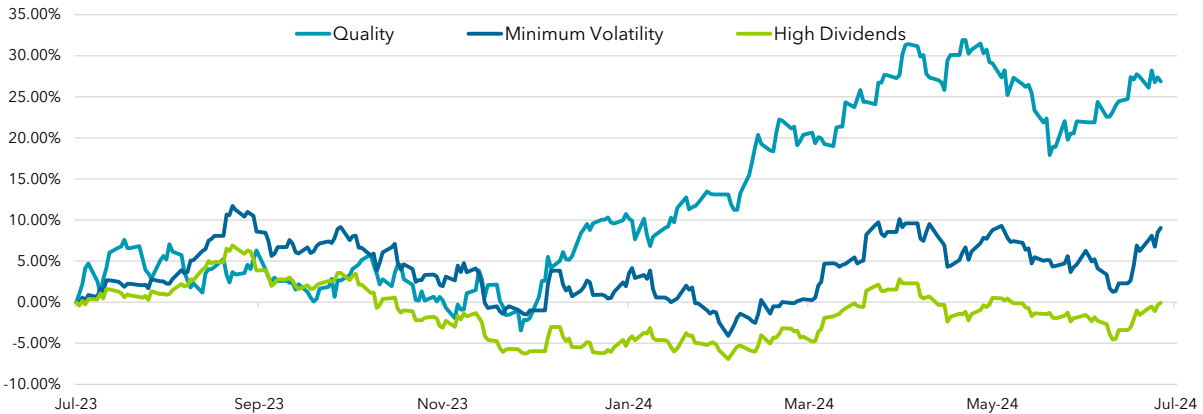
Note: The spread between the Russell/Nomura Value Index and the Growth Index (Positive figure means Value dominant)

FIGURE 4. LARGE-SMALL CAP SPREAD



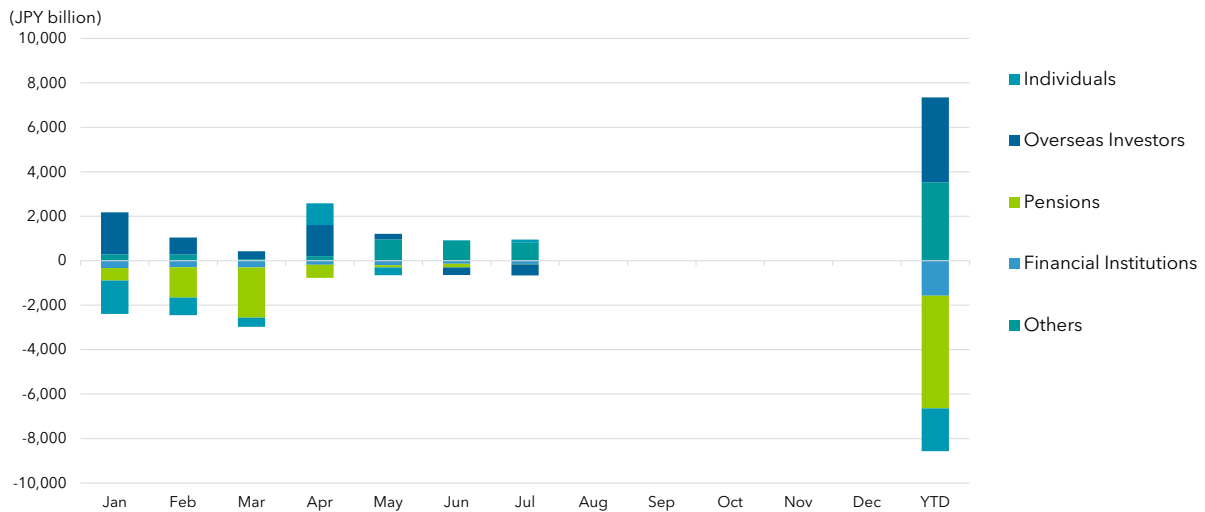
Note: The spread between the Russell/Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

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



\*The measurement begins from the end of July 2023, starting from 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

Note. Figures on this sheet are from SuMi TRUST, Bloomberg, NEEDS, MSCI and Nomura (as of July 2024)

## 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:

Hirofumi Hayashi

Head of Investment Management Department

Sumitomo Mitsui Trust International Limited

155 Bishopsgate, London EC2M 3XU, United Kingdom

Direct: +44 (0)20 7562 8405

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 2024