

Market Review for March 2021

1st April 2021

TOPIX ended up 4.80% on the previous month-end. The expectations for global COVID-19 vaccinations and US additional economic stimulus underpinned the Japanese equity market although concerns over the hike in US interest rates still remained. The Bank of Japan decided at a monetary policy meeting that they would exclude Nikkei 225 ETF from their ETF buying list, which impacted the Nikkei 225 index.

Table 1. Market Performance

2021	As of the end of March	March	Year to Date
TOPIX	1,954.00	4.80%*	8.27%*
Nikkei 225	29,178.80	0.73%	6.32%
USD/JPY**	110.50	106.545 (26 Feb)	103.25 (end of 2020)

*MTD: 5.71%, YTD: 9.25% in total return index, **Reuters London 4pm

Figure 1. TOPIX and USD/JPY

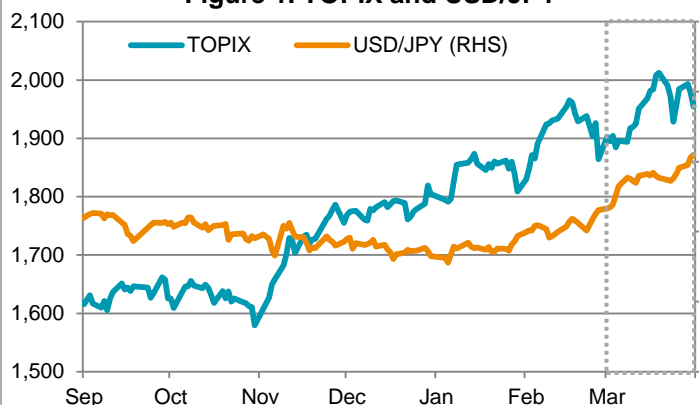


Figure 2. Global Equity Market Monthly Performance

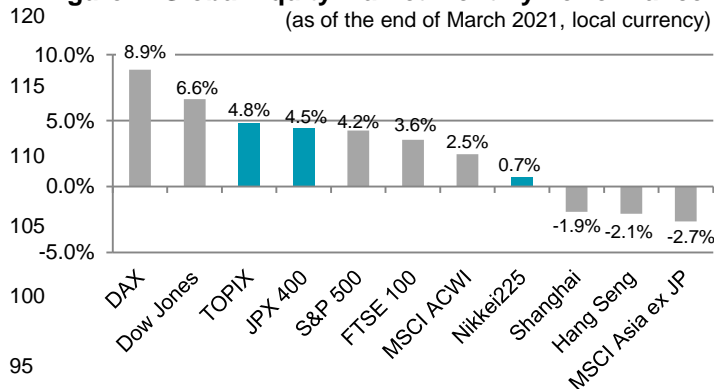


Table 2. Top 5 performing sectors in March 2021

Sector	Return
Pulp & Paper	3.23%
Information & Communication	2.98%
Construction	2.63%
Retail Trade	2.44%
Machinery	2.42%

Table 3. Bottom 5 performing sectors in March 2021

Sector	Return
Land Transportation	0.36%
Marine Transportation	0.62%
Iron & Steel	0.82%
Air Transportation	0.91%
Mining	1.07%

Table 4. Top 5 performing stocks* in March 2021

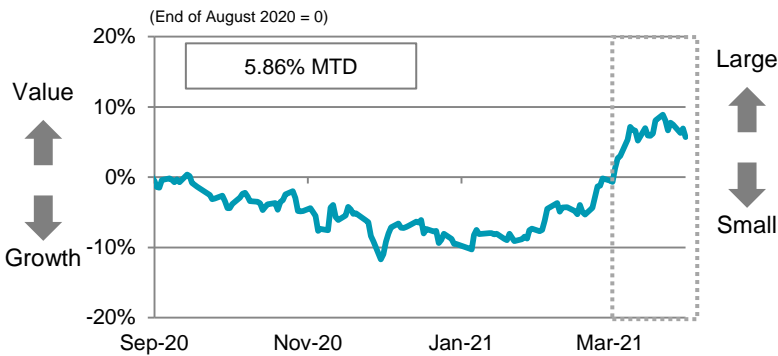
Name	Return
CyberAgent (4751 JP)	24.17%
Nippon Yusen (9101 JP)	23.57%
FOOD & LIFE COMPANIES (3563 JP)	22.71%
JFE Holdings (5411 JP)	21.91%
Ricoh (7752 JP)	21.91%

Table 5. Bottom 5 performing stocks* in March 2021

Sector	Return
Fast Retailing (9983 JP)	-16.07%
Z Holdings (4689 JP)	-15.10%
Kakaku.com (2371 JP)	-10.65%
M3 (2413 JP)	-10.14%
Kose (4922 JP)	-8.26%

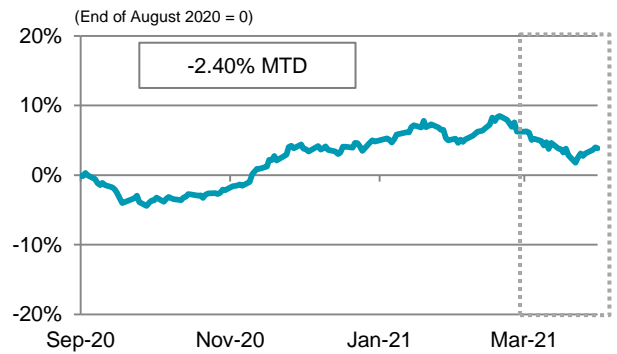
*Stocks with a market cap of over JPY 500 billion

Figure 3. Value-Growth Spread



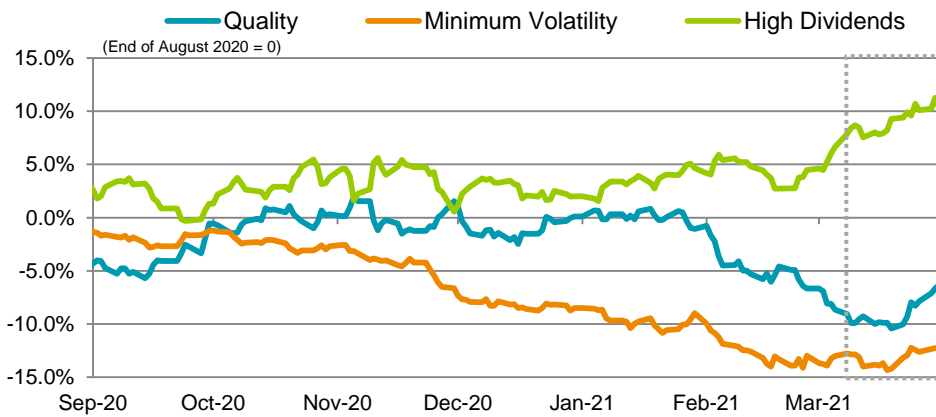
The spread between Russell Nomura Value Index and the Growth Index (Positive figure means value dominant)

Figure 4. Large-Small Cap Spread



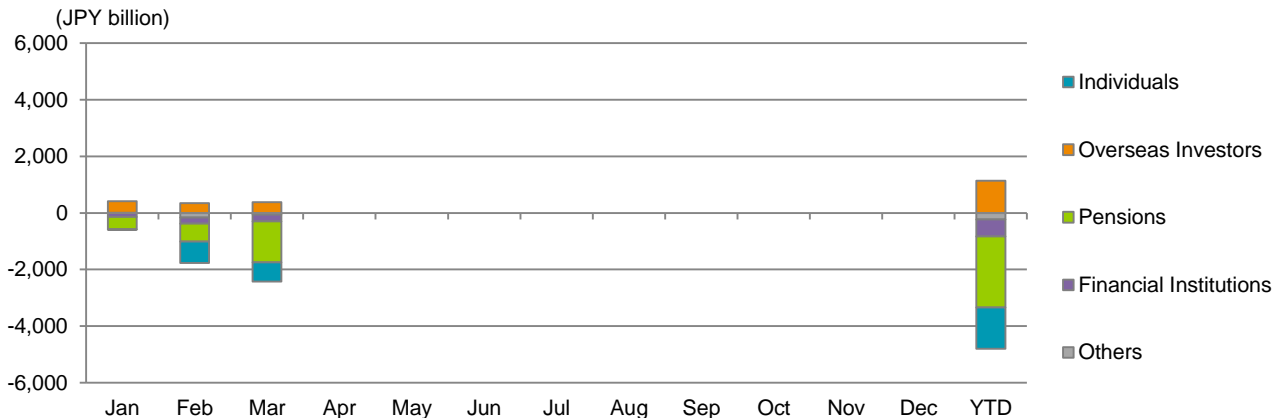
The spread between Russell Nomura Large Cap Index and the Small Cap Index (Positive figure means Large Cap dominant)

Figure 5. MSCI Japan Factor Indexes Spread against MSCI Japan



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

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



Data: Bloomberg, SuMi TRUST (as of 26th March 2021)

Disclaimer

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 Financial Conduct Authority, 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.

All enquiries regarding this report should be made to:

Akimichi Oi
Head of Investment Management Department
 Sumitomo Mitsui Trust International Limited
 155 Bishopsgate, London EC2M 3XU, UK
 Direct: +44 20 7562 8412
 imd@smti.com

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

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

© Sumitomo Mitsui Trust International Limited 2024