

【Japanese Equity Market Outlook】

Phase of wait-and-see

Nikkei Average	April end	MoM
	19,520.01 yen	1.63%

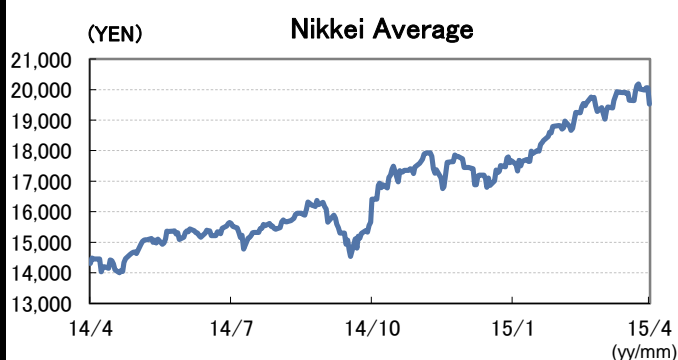
【Market review in April】

In April, equity markets were generally on the rise. In the early part of the month, they rose mainly because new domestic-equity investment trusts were actively established, while concerns about geopolitical risks were receding with the reaching of a certain level of agreement with Iran on nuclear issues. While markets became cautious about higher prices and were slow to rise further in the middle of the month after the Nikkei Stock Average temporarily returned above the 20,000-yen level, they rose late in the month in response to the lowering of the reserve requirement ratio in China as well as to the recording of the highest U.S. NASDAQ index in 15 years, among other factors.

【Outlook】

In May, equity markets are expected to be at a standstill to analyze the situation. Overseas markets have become somewhat unstable since the end of April, presumably because a consensus of market participants has become uncertain concerning the actual economic conditions in Europe, the U.S., perhaps China, as well as the outlook of their monetary policy. Accordingly, they are likely to be in a wait-and-see phase on actual conditions for the time being, based on the economic indicators of each country to be announced. In Japan, we are also likely to be in a phase of scrutinizing earnings trends, policies on shareholder returns and so on after the announcement of financial results.

Positive Factors	Negative Factors
<ul style="list-style-type: none"> Economic recovery of Japan due to weaker yen, cheaper oil and improvement in corporate earnings Purchase of Japanese equities by BOJ and GPIF Strengthened attitude of companies to place more importance on shareholders 	<ul style="list-style-type: none"> Reactionary downturn after the rapid rise in equity prices Heightened geopolitical risks including those in the Middle East Temporary swing-back of global low interest rates



*Nikkei Inc. owns any and all rights to trademarks and any other intellectual property rights to such marks referring to "Nikkei" or "Nikkei Average". Nikkei Inc. shall have the rights to make any changes in composition of stocks, calculation method and any other elements or contents of "Nikkei Average". Nikkei Inc. shall also have the right to discontinue publishing "Nikkei Average".

Disclaimer: Warning before handling this material

- This material was prepared by Daiwa Asset Management Co.Ltd to provide reference information for investment. It should not be construed as an offer or a solicitation to purchase or subscribe to any fund products. Potential investors should refer to and read the prospectus of each fund product for more detailed information prior to their investment decision.
- The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable, but their accuracy, correctness or completeness are not guaranteed. The performance of investments, if referred herein, is based on past data and is neither necessarily an indication nor a guarantee of future performance of investments. Daiwa made all reasonable efforts to ensure that the information contained herein is current, but it is subject to change without notice. Daiwa Asset Management Co.Ltd., or any of its respective affiliates, accepts no liability whatsoever for any direct or consequential loss arising from any use of this material or its content.