

Japanese equities: International cooperation expected

Nikkei Average	February end	MoM
	16,026.76 yen	-8.51%

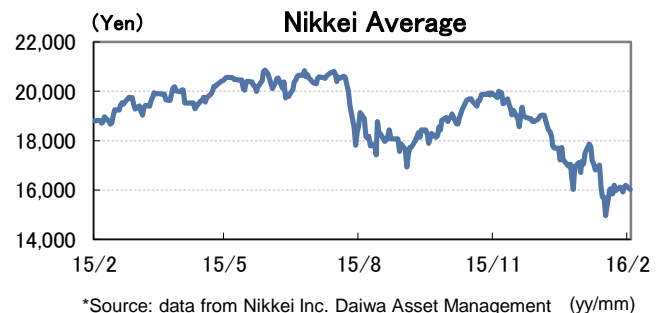
[Market review in February]

Equity markets in Japan dipped mainly in the first half of the month. During the first half, a rapid decrease was caused by multiple negative factors, including a further weakening dollar and strengthening yen after concerns about the U.S. economy increased due to the weak economic indicators, as well as concerns about the Chinese economy, a drop in oil prices, credit concerns about European banks, and heightened geopolitical risks. In the second half, equity prices recovered somewhat as the excessive uneasiness receded due to factors such as the lower expectation of the raising of U.S. interest rates, suggestions by the ECB (European Central Bank) for additional monetary easing, the rebound of oil prices, and announcements of the favorable U.S. economic indicators.

[Outlook]

Equity markets in Japan are expected to gradually recover stability. Monetary policy meetings are scheduled in Japan, the U.S., and Europe for March. Some international cooperation is expected following the meeting at the end of last month of G20 (major 20 countries and regions) Finance Ministers and Central Bank Governors. China already implemented additional monetary easing measures immediately after the G20. In the market, where equity price volatility is recognized as a risk, stable equity prices themselves appear to become a favorable factor.

Positive Factors	Negative Factors
<ul style="list-style-type: none"> Market stabilization measures by regulators of each government Low stock price volatility Relatively cheap equity valuation multiples 	<ul style="list-style-type: none"> Geopolitical risks overseas. Destabilized political situation in major countries Strengthening yen due to stronger speculative moves



*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.