

Monthly Report

April Market Outlook

April 2019
Daiwa Asset Management Co.Ltd.

•Japanese Equities: Attention to Whether There Will Be News To End the Decline in Earnings at Announcements of Annual Financial Results

Nikkei Stock Average	March end	MoM
	21,205.81 Yen	-0.84%

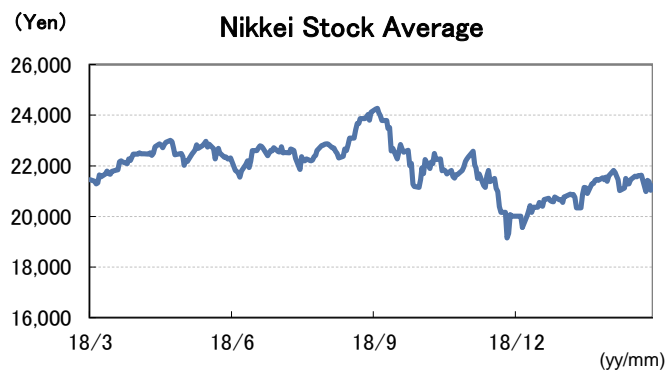
[Market review in March] Moved within a range while alternating between positive and negative responses to developments in economic trends.

Equity prices in Japan dropped. Last month was one which saw positive and negative responses alternately to various economic statistics in the midst of concerns about a global economic slowdown, centered on China and Europe. During the second half of the month, in particular, there were unstable movements as equity prices in Japan were also substantially affected by developments in the business sentiment index in Germany. However, equity prices showed solidness with the ongoing bilateral consultations and strong expectation of an improvement to the situation regarding the U.S.–China trade friction. As a result, equity prices generally moved within a range despite dropping for the month.

[Outlook]

We will continue to pay attention to developments in the U.S.–China trade friction and Brexit which have substantial impacts on equity markets. Moreover, announcements will start in Japan for annual financial results of issues whose fiscal year ended in March. Company plans for this fiscal year are generally expected to be more stringent than actual results for the previous fiscal year. Nonetheless, since equity prices are likely to have already taken the stringency of company plans into account to a certain extent, we will pay attention to whether there will be news to suggest that earnings will stop declining.

Positive Factors	Negative Factors
<ul style="list-style-type: none"> ● A lull in or waning of concerns about trade frictions ● Economic stimulus package and recovery of economic activities in China 	<ul style="list-style-type: none"> ● Further strengthening of U.S. protectionism ● Global economic slowdown ● Deterioration of the U.S.–China relationship



*Source: data from Nikkei Inc. prepared by Daiwa Asset Management

* Copyright, intellectual property rights and all other rights relating to the Nikkei Stock Average (Nikkei 225) belongs to the Nikkei Inc. The company has the right to change the contents of the Nikkei Stock Average (Nikkei 225) and to stop the publication.

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 Asset Management Co.Ltd. 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.