

Monthly Report

April Market Outlook

April 2020

Daiwa Asset Management Co.Ltd.

•**Japanese Equities:** Investors Wait for the Coronavirus Outbreak to Peak Out

Nikkei Stock Average	March end	MoM
	18,917.01Yen	-10.53%

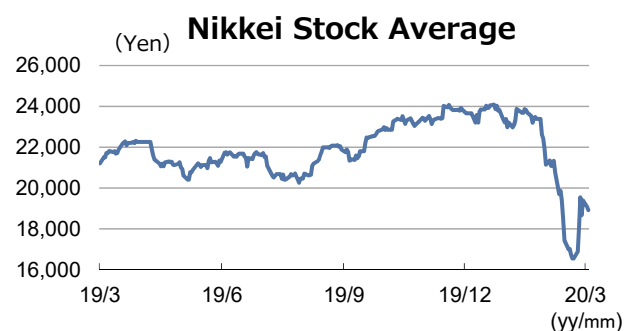
[Market review in March]

Equity prices in Japan dropped. Concerns heightened over the world economy after Europe and the U.S. became the new epicenter of the novel coronavirus outbreak, and many political leaders declared a state of emergency and put their countries and cities under curfew. Equity prices responded favorably for a time to easing policies of the central banks of major countries and the Bank of Japan's announcement that it would purchase a record volume of ETF, as well as the U.S.'s massive economic stimulus package unveiled in late March. But they plummeted again at the end of the month when the outbreak of the coronavirus worsened at home.

[Outlook]

As it appears that the central banks and governments of Europe and the U.S. have already taken various possible measures against the coronavirus outbreak, we consider equity markets to be unstable and sensitive to the number of new infections for a while. Italy was hit hard by the virus earlier than other countries in Europe, but is now beginning to see a slowdown in new confirmed cases. The next focus of attention is when other European countries can reach peaks of cases. Another focus is on the trend in new infections in Japan and details of an economic stimulus package that the Japanese government is currently hammering out.

Positive Factors	Negative Factors
<ul style="list-style-type: none"> ● A waning of concerns about the novel coronavirus ● Release of Japan's domestic economic stimulus package 	<ul style="list-style-type: none"> ● Novel coronavirus outbreak in Japan and around the world ● Global economic slowdown



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

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