

Monthly Report

April Market Outlook

April 2023
Daiwa Asset Management Co.Ltd.

Japanese Equities

Wild Swings in Equity Prices due to Credit Concerns in Europe and the US

Nikkei Stock Average	March end	MoM
	28,041.48 Yen	2.17 %

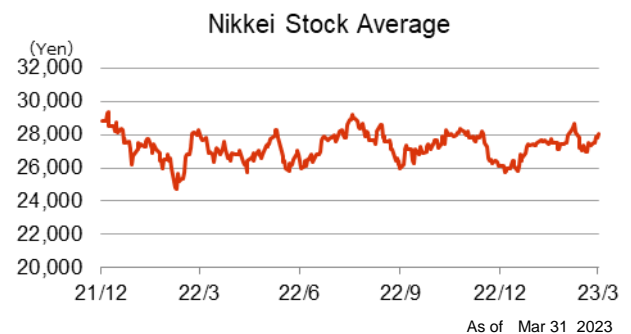
[Market review in March]

Equity prices in Japan rose in March. Equity prices were firm in early March, but in mid of the month, multiple banks failed in the US and the share price of Credit Suisse plummeted in Europe, causing credit concerns in Europe and the US to rise and the domestic equity market to decline. Deposit protection for failed banks and the decision by the Fed to provide liquidity to financial institutions were favorably received by the market, and by the end of the month, credit concerns had receded somewhat and equity prices rebounded.

[Outlook]

The equity market is expected to be unstable due to trends in credit concerns in Europe and the US, inflation and economic trends in the US, and other factors. If concerns about deposit outflows at US banks, etc. recede, we can expect improved sentiment in the equity market, so we will pay attention to earnings announcements by US banks. In Japan, Mr. Kazuo Ueda was appointed governor of the Bank of Japan, and the first monetary policy meeting under the new regime will be held at the end of the month. Although speculation of an early revision of monetary policy has declined, we will pay attention to what the new governor will say about future monetary policy at the press conference.

Positive Factors	Negative Factors
<ul style="list-style-type: none"> ● Further waning of credit concerns in Europe and the US ● Rising expectations for the beginning of interest rate cuts in the US ● Improvement in the situation in Ukraine 	<ul style="list-style-type: none"> ● Rising credit concerns in Europe and the US ● Negative impact on the economy from restrictive monetary policy in major countries ● Rapid appreciation of the Yen



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

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