



NOMURA

Connecting Markets East & West



**Nomura Asset Management
Investment Outlook
Spring 2026**

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ASSET
MANAGEMENT

Spring 2026

Contents

Investment Outlook

02 | Quarterly Market Recap

03 | Investment Environment Outlook



Rumi Kurumizawa, Chief Economist
Tomohiro Eguchi, Senior Economist
**Takahiro Nakayama, Chief Investment Officer,
Senior Corporate Managing Director**

Whether Middle East tensions will Persist Requires Close Attention

07 | US High Yield Market Outlook



**Brett Collins, CFA Managing Director & Client Portfolio Manager
NCRAM**

NCRAM forecasts moderate but improving US economic growth in 2026, a solid foundation for high yield performance.

10 | Japanese Bond Market Outlook



Takahiro Yatabe, Senior Portfolio Manager
Akane Fujii, Product Manager

Investment opportunities in a normalizing interest rate environment

13 | Global Financial Market Forecast

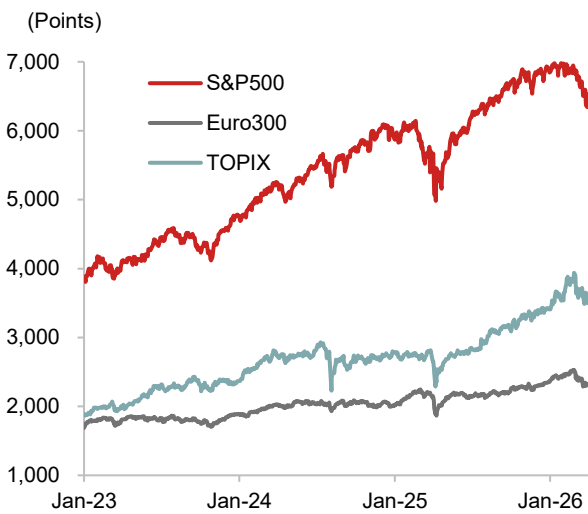
Note: In Nomura Asset Management Investment Outlook Spring 2026, Nomura Asset Management's senior investment professionals offer their views of the investment strategy and market prospects as of middle to late March 2026. The commentaries are based on personal views and do not entirely match Nomura Asset Management's house view, except for Investment Environment Outlook and Global Financial Market Forecast that are based on Nomura Asset Management's house view.

Quarterly Financial Market Recap

In the first quarter of 2026, financial markets got off to a strong start, particularly in equity markets, supported by the resilience of the U.S. economy and expectations for AI-related investment. After the U.S. and Israel's attacks on Iran, however, market volatility increased as geopolitical risks escalated and crude oil prices rose. Equity prices fell amid growing risk aversion, while in bond markets, long-term interest rates rose on the back of mounting inflation concerns. In foreign exchange markets, attention focused on the contrast between the U.S., a net energy exporter, and the Eurozone and Japan, both net energy importers, driving the U.S. dollar higher.

Major Equity Markets

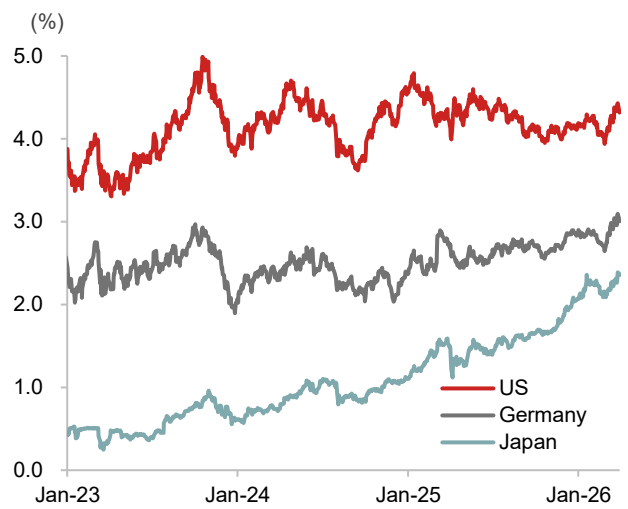
(January 3, 2022 – March 31, 2026, daily)



Source: Nomura Asset Management based on Bloomberg data

10 Year Bond Yields in Major Countries

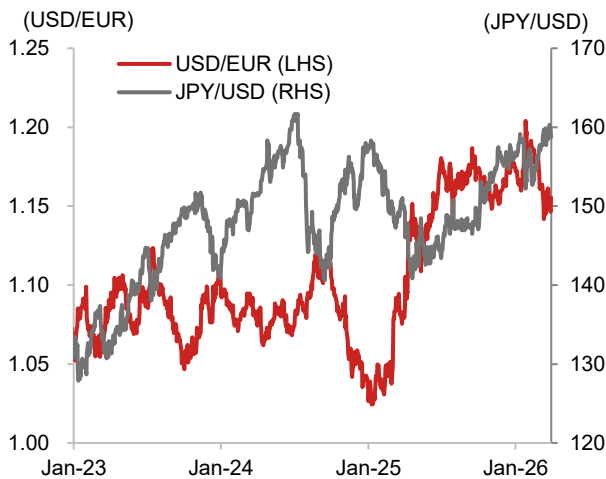
(January 3, 2022 - March 31, 2026, daily)



Source: Nomura Asset Management based on Bloomberg data

Yen and Euro against the U.S. dollar

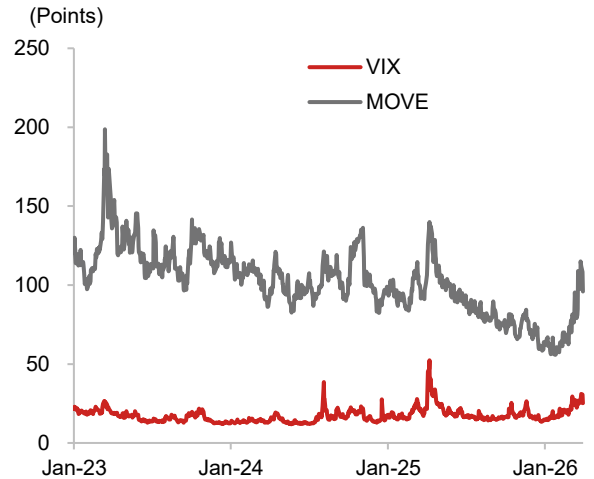
(January 3, 2022 - March 31, 2026, daily)



Source: Nomura Asset Management based on Bloomberg data

Trends in VIX and MOVE

(January 3, 2022 - March 31, 2026, daily)



Note: The VIX and the MOVE are indexes that show the risk of future volatilities of U.S. stocks and U.S. bonds, respectively.

Source: Nomura Asset Management based on Bloomberg data

Investment Environment Outlook

Whether Middle East tensions will persist requires close attention



Rumi Kurumizawa
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Senior Corporate
Managing Director

Near-Term Investment Outlook: Escalation in the Middle East may trigger stagflation

Following the U.S. and Israel's attacks on Iran, free commercial passage through the Strait of Hormuz, a key global trade chokepoint, has effectively become difficult. Higher energy prices, including those for crude oil and natural gas, increase upside risks to inflation, particularly in energy-importing economies.

At the same time, the economic outlook is likely to come under downward pressure through several channels: (1) worsening real income conditions may restrain private consumption; (2) rising costs and heightened uncertainty may weaken firms' willingness to invest in fixed capital; and (3) declines in equities and other risk assets may generate negative wealth effects, weighing on growth. As a result, stagflationary conditions may emerge.

In our view, a key issue for the global economy and the investment environment is whether private

companies will again be able to navigate through the Strait of Hormuz without disruption. At present, we cannot judge with a high degree of confidence whether this will be achieved in the short term. Nevertheless, for the purpose of forming our investment outlook, we assume that (1) there will be no major change in current conditions through mid-2026 and energy prices will remain high, and (2) some degree of compromise will be reached in the latter half of the year, so that while energy prices will not return to pre-attack levels, they will fall from current levels.

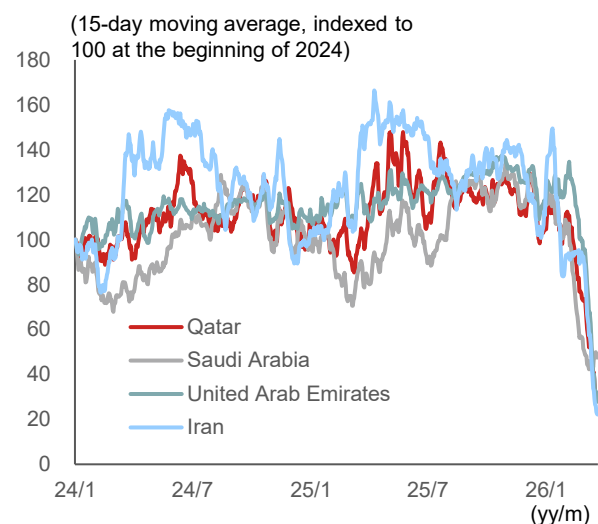
In the U.S., where midterm elections are due in November, there is a possibility that efforts will be made to seek some form of compromise in order to avoid persistently high gasoline prices.

Macroeconomic Outlook: Growth is expected to slow over the next six months or so

As noted above, we believe that a deterioration in the situation in the Middle East would have stagflationary implications for the global economy. At the same time, the impact on economic growth will likely vary across countries and regions depending on whether they are net energy importers or exporters, the level of their energy reserves, whether governments implement price-control measures or economic support policies, and whether central banks respond promptly to inflation driven by supply shocks by raising interest rates.

That said, under our base case scenario, we expect concerns over energy prices and the risk of supply disruptions to ease in the second half of the year, and we see the economy will move toward a gradual recovery.

Figure 1. Number of Departures from Middle Eastern Countries (January 1, 2024–March 18, 2026, daily)



Source: Prepared by Nomura Asset Management based on CEIC data.

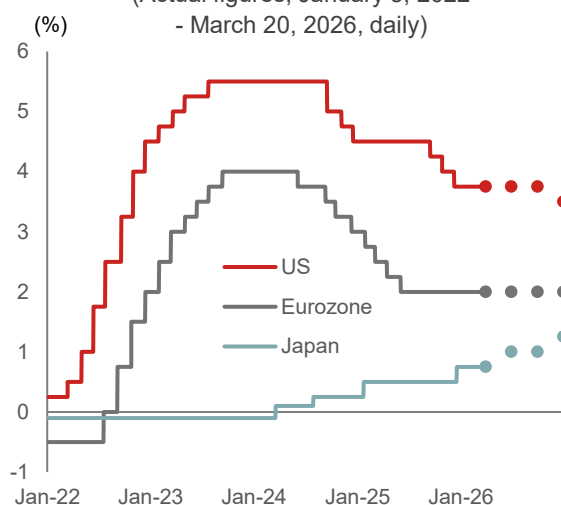
Monetary Policy Outlook: For the time being, remain vigilant against upside inflation risks

Central banks face the difficult task of deciding whether to place greater emphasis on downside risks to economic activity or upside risks to inflation. At the monetary policy meetings held in the second half of March in the U.S., Japan, and the Eurozone, each central bank struck a somewhat different tone, but all indicated that they would continue to closely monitor upside inflation risks for the time being.

In the U.S., the Federal Reserve (Fed) has signaled a wait-and-see stance as it assesses the effects of tariffs and developments in the Middle East. Under our base case scenario, we expect this will delay the timing of any decision to cut interest rates. In the Eurozone, the economic structure is such that supply shocks are more likely to have second-round effects, and although markets have increasingly priced in rate hikes, we expect the European Central Bank (ECB) to remain on hold through the end of the year. Meanwhile, in Japan, where rate hikes are already under way, we maintain our view that the Bank of Japan (BoJ) will

raise interest rates around mid-year, based on the assumptions outlined on the previous page.

Figure 2. Policy Interest Rates in Japan, the U.S., and Eurozone, and Nomura Asset Management Forecasts (Actual figures, January 3, 2022 - March 20, 2026, daily)



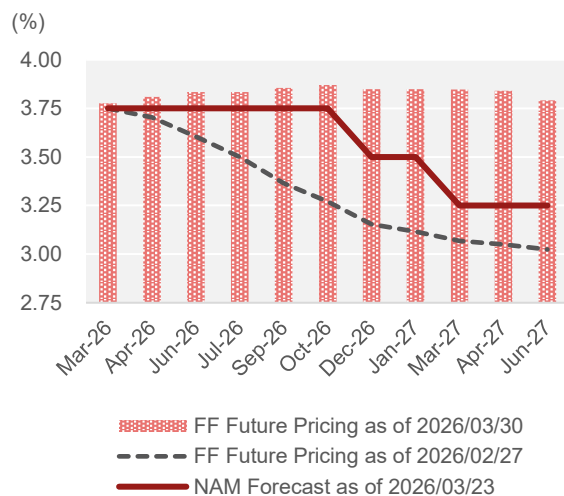
Note: The dots from Mar 2026 onward represent our forecasts as of the end of each quarter.
Source: Prepared by Nomura Asset Management based on Bloomberg data.

Interest Rate Outlook: Expecting a reversal of hawkish market expectations

Amid concerns over inflationary pressure caused by higher energy prices, financial markets have scaled back expectations for interest rate cuts by the Fed and have begun pricing in rate hikes by the European Central Bank (ECB). However, if the rise in energy prices proves temporary, the need for central banks to adopt a more hawkish policy response will likely diminish.

As tensions in the Middle East ease and expectations for Fed rate cuts revive, we expect long-term interest rates in the U.S. to decline gradually. In the Eurozone as well, if the ECB maintains its wait-and-see stance, long-term interest rates are also expected to fall. In Japan, meanwhile, long-term interest rates are likely to rise gradually as the BoJ continues raising interest rates.

Figure 3. Market Price-in of the U.S. Policy Rate



Note: The U.S. policy interest rate is shown as converted to the upper limit of the Federal Funds target range.
Source: Prepared by Nomura Asset Management, based on data from Bloomberg.

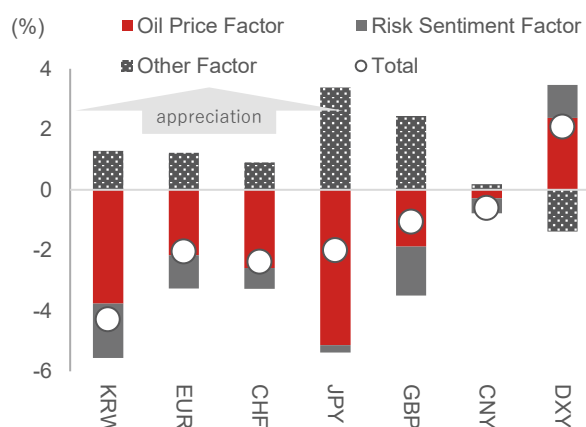
Currency Outlook: Changes in the terms of trade and risk sentiment to remain key drivers for the time being

Heightened tensions in the Middle East led to changes in the terms of trade through rising energy prices, as well as an increase in demand for safe-haven assets.

Among the major currencies, the U.S. is a net energy exporter, while Europe and Japan are net energy importers. As a result, changes in the terms of trade created upward pressure on the U.S. dollar against the euro and the yen. In addition, as uncertainty surrounding the conflict increased, safe-haven demand for the U.S. dollar was observed.

Assuming tensions in the Middle East begin to ease, some of the U.S. dollar's gains are likely to reverse. However, as the end of the Fed's rate-cutting cycle approaches, upward pressure on the U.S. dollar could re-intensify.

Figure 4. Factors Behind Exchange Rate Movements of Major Currencies Against the U.S. Dollar (February 27, 2026–March 20, 2026)



Note: Based on each currency's sensitivity over the past three years to changes in crude oil prices and the MSCI All Country World Index, the factors behind return fluctuations were decomposed under certain assumptions. For the U.S. dollar, the rate of change in the nominal effective exchange rate was used. Source: Prepared by Nomura Asset Management, based on data from Bloomberg.

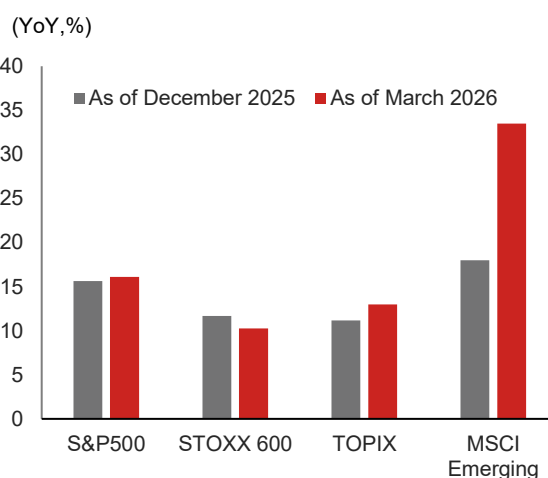
Equity Market Outlook: A period of assessing the impact of higher energy prices on corporate earnings

Since the start of the year, expectations for strong earnings growth in major markets have either improved or remained stable. In particular, emerging markets have seen notable upgrades in earnings growth expectations, with stock prices rising sharply at times.

As tensions in the Middle East increased, stock prices saw steeper declines, especially in emerging markets and Japan, where gains had been more pronounced. However, in terms of year-to-date returns, markets have remained resilient.

Although uncertainty about the outlook remains high, if tensions in the Middle East prove temporary, we expect stock prices to maintain their upward trend, supported by solid earnings. That said, if higher energy prices persist for an extended period, caution is warranted regarding both the negative impact on earnings and growing concerns that major central banks could adopt a more hawkish stance.

Figure 5. Profit Growth Forecast



Note: Calendar-year data are used for the United States, Europe, and emerging markets, while fiscal-year data are used for Japan. Data for March 2026 are as of March 20. Source: Nomura Asset Management, based on data from LSEG Datastream.

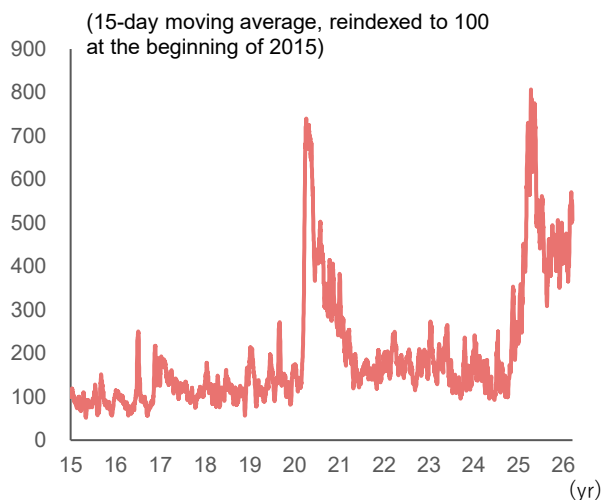
Upside Scenario: Uncertainty surrounding the situation in the Middle East eases

In our base scenario, we do not assume an early ceasefire agreement among the U.S., Israel, and Iran that would significantly reduce uncertainty. Accordingly, while energy prices are expected to stabilize somewhat, uncertainty is likely to remain.

As an alternative to this base case scenario, there is also an upside scenario in which a ceasefire leads to a substantial decline in uncertainty.

In addition, we are paying close attention to the possibility that, with energy prices remaining high, net energy-exporting countries such as the U.S. and Australia could see stronger exports and an associated acceleration in capital investment, creating upside potential for the economy.

Figure 6. U.S. Economic Policy Uncertainty Index (January 1, 2015–March 18, 2026, daily)



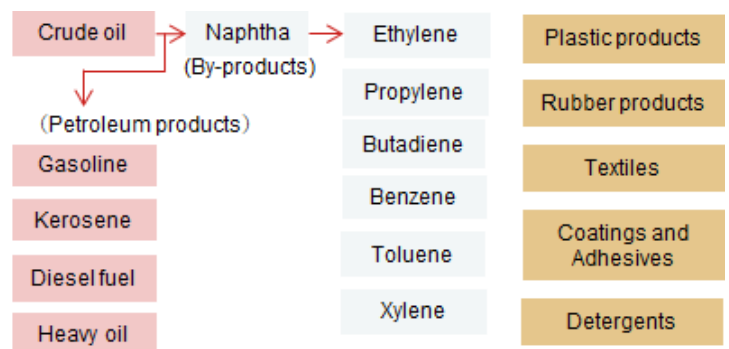
Source: Prepared by Nomura Asset Management based on data from Economic Policy Uncertainty.

Downside Scenario: The situation in the Middle East gets even worse

There is a possibility that the situation in the Middle East could become more severe than assumed in the base case scenario, or that the surge in energy prices could persist for an extended period. One possible scenario is that the conflict intensifies, damaging energy-related facilities in Iran and other Middle Eastern countries and making energy exports difficult for a prolonged period. If the disruption goes beyond higher prices and actual supply interruptions materialize, the effects could spill over to the distribution of related products, potentially amplifying the negative impact on the global economy in a nonlinear manner.

We are also paying close attention to the possibility that a negative wealth effect could significantly restrain private consumption. As uncertainty about the outlook increases further, there is also a risk that risk-averse behavior could intensify in increasingly unstable financial markets.

Figure 7. the Petrochemical Industry Structure



Note: Real figures.
Source: Prepared by Nomura Asset Management based on the data from METI (<https://www.meti.go.jp>).

US High Yield Bond Market Outlook

NCRAM forecasts moderate but improving US economic growth in 2026, a solid foundation for high yield performance.



Brett Collins, CFA
Managing Director &
Client Portfolio Manager.
NCRAM*1

Moderate Then Improving Growth

The high yield market was up 8.50% in 2025, the third consecutive year of strong performance, following returns of 8.20% in 2024 and 13.47% in 2023, as measured by the ICE BofA US High Yield Constrained Index (HUC0). High yield credit spreads started and ended the 2025 period just inside of 300 bps (281 bps as of December 31), weathering a post-“Liberation Day*2” spike and recovery. Yield to worst spent most of the year in the 6.5-7.5% range, drifting lower from 7.42% at the start of 2025 to 6.62% at year-end. Attractive carry, low default rates (0.99% in the 12 months ended December 31), and supportive fundamentals and technicals kept high yield bonds well-bid during the year. The same factors encouraged investors to buy any dips, constraining selloffs during the second half of 2025.

NCRAM’s base case assumption for the U.S. economy expects a more robust rate of growth in 2026. The U.S. grew at 2.5-3% in 2023 and 2024,

while growth in 2025 likely decelerated to the low 2% range. 2026 is a midterm election year, thus fiscal policy is likely to loosen even further. The Fed eased three times in 2025, and as of December 2025, at least two more cuts are expected by the end of 2026. The Trump administration has locked in lighter tax rates and lessened the tax burden on corporations and lower income workers. The administration has also prioritized slashing regulatory red tape to reduce operating costs and stimulate business investments. Furthermore, NCRAM expects recent hefty investments in artificial intelligence (AI) to begin delivering a positive ROI to users, lifting productivity and margins. These factors are likely to lead to stronger economic growth this year.

Resilient Fundamentals

Competitive, carry-driven performance requires the default rate to remain low. High yield issuers defaulted at a 0.99% rate over the last 12 months, or 1.88% including distressed exchanges, vs. the historical average around 3.28%. We expect the default rate to remain depressed, given persistently strong issuer fundamentals. EBITDA grew 1.7% y/y in 3Q25 (JP Morgan data), the eighth consecutive quarter of positive results. High yield issuers are using internally generated resources to shore up their balance sheets. Net leverage and interest

coverage have both stabilized at close to 4.0x, steady levels vs. the past ten years. Furthermore, the market’s credit quality has evolved in a markedly positive direction in recent years. 58% of the high yield market is rated BB, which is near the historical peak, and less than 10% is CCC-rated, close to the nadir. These conditions could continue, as CCC issuers have increasingly targeted the private credit market, or in some cases the broadly syndicated loan market, for financing. CCC high yield issuance in 2025 was only \$10bn, vs. total issuance above \$330bn.

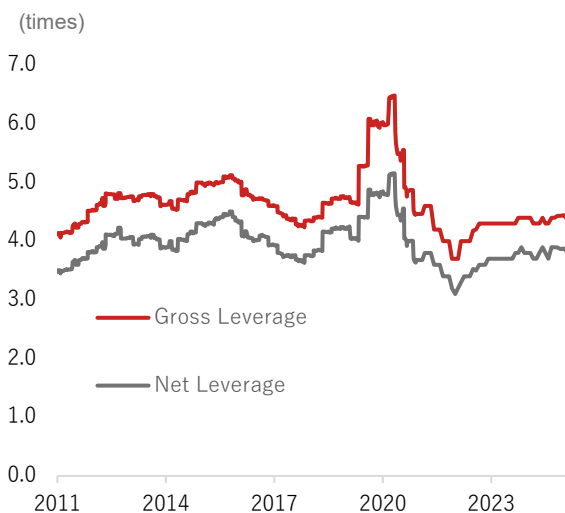
*1 NCRAM : Nomura Corporate Research & Asset Management Inc.

*2 Liberation Day: refers to April 2, 2025, when U.S. President Donald Trump announced large-scale reciprocal tariffs.

Looking at history, high yield spreads reached an all-time tight of 240 bps in 2007. At that time, 41% of the market was BB rated and 17% CCC, a significantly lower aggregate credit quality vs. today. With these

factors in mind, NCRAM expects the 2026 default rate to remain comfortably below the long-term average.

Figure 1. US High Yield Leverage Ratio
(End of Dec. 2011 to end of Jan 2026)



Note: Weekly from end of Dec. 2011 to end of Dec. 2021, monthly thereafter.
Source: Prepared by NCRAM based on the data from BofA Global Research as of January, 2026

Figure 2. US High Yield Interest Coverage
(End of Dec. 2011 to end of Jan 2026)



Note: Weekly from end of Dec. 2011 to end of Dec. 2021, monthly thereafter.
Source: Prepared by NCRAM based on the data from BofA Global Research as of January, 2026

Supportive Supply/Demand Dynamics

Technical to date have been very supportive of high yield bond prices in the post-pandemic environment. 2025 experienced a larger increase in net supply. Total issuance was greater than \$330bn, but the majority of activity was refinancing, while net issuance was less than \$100bn. This manageable bump was readily absorbed by sturdy demand from both dedicated and crossover investors*. NCRAM estimates US high yield ETF and mutual fund net flows in 2025 exceeded 5% of start-year NAV. Most reasonably priced high yield new issues were well

oversubscribed, buoyed by a plethora of orders originating from go-anywhere fixed income strategies, pension funds, sovereign wealth funds, and hedge funds, illustrating crossover investor interest in the asset class' healthy yields. Looking forward to 2026, the favorable supply/demand dynamic could modulate, given heavier expected new issuance to fund M&A transactions, AI investments and other capital projects, along with a steady flow of refinancing deals.

* Crossover investors are investors who primarily invest in assets other than high-yield bonds, including investment-grade bonds, equities, and other asset classes.

Alpha Generation Opportunities

The high yield market also offers skilled active managers plentiful alpha generation opportunities, via both avoiding problem credits and identifying bonds trading at depressed levels relative to fundamentals. Many of these situations lie in the less efficient B and CCC-rated segments of the market, where experienced analysts can differentiate between improving and deteriorating credits. Discount bonds positively exposed to event risk also create opportunities to potentially generate outsized returns. Many issuers have been willing to retire

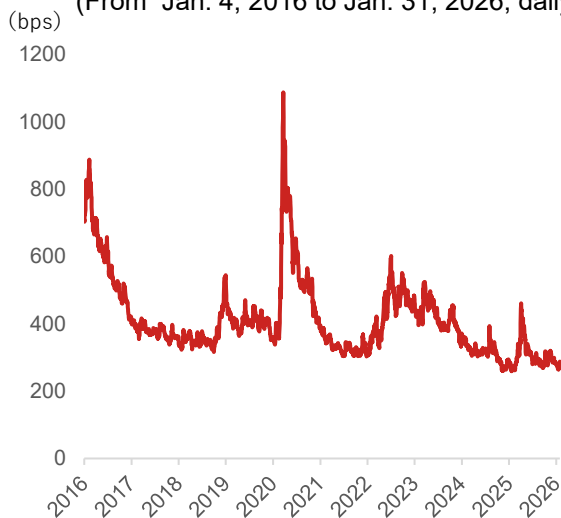
existing bonds at a premium in order to extend debt maturities. Similarly, M&A transactions can deliver positive outcomes for discount bonds, thanks to change-of-control covenants or a reduced spread premia when a high yield issuer is acquired by a company with a stronger credit rating. We expect 2025's active refinancing and M&A environments (more than \$230bn of high yield bonds were refinanced, and high yield M&A rose 10% y/y to \$360bn, JP Morgan data) to remain in place in 2026.

Solid Entry Point

High yield valuations are less robust relative to the long-term average, with spreads inside of 300 bps. However, spreads often persist at the tight end of the historical range until a catalyst forces widening, typically a recession or a black swan event. By nature, black swans are unknown, but NCRAM does not expect a recession in 2026. Important pockets of activity in the US, including IT investment, energy

production, and the build-out of power generation capacity, sharply reduce the probability of negative economic growth. NCRAM believes that high yield bond yields in the 6.5-7% range offer a solid entry point, given our forecast for continued low default rates. In our view, this level positions the asset class to deliver attractive returns to investors in 2026.

Figure 3. Option-Adjusted Spread
(From Jan. 4, 2016 to Jan. 31, 2026, daily)



Source: NCRAM based on the data from ICE BofA, as of January, 2026

Figure 4. Yield to Worst
(From Jan. 4, 2016 to Jan. 31, 2026, daily)



Source: NCRAM based on the data from ICE BofA, as of January, 2026

*Black swan: a market event that is extremely difficult to predict in advance and has a major impact when it occurs.

* This material contains personal views and does not necessarily reflect Nomura Asset Management house view.

Japanese Bond Market Outlook

Investment Opportunities in a Normalizing Interest Rate Environment



Takahiro Yatabe, Senior
Portfolio Manager



Akane Fujii,
Product Manager

Inflation remains above 2%, and monetary policy normalization is progressing

Since 2022, the year-on-year rate of increase in the consumer price index has remained above 2% for nearly four years. At first, this was driven by global inflation following the COVID-19 pandemic and the depreciation of the yen. Since then, however, inflation accompanied by wage growth has become more firmly established, supported in part by consistently strong wage increases achieved in the annual spring wage negotiations.

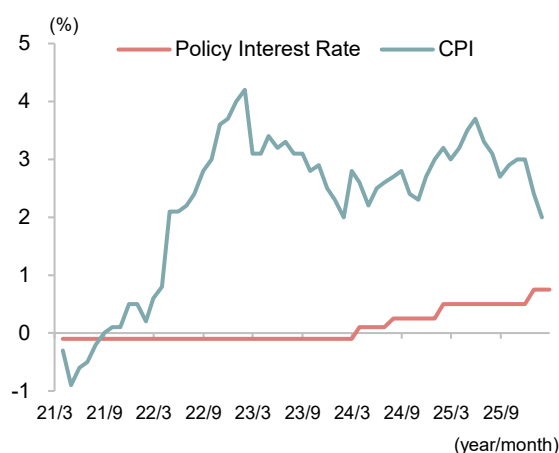
In response to changes in economic and price conditions, the Bank of Japan gradually adjusted the degree of monetary easing and raised the policy rate to 0.75% in December 2025. Inflation is expected to slow going forward, partly reflecting the impact of the government's measures to address high prices. However, as long as the momentum for wage increases remains intact, underlying inflation is likely to rise gradually.

Government bond yields have risen sharply

In addition to raising the policy rate, the Bank of Japan has continued to reduce its JGB purchases in a predictable manner. Monthly JGB purchases are expected to decline from around ¥3.3 trillion in the October–December quarter of 2025 to around ¥2.1 trillion in the January–March quarter of 2027.

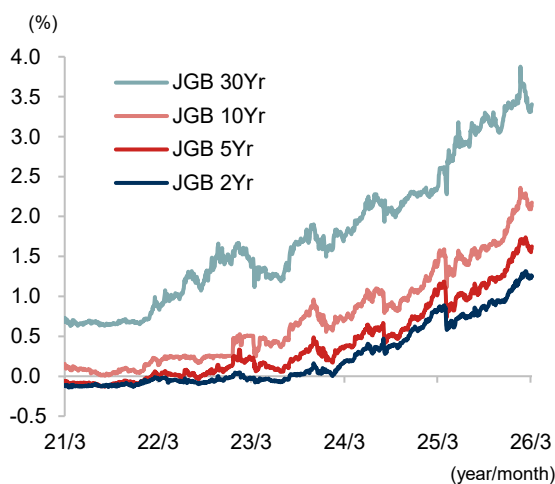
As the Bank of Japan has continued to normalize monetary policy, government bond yields have risen significantly. In particular, yields on super-long maturities have increased sharply, reflecting weaker demand from life insurers and the market's growing concern about the government's expansionary fiscal policy. The yield on the 10-year JGB, a benchmark for long-term interest rates, has risen to the low 2% range, reaching levels not seen since the 1990s.

Figure 1. Trends in the Policy Interest Rate and the Consumer Price Index
(Policy interest rate: from the end of March 2021 to the end of February 2026, monthly
CPI: from March 2021 to January 2026, monthly)



Note: Policy interest rate: target level for the uncollateralized overnight call rate (until the end of February 2024, the interest rate applied to policy-rate balances). CPI: year-on-year change in the nationwide Consumer Price Index (excluding fresh food)
Source: Prepared by Nomura Asset Management, based on data from Bloomberg

Figure 2. Trends in Japanese Government Bond Yields (March 1, 2021 to March 6, 2026, daily)

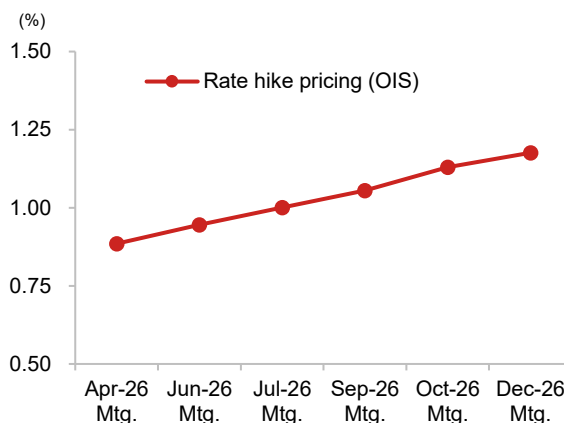


Note: Yield: Bloomberg Generic
Source: Prepared by Nomura Asset Management based on Bloomberg data.

A gradual rise in interest rates is expected.

If Japan’s 2026 spring wage negotiations produce solid outcomes, the underlying rate of inflation is expected to rise gradually as wage and price growth continue to reinforce one another. The Bank of Japan is also expected to continue raising interest rates in line with improvements in economic and price conditions. With the eventual terminal level of the policy rate still unclear, the implementation of rate hikes is likely to push up Japan’s long-term interest rates as well. On the other hand, given that the market has already priced in some rate hikes and that the Bank of Japan is expected to carefully assess the impact of each hike on the economy and prices, the pace of further increases is likely to remain gradual.

Figure 3. Market pricing in the policy interest rate (As of March 19, 2026)



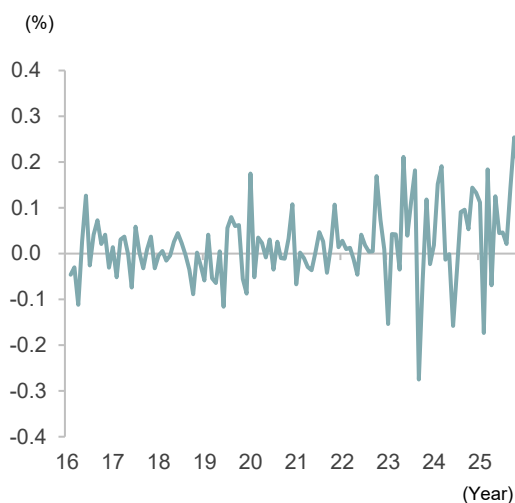
Note: OIS: Overnight Index Swap
 Source: Prepared by Nomura Asset Management based on Bloomberg data.

Higher interest rate volatility creates opportunities for active management

During the low-interest-rate era when the yield curve control policy was in place, Japanese government bond yields remained low and interest rate fluctuations were limited. Under such market conditions, domestic bonds offered limited investment appeal, and profit opportunities through active management were limited. However, following the recent rise in interest rates, the investment appeal of domestic bonds has increased. In addition, as monetary policy normalizes, interest rate fluctuations have widened, underscoring the growing importance of active management in domestic bond investing.

As interest rate volatility has increased, we believe that investment opportunities have expanded for our active management strategies, including duration strategies, yield curve strategies, and Japanese government bond selection.

Figure 4. Changes in 10 Year JGB Yields (March 2016 to February 2026, monthly)



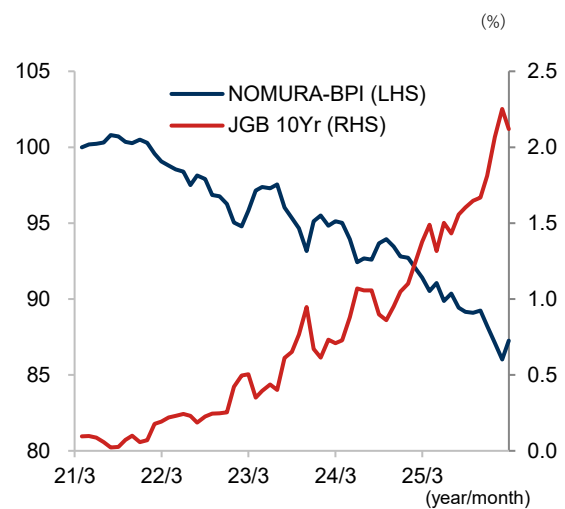
Note: Yield: Bloomberg Generic
 Source: Prepared by Nomura Asset Management based on Bloomberg data.

Responding to interest rate risk

Over the past several years, as the Bank of Japan has proceeded with monetary policy normalization, domestic bond yields have generally risen, while bond prices have declined. The NOMURA-BPI Total, a leading benchmark for domestic bonds, has a duration of about eight years, and its returns have been significantly negative, reflecting the rise in interest rates to date. Given that the market has already priced in some further rate hikes and that relatively high income returns are available, including from credit, benchmark returns are expected to stabilize over the longer term.

At the same time, however, the terminal level of the Bank of Japan's policy rate remains difficult to foresee, and for investors concerned about further rises in interest rates, investment strategies that can flexibly adjust interest rate risk may offer a possible solution. One possible approach is an absolute return strategy that does not set a specific benchmark, aims to earn stable income from corporate bonds and other instruments, and uses derivatives to adjust interest rate risk flexibly. By expanding the allowable duration range to include short positions, such a strategy can aim to generate positive returns even when interest rates rise. It could also remain effective if concerns about rising interest rates subside and the market enters a falling-rate environment, making it a new option alongside benchmark-based products.

Figure 5. Trends in JGB Interest Rates and Benchmark Indices (March 2021 to February 2026, monthly)



Note: Yield: Bloomberg Generic. NOMURA-BPI reindexed to 100 at the end of March 2021

Source; Prepared by Nomura Asset Management based on the data from Nomura Fiduciary Research & Consulting and Bloomberg.

* This material contains personal views and does not necessarily reflect Nomura Asset Management house view.

Global Financial Market Forecast

Major Economic and Market Forecast

			2026				2027		2024	2025	2026	2027
			Q1	Q2	Q3	Q4	Q1	Q2				
			F	F	F	F	F	F		F	F	
Real GDP (qoq, ann, %)	World	*1,*4	2.6	2.4	2.1	2.0	2.5	2.7	2.9	2.8	2.3	2.8
	Developed	*2	1.9	1.1	1.5	1.8	2.0	2.1	1.8	1.8	1.6	1.8
	Emerging	*1,*3	3.9	3.8	3.6	3.4	3.9	4.0	4.5	4.3	3.7	4.0
	United States		2.4	1.5	1.9	1.9	2.0	2.1	2.8	2.1	2.1	2.0
	Eurozone		1.3	0.9	1.1	1.2	1.4	1.5	0.9	1.5	1.1	1.3
	Japan		2.3	-1.1	0.6	1.4	0.9	1.4	-0.2	1.2	0.6	0.9
	China	*1	4.4	4.4	4.1	4.1	4.1	4.1	5.0	5.0	4.2	4.2
CPI (yoy, %)	World	*4	2.7	3.5	3.3	3.3	3.1	2.5	3.0	2.7	3.2	2.7
	Developed	*2	2.4	3.5	3.5	3.6	3.6	2.5	2.7	2.6	3.2	2.7
	Emerging	*3	3.2	3.5	3.0	2.8	2.4	2.5	3.6	2.7	3.1	2.8
	United States		2.5	4.2	4.3	4.4	4.4	3.0	3.0	2.7	3.9	3.2
	Eurozone		1.9	2.8	2.8	2.7	2.5	1.7	2.4	2.1	2.5	1.9
	Japan	*5	1.7	2.0	2.5	2.3	2.6	0.7	2.5	3.1	2.1	1.1
	China		1.1	1.6	0.7	0.3	0.1	0.5	0.2	0.1	0.9	0.9
Policy Interest Rate (%)	United States	*6	3.75	3.75	3.75	3.50	3.25	3.25	4.50	3.75	3.50	3.25
	Eurozone	*6	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	2.00
	Japan	*6	0.75	1.00	1.00	1.25	1.25	1.50	0.25	0.75	1.25	1.50
	China	*6	3.00	3.00	3.00	3.00	3.00	3.00	3.10	3.00	3.00	3.00
10-Year GB Yield (End of Period, %)	United States		4.32	4.10	4.00	4.00	4.10	4.20	4.57	4.17	4.00	4.20
	Germany		3.00	2.80	2.70	2.80	2.90	2.90	2.37	2.86	2.80	3.00
	Japan		2.35	2.20	2.30	2.40	2.40	2.60	1.10	2.07	2.40	2.60
Equity Index (End of Period, Point)	S&P500		6,529	6,810	7,070	7,330	7,680	7,920	5,882	6,846	7,330	8,400
	EURO300		2,328	2,380	2,450	2,500	2,610	2,660	2,016	2,360	2,500	2,760
	TOPIX		3,498	3,750	3,790	3,920	4,090	4,330	2,785	3,409	3,920	4,590
	MSCI EM (\$)		1,397	1,490	1,510	1,540	1,590	1,620	1,075	1,404	1,540	1,680
Currency (End of Period)	USD/EUR		1.15	1.17	1.19	1.20	1.20	1.18	1.04	1.17	1.20	1.16
	JPY/USD		159.1	156.0	156.0	157.0	158.0	162.0	157.2	156.7	157.0	164.0
	JPY/EUR		183.3	183.0	186.0	188.0	190.0	191.0	162.7	184.1	188.0	190.0
	RMB/USD		6.91	6.80	6.70	6.70	6.70	6.70	7.30	6.99	6.70	6.80

Emerging FX and Policy Interest Rate Forecast

		2024	2025	2026	2027
				F	F
Currency (Per USD, End of Period)	INR	85.6	89.9	91.0	90.0
	IDR	16,095	16,675	17,000	17,200
	BRL	6.2	5.5	5.5	5.8
	MXP	20.8	18.0	18.0	18.5
	ZAR	18.9	16.6	16.5	17.0
	TUR	35.4	43.0	50.0	56.0
Policy Interest Rate (%)	India	6.50	5.25	5.25	5.25
	Indonesia	6.00	4.75	4.75	4.25
	Brazil	12.25	15.00	13.25	13.25
	Mexico	10.00	7.00	6.75	6.50
	S. Africa	7.75	6.75	6.75	6.50
	Turkey *6	48.13	38.00	34.00	25.00

Source: Nomura Asset Management

Note: Forecast as of March 23, 2026 (economic indicators are based on the latest available data as of the previous day).

1) Year-on-year comparison. 2) GDP-weighted average for the United States, Eurozone, Japan, the United Kingdom, Canada, and Australia.

3) GDP-weighted average for China, India, Brazil, South Korea, Taiwan, Indonesia, Thailand, Malaysia, the Philippines, Hungary, Poland, Russia, Turkey, Mexico, and South Africa. 4) GDP-weighted average of 2) and 3). 5) Core consumer price index. 6) Interest rates: for Japan, the uncollateralized overnight call rate target; for the United States, the upper limit of the Federal Funds target range; for the Eurozone, the central bank deposit facility rate; for China, the 1-year loan prime rate; and for Turkey, the weighted average funding rate from the central bank.

*As for forecast columns, actuals are prioritized if available. Source: Oxford Economics, Bloomberg, and Nomura Asset Management

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Registration Number: Director-General of the Kanto Local Financial Bureau No.373

Membership: Investment Management Association of Japan
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