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BUSINESS

Investment Outlook in the Asia Pacific Market for the remainder of 2016

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By **Nyambura Tabitha**
Markets Reporter



The Asia Pacific equities market has endured a number of challenges in 2016. Slowed economic growth in China and a fragile investor sentiment in the region have remained major stumbling blocks for growth this year

but even then, outlook on the Asia Pacific market for the remainder of 2016 looks very steady.

Economic Conditions To Ease In 2016

Economic conditions in the region are expected to ease as we head to the end of the year. China in its recently released economic data confirmed a 6.7% growth in GDP as a momentous government stimulus to rebalance the economy amidst

slowed growth continues to bear fruit. In addition to this, the South Korean economy is expected to grow by 0.7% in Q4 2016. Stabilizing oil prices will provide a boost not to mention stock market reforms in China. Industrial production and retail sales have also grown in the region in recent months. But despite all these important gains, the risks associated with currency headwinds, property market excesses, and concerns of growing public debt are

◀ still there. However, it is clear that markets in the Asia Pacific region are well on course towards achieving credible performance in 2016.

Outlook on the Region

Recent months have provided mixed outcomes for investors in the Asia Pacific region. However, companies here have continued to see steady earnings growth and increase in dividend payouts this year. Foreign net capital inflow for emerging Asia this year has hit nearly \$38 Billion against net outflow last year. There is also the possibility of Shenzhen – Hong Kong stocks connect which could be a major positive for global investors.

The pessimism on Asia Pacific markets has largely been directed towards China and for good reason to be honest. But despite this dark cloud China economic figures have still remained resilient. The Purchasing Managers Index in

companies here have continued to see steady earnings growth and increase in dividend payouts this year

China rose to 50.4 last month, the highest recorded since mid 2012. The emerging economic giant has also seen improved exports, a robust retail sector, as well as a resilient property market.

In South Korea too things are not as bad as they seem. Last month the KOSPI grew 1.7% compared to the previous months and it seems increased foreign capital inflow has done well to bolster performance. The Korean Market has however had to deal with the Samsung 7 recall but it has done so effectively. The Bank of Korea also revised growth projections up from 2.9% this year to 3.2%. From all this figures it is clear that even

with a fragile investment sentiment the Asia Pacific region is still on the up and it is highly likely that most stocks in the region will close out the year on a high.

Investing In the Asia Pacific Region

The long term prospects of Asian Pacific Stocks are promising especially based on current economic data. If you want to invest in the region, you can do so using a managed portfolio at the Asia Pacific Fund (APB). The Closed End Fund offers an investment vehicle for international investors to take advantage of Asian and Pacific stocks. At the moment, stocks are trading at a significant discount to NAV and with long term prospects looking very strong, investing in Asia could be a viable play today. You can buy into the Asia Pacific Fund (APB) in the NYSE using the ticker symbol APB.