



# The IPO Market In Asia Pacific Expected To Recover In 2017 With China Looking To Drive Much Of The Growth

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The IPO market in the Asia Pacific region is expected to rebound in 2017 after a three year low recorded last year. China will drive much of the growth as financial firms in the greater China region are set to be listed including some of the

biggest Fintech companies in the country

Lufax, China biggest peer to per lending company is expected to list shares worth a tune of \$ 5 billion in 2017 in a much anticipated IPO. And that is not all, Ant Financial, the Finance arm of Alibaba, the biggest e-commerce company in China together with Sinopec Marketing are other major Chinese companies expected to float an IPO in 2017. Experts believe that this could

provide a much needed turning point for Asia Pacific IPO markets that recorded a 22.5% drop in 2016.

## **China to Drive IPO Activity in Asia Pacific**

China recently relaxed conditions for IPO approval for local companies in a move designed to boost the slowing economy and also help cap build up of corporate debt. With many companies on the pipeline to list, experts expect China to remain

◀ one of the most active IPO markets in the 12 months ahead. Drop in the performance of Asia Pacific stocks last year was largely blamed to relatively lower IPO activity not just in China, but also in India and South Korea too. Hong Kong for instance is expected to see IPO listings in 2017 of up to \$26 Billion. Lufax and Ant Financial are expected to contribute significantly to this amount. Experts also note that a number of Chinese start-ups that have taken billions of dollars in investments over the last couple of years have continued to experience accelerated growth and seem to be on track for an IPO listing in 2017 or 2018.

### **Dominance Of Financial Services**

Financial services companies will be the dominant ones in IPO offerings this year. Guangzhou Rural Commercial Bank is expected to float up to \$1.5 Billion in shares while China United Insurance

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Holding Corp, one of the giant insurance providers in the country will float shares worth a tune of up to \$1 billion within the next 12 months. Even as IPOs show great promise, other companies are also expected to raise secondary capital in the stock market to finance expansion. Guotai Junan Securities Co Ltd, a leading brokerage firm in Hong Kong is hoping to raise \$2 billion while Galaxy Securities, another brokerage firm in Shanghai will be looking to raise an additional 1.7 billion in the stock market.

South Korea will also bounce back from a slow 2016 in IPO activity. Netmarble Games, a top Korean gaming company is expected to float \$1.7 Billion worth of shares

while Lotte Group could see its \$4.5 Billion IPO on Lotte Hotels finally take shape after years of delay. Singapore is also expected to see new IPOs in telecoms and most notably the Broadband provider NetLink Trust, which hopes to raise \$2.7 Billion through the stock market. India which has relatively outperformed other counties in Asia Pacific is expected to continue the same trend in IPO activity this year.

### **How to Invest in Asia Pacific IPOs**

In case you feel it's time to invest on Asia Pacific stocks, the [Asia Pacific Fund](#) offers you an investment vehicle. The Fund invests in equity securities of companies based in the Asia Pacific region ex. Japan. The Fund gives investors the chance to get in on the deal through a managed portfolio. Feel free to purchase its shares today on the NYSE under the ticker symbol APB.