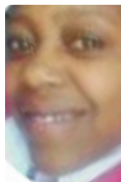




# Growth In Asian Stock Markets Looks Likely This Year Despite A Number Of Trade Risks

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By **Nyambura Tabitha**  
Markets Reporter



The Asian stock markets are expected to record growth this year. Strategists believe that despite a wide range of macroeconomic challenges, the regional markets in Asia will see

significant growth in the coming 12 months. China, South Korea, Japan, and India are some of the countries expected to lead the line.

The outlook on Asia is however clouded by a number of risks including a strong US dollar and the potential of trade protectionism by the US under the new Trump administration. But even with these risks, increased public sector spending especially on infrastructure

investment and a stable Chinese economy are expected to drive regional growth in Asia.

## **Focus On China**

Strategists believe that major Asian players will outpace a majority of global economies this year. In China, Hong Kong's Hang Seng Index is predicted to hit a median of 25,000 while the Hang Seng China Enterprises Index will close at 11,000

◀ in December. These will be gains of up to 13 percent from current levels. As for the Shanghai Composite Index, analysts see an advance of at least 20 percent to 3,800. This will come as a huge relief following a slump of more than 10 percent so far. Experts at Goldman Sachs China note that with tightening inflation, earnings growth in Chinese stocks will hit a four year high despite a slow start in 2017. The risk of a weakening Yuan is expected to have insignificant effects on the growth trajectory though especially now that domestic resilience in China seems to outweigh Trade Risks. A Bloomberg Report on the Outlook of Asia also confirmed that the Taiwan's TaieX Index will grow 5% this year to end at 9,839.63.

### **South Korea And India**

And that is not all, there is also a lot of positive outlook on the Korean

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Market. Bloomberg expects the Kospi to reach 2,472.14 in the coming 12 months. This would represent a strong 21 percent rally in 2017. The Impeachment of President Park Geun-hye and the resulting leadership vacuum could however pose risks to short and medium term investment prospects especially in the first six months of the year. The risk of US protectionism against Korean major exporters could also be a determining factor that can affect the market. Nonetheless, despite this trade risks the Kospi will remain resilient and a 21% growth isn't really far fetched. India is

also poised for double digit returns according to Morgan Stanley with the Sensex expected to reach 30,000 by December this year. Bloomberg has also predicted a 15% rise for the Sensex which is expected to close at 30,798.11. Australia is predicted to make some headway too albeit not in the scale of China Korea and India.

### **How to Invest In Asia**

The growth projections for most regional stock markets in Asia are definitely attractive. As an investor keen on diversifying your portfolio, putting some money in Asian companies could do the trick. [The Asia Pacific Fund](#) offers you this opportunity. The Fund offers and investment vehicle to invest in equity securities of Asia Pacific companies ex. Japan. Feel free to buy its shares at the NYSE under the ticker symbol APB.