



Taiwan Investments Top Asia's List As Concerns On China's Tech Space Continue To Fade

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Global investors in recent times have placed their attention squarely on Taiwan. Last month alone global investors poured \$5.4 billion in Taiwanese Equities with capital inflows for the year so far

topping \$11.6 Billion.

With such massive capital inflows Taiwan is now the most popular investment destination in Asia. Experts believe that stable relations with China especially after the election of President Tsai Ing-wen are fueling this growth. In addition to this, the anticipated release of the Apple Inc.'s iPhone 7 is expected to boost Taiwanese suppliers. A strengthening local currency has

also played a big role and while this will negatively affect local exporters, there is every indication that Taiwan which is already the second-highest dividend yield market in Asia will continue to lure in more global investors.

Increasing Investor Interest...

The increasing enthusiasm from investors towards Taiwan is a



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◀ big change from sentiment in May this year. Many global funds were focusing on the exit door with concerns that low sales of Smartphones would have adverse effects on local supplier chains. Investors were also wary of the election of President Tsai Ing-wen and many felt that this would strain the already delicate relationship between the island and China. However, it seems these concerns have now eased with President Tsai Ing-wen choosing a peaceful and non provocative approach in dealing with China.

Since May 20 when Tsai assumed office, the Taiwanese equities market has rallied. The Taiex index has rallied 15% on a dollar basis which is the fifth biggest gain from 94 global benchmark indexes that are tracked by Bloomberg. The local currency has also responded well to Tsai presidency. The Taiwan Dollar has

strengthened 3.4% since May making it the third best performer among Asian countries. Only the Japanese and South Korean currencies have done better.

Easing Concerns On The Local Technology Sector....

Increased investor appetite for Taiwan is fueled by the technology industry. The local Semiconductor Manufacturing Co., the largest listed company in Taiwan and a major Apple supplier made record gains this week after releasing third quarter sales forecasts that beat the estimates. The anticipated launch of the iPhone 7 is also a big boost. In addition to this, the slump in Apple sales between April and June was lower than the estimated numbers raising investor sentiment in the process.

Despite this rally though there are still concerns over the lackluster

Taiwanese economy. On April through June local GDP expanded by just 0.68 percent on a yearly basis. This marginal increase came on the backdrop of three consecutive quarters of contraction. Exports have also shrunk to a 17 month low with a strengthening Taiwanese Dollar hampering any improvement. However, global investors seem to have overlooked these challenges as they look forward to high yields in the local equities market especially now that returns in other markets are receding.

How To Invest In Taiwan With JP Morgan China Region Fund

The [JPMorgan China Region Fund](#), Inc. is a Closed End Fund that invests in equity securities of companies in China, Taiwan, Macau, and Hong Kong. The fund is an ideal investment vehicle for foreign investors to invest in Taiwanese companies listed in the local equities market. You can buy into the JPMorgan China Region Fund, Inc. by purchasing its shares in the NYSE. The Fund is trading under the ticker symbol JFC. Taiwan is among the hottest investment destinations in Asia today and with the JPMorgan China Region Fund, Inc., you can also reap off the returns it has to offer.

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