







# **Asian Stocks Rise This Week On Positive Chinese Factory Data And Upbeat Corporate Earnings**

14 August 2017 By Nyambura Tabitha Markets Reporter



sian Markets started August on a high following the Dow Industrial's record high finish. Asian markets responded well to upbeat corporate earnings reports

and a positive outlook on China factory data. Investor confidence is up and in particular, Apple's surprise earnings report was key in pushing share prices up for its Asian suppliers.

The South Korean Kospi on Wednesday rose 0.3 percent to close at 2, 430.20 with the Hong Kong Hang Seng Index advancing 0.5 percent to close at 27, 6667.39. The ShangHai Composite Index closed

up 0.1 percent but the Australia's ASX/S&P 200 fell 0.3% due to a drop in commodity prices.

## **Positive Economic Data**

According to analysts robust output reports on Chinese manufacturing that were released earlier in the week were crucial in emboldening investors. Although more data is set to be released, on Tuesday the Caixin/Markit factory Purchasing

Managers index showed that industrial activity in China expanded over the month of July. The Private Chinese Manufacturing survey also confirmed that the expansion in June was the highest in four months. The US also reported positive factory data this week but the jobs report expected to come out on Friday will be a big determinant on the path of Asian stocks moving forward this week. Analysts believe The Asian markets are poised to rise even as crude prices remain relatively soft.

### **Impact of the Iphone**

The markets were also positively impacted by earnings reports from Apple. The American Smartphone maker confirmed on Tuesday that earnings for the quarter were up 12 percent to reach \$8.7 billion. This was beyond expectations. Demand for Iphones is also rising and earnings forecasts for the current quarter

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have remained upbeat. As a result of these earnings reports, stock prices of Apple suppliers in Asia were up this week. Samsung Electronics Co rose 0.6 percent on Tuesday while LG Display Co rose 2.1 percent. Foxconn Technology Co, a Taiwan based contract manufacturer that is responsible for assembling Iphones also rose 2.2 percent.

#### **Outlook for 2017**

Most Asian stocks including China kicked off 2017 on the high and

despite a few challenges along the way the outlook on Asia has remained robust. Chinese stock market reforms are also on course with GDP growing at a relatively better rate despite slowed growth. Other major Asia pacific economies including India and South Korea are also robust in their economic outlook for the remaining months of 2017.

#### **How To Invest In Asia Pacific**

The Asia pacific market provides investors an opportunity to unlock value in underpriced stocks. It's a great market for long term bets and in case you are thinking of joining in, you can do so through a managed portfolio at the Asia Pacific Fund. The Fund gives you the chance to invest in equity securities of companies in Asia pacific excluding Japan. You can purchase its stock on the NYSE under the ticker symbol APB today.