



South Korea's Stock Market Rises To 14th Globally In Market Capitalization

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The South Korea stock market has risen to 14th globally in market capitalization. Data released last week showed a 2.3% yearly increase in market capitalization and this success

comes despite a series of both local and global challenges.

According to data from the Korea Exchange the total market capitalization for locally listed firms rose from \$1.231 trillion last year to \$1.259 trillion this year. This growth has put Korea on the rising streak in terms of stock market value ranking 14th globally. Korea's performance is notable considering shocks in

global equity markets. For the past 12 months global stock markets dropped 1.3 percent in market capitalization to \$66.3 trillion. In the US, the NYSE rose 5.2% as other Asian and European stock markets reported a decline in total market capitalization. The Shanghai Stock Exchange in particular shrank 4.26 percent in what has been a turbulent time for the Asian economic powerhouse. ▶



◀ Investing In South Korean Equities

Although the South Korean stock market is not as big as other major counterparts in the Asia Pacific Region, it offers very unique opportunities for global investors. With value shares on offer, a steady economy, and a more favorable shareholder friendly policy, the South Korean equity market is perhaps one of the best gems in the Asia Pacific region. In addition to this, data compiled by Bloomberg showed that Profits in the benchmark Kospi are expected to jump 58 percent over the next 12 months. Brokers have already upgraded 2016 earnings estimates for a fourth month in a

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row since April. Two of the leading brokers in the country are also predicting the Kospi to reach a record index of 2,250 this year.

The opportunity for value investors is already there. At the moment, shares in the market here are priced at the cheapest value compared to other major equity markets in the world. This offers a genuine

chance of upward momentum for the remainder of the year. The Korean commodities market has also rebounded very well in recent month with improved first quarter earnings of leading Korean exporters such as Samsung Electronics Co. and materials producers like Posco spurring growth. From the massive lows witnessed in February this year, the Kospi has rallied 11%.

The Kospi at the moment is valued at 0.96 net assets, a figure lower than its 10-year average of 1.16. The value is also more than 50 percent cheaper than the MSCI All Country World Index. All these factors are ideal for investors and the potential for upward growth are very good.

How To Invest In Korean Equities

If you feel that there is value in Korean equities then you can invest. The best way for global investors to take advantage of the Korean market is through an investment vehicle. Well, the [Asia Pacific Fund](#) is a leading Closed End Fund that invests in equity securities of companies in the Asia Pacific region excluding Japan. The Fund allows global investors to buy into Korean equities through a managed portfolio. You can join the Fund by purchasing its shares on the NYSE. The Asia Pacific Fund trades under the ticker symbol APB with the current stock price going at a significant discount to NAV.

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