

S. Korea

4.0 Stars – Very Attractive ★★★★★

Macro Outlook

- South Korea's export-led recovery remains supported by firm global demand and a recovering industrial cycle entering 2022.
- While growth has been strong, economic momentum may slow in 1H with the normalisation of export orders and central bank tightening.



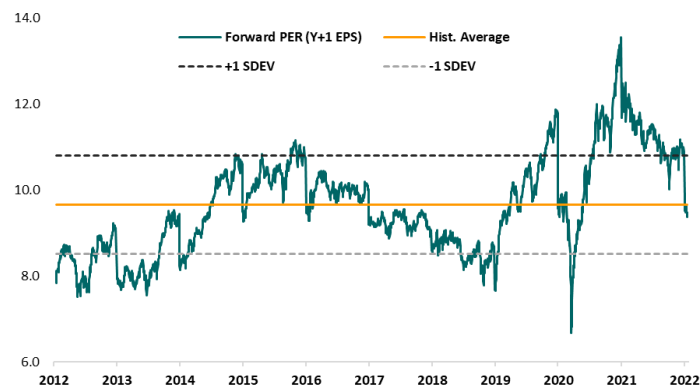
What we like about

- Excluding the earnings distortions from one-off factors, earnings in '22 should grow by high single-digits.
- Long-term demand for Semiconductors remains strong and supply problems are expected to gradually resolve by mid-2022.
- Valuations remain close to pandemic lows.

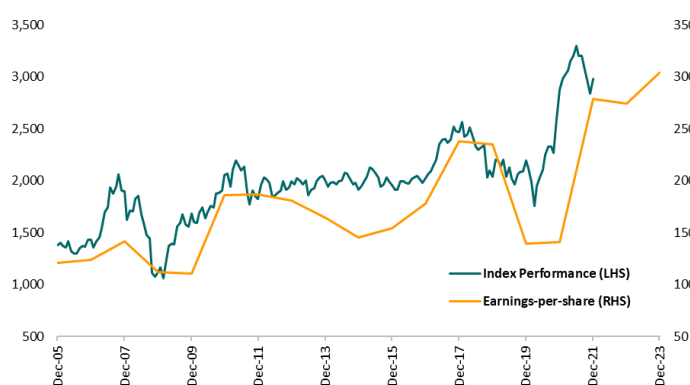
Investment Risk(s)

- Rising Omicron cases may halt re-opening plans and international travel lanes.
- Potential chip glut in the near-term.

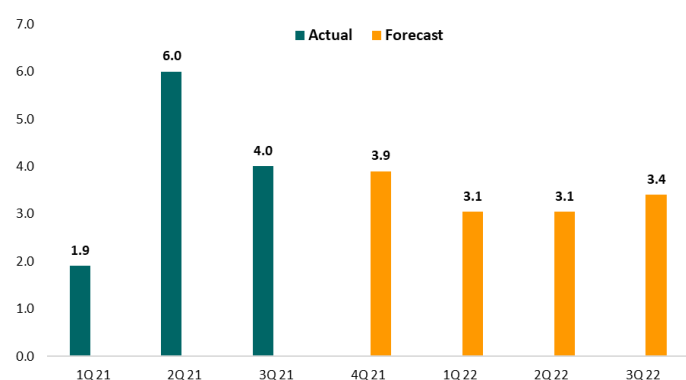
KOSPI Index Forward PE Ratio (x)



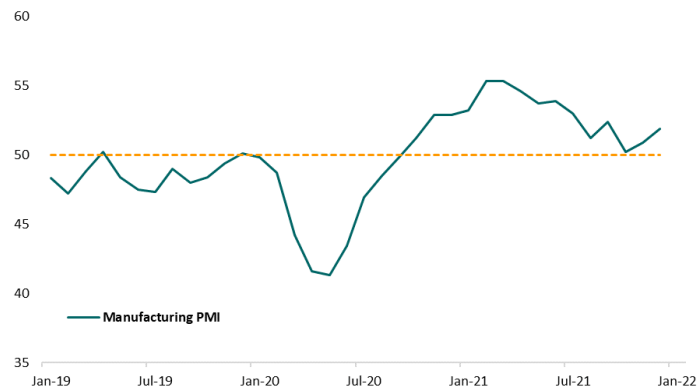
S. Korea Equity (KOSPI Index) Price vs EPS



Real Quarterly GDP- Actual and Forecast (YoY %)



S. Korea Market PMI



Source : Bloomberg Finance L.P, iFAST compilations. Data as of Jan 2022.

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