

INVESTING IN ASIA: SOURCES OF INFORMATION

by

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Australian investors have been traditionally rather insular in their approach to investment. True, many kept tabs on the London market, but that was more to follow the trading of the London listed Australian shares than for British investment. Similarly, it has only been in recent years that the local financial press have even bothered to mention, let alone report on the happenings in other overseas markets. This fixation with local securities however, was not without reason. Prior to April 1, 1980, for example, foreign exchange controls limited our institutional overseas investment to only \$A1,000,000 per year and individuals to A\$10,000. However, since July 20, 1981, exchange controls can no longer be used as an excuse for there is effectively no restrictions (formal approval is still required) on institutional or individual overseas equity investments. There is also no reason for not considering the Asian securities markets as well as those in Western countries. Lack of information was once an excuse, but this is no longer the case. Indeed, if anything, there are too many potential sources. This article examines some of these alternatives.

Probably most investors are familiar with the Asian coverage within the international sections of the world's major financial and business journals. *The Financial Times* supplements, *The Economist*, *Euromoney*, *The Institutional Investor*, *Wall Street Journal*, *Business Week*, and newswire services, for example, have regularly provided some coverage. Similarly, the *Far Eastern Economic Review*, *Asia Week*, and a host of monthly Asian based business magazines have also been a valuable source of information. But now owing to increased demand, a number of publications have emerged to meet both the local and overseas financial information requirements. In many cases the stock exchanges themselves have entered the publishing business and these monthly publications, like the *Singapore Stock Exchange Journal*, provide a wealth of statistical information in addition to their editorial content. Most overseas readers, however, probably prefer the regional coverage provided by Asia's one daily and four monthly financial publications: *The Asian Wall Street Journal*, *Asian Finance*, the *Asian Money Manager*, the *Asian Monetary Monitor*, and *Asian Banking*.

The Asian Wall Street Journal is probably the best known of the Asian regionals among the investment community. A joint venture between Dow Jones and the top local papers in the region, *The Asian Wall Street Journal* gives the reader day to day reporting of Asian financial, business and political news as well as U.S. coverage. The latter, while not so helpful to the overseas reader, is very much sought after by Asian subscribers (some 70% are Asian nationals) and can be expected to continue as an important part of the contents. The paper is available in Australia posted from Singapore by second class airmail; an annual subscription is presently A\$220. The address is The Asian Wall Street Journal, Dow Jones Publishing Company (Asia) Inc., G.P.O. Box 9825, Hong Kong.

Asian Finance describes itself as being "for bankers, managers, investors and businessmen." Fortunately it meets this claim and is an attractively presented publication as well. The quality of coverage is a reflection of the Chairman of both the Editorial Board and the publishing company, Sixto K. Roxas, the President of the Philippine financial group Bancom and founder of the Asian Institute of Management. To meet its claim, each monthly 100 plus page issue covers a variety of topics including in depth "Profile" and "Special Report" articles. In a recent issue these included a 28 page Profile article on Malaysia and two special reports on the German banking presence in Asia and what attracts foreign banks to the Pacific Basin area. There are also shorter regular features on "Companies & People in the News", "Brief for Bankers", "Major Asian Loans", and the market trends of the Asian money, securities, and commodities markets as well as the latest news from Tokyo and Wall Street. *Asian Finance* is published monthly and available "air speeded" for US\$46.00 per year from Asian Finance Publication Ltd., Suite 9A, 9th Floor, Hyde Centre, 223-226 Gloucester Road, Hong Kong.

The *Asian Money Manager* is a more specialised periodical, designed for investment managers and keeps its articles short and to the point. This possibly results from using experts in the respective fields as contributors rather than professional journalists. A recent 48 page issue for example included articles by executives from

Lazards, Chemical Bank, Guthrie Berhad, Chase Manhattan, G.T. Management Asia, Korea Development Bank, and Grindlays Bank. Usually some of these relate to a specific area. This issue, for example, had four articles on Korea and three on futures trading as well as seven on other topics. An advantage of the shorter articles is that the coverage can be extended and it is difficult not to find at least a few articles of interest in each issue. There is also a "regional news" section as well as a country by country summary of important happenings in finance. Additional short paragraph news items are interspersed throughout the magazine. Finally, there are sections on the current Asian dollar rates and bond yields, money markets rates, recent management changes within the region, and often profiles of selected Asian companies. *Asian Money Manager* is published six times a year: February, April, June, August, October and December. Airmail subscriptions for the six issues are available at H.K. \$100 or by surface mail at H.K. \$30 from Asian Trade Journals Ltd., P.O. Box 20014, Hennessy Road Post Office, Hong Kong.

The *Asian Monetary Monitor* is written more for portfolio managers and economists than for the businessman, concentrating on "the analysis of economies along the Asian Pacific Rim". Each issue contains three or four in-depth studies on macro-economic conditions in these economies, together with numerous charts on money supply, nominal and real GNP, prices, exchange rates, exports and imports, and other factors helpful in forecasting investment conditions. Since mid-1980 the magazine has featured currency forecasts for 11 Asian Pacific Rim currencies: Japanese yen, A\$, N.Z.\$, S\$, Malaysian \$, Thai Baht, New Taiwan \$, Korean Won, Philippine Peso, Indonesian Rupiah and Hong Kong \$. A recent 40-page issue contained full length articles on the new monetary statistics in Hong Kong, consumer spending in Japan, and Thailand's devaluation, together with currency forecasts for the Yen and the Korean Won. *Asian Monetary Monitor* is published bi-monthly and available airmailed at US\$200 per year from Asian Monetary Monitor Ltd., P.O. Box 30724, Causeway Bay, Hong Kong.

Asian Banking is the newest of the four financial publications and its contents best reflected in its recently added sub-title, "Journal of Asia-Pacific Financial Markets". A recent 98 page issue included articles on the Far East-Pacific general manager of the Chartered Bank, a brief analysis of Thailand's and the Philippine's 1982 national budgets, the Solomon Island and its first Euroloan borrowing, bank lending decisions in Australia, management changes in the Bangkok Bank, an evaluation of Thai bank profitability, equipment trust funding for aircraft purchases, and longer term airlines funding. Each issue also contains a "special report" (28 pages on

the Philippines in this issue); sections on people (who's doing what) section, syndications (those signed, completed, marketed, mandated and rumoured); certificate deposit issues (who, what, where and when); currency forecasts; Far East/Pacific country borrowings by maturity; book reviews; and a conferences and public holidays diary for the coming month. *Asian Banking* is available airmailed to Australia at US\$80 per year from the Asiamedia Company Limited, 6th Floor, 2 Lyndhurst Terrace, Hong Kong.

While these four publications will assist those analysts following Asian finance, some reference books for supplementary background material are also worthwhile: some specific to one country and some of a regional nature. Each of the Asian stock exchanges publishes at least an annual fact book in English and sometimes bilingual details on the companies themselves. The commercial publishers are also active in this area with the *Japan Company Handbook* being the best example. This 1066 page paperback is published twice yearly and is both timely and detailed in its coverage – if only someone in Australia could do as well! Available from *The Oriental Economist*, 1-4 Hongoku-cho, Nikonbashi, Chuo-Ku, Tokyo 103 it is a must for anyone with an interest in Japanese shares. From strictly a regional viewpoint, the most valuable reference is *Asia Corporate Profile and National Finance* published annually by Asian Finance Publications in Hong Kong. The book includes financial performance profiles of the leading Asian companies as well as selected articles, government statements, and statistical information concerning investments in the eight Asian countries covered. Its companion, the *Bankers Handbook for Asia*, gives a similar coverage of the countries' financial sectors and a directory of financial institutions. A similarly useful but much more general title, the *Asia Yearbook*, is published annually by the *Far Eastern Economic Review*, 12th Floor, South China Building, 1-3 Wyndham Street, Hong Kong.

Having pointed out that Australians can now invest in overseas shares without exchange control problems and that there is considerable information on Asian securities and share markets, perhaps the question "Why Asia" should be addressed. The answer is simply one of potential economic growth. Last year, for example, when much of the developed world was having difficulty registering real economic growth, the Asian economies performed well: Hong Kong with a real increase of GDP of 9%; Indonesia, 7-8%; Japan, 4.8%; Malaysia, 7.6%; the Philippines, 4.7%; Singapore, 10.2%; Taiwan, 6.7% and Thailand, 6.4%. With similar growth prospects for the immediate future and the questionable position of the American and European economies, there seems substantial justification for investing in Asian securities.