



The ASEAN Opportunity

FEBRUARY 2022

ASEAN, or the Association of Southeast Asian Nations, countries have more than 600 million people, about 9% of the world's total population. It encompasses countries in the South East Asian region which includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The average income per capita is US\$5,3661 and continues to rise steadily. As a result, the ASEAN consumer market at present is worth close to US\$2 trillion, greater than that of many big countries.

ASEAN is a region of different markets and varying economic developments. Diversity leads investors to a wide range of opportunities and having an appreciation of the local cultures and nuances is important in making the right investment decisions.

The drivers for growth are an abundant and young labour force, endowment of natural resources and digitalisation.

Table 1: ASEAN market snapshot

	Indonesia	Singapore	Malaysia	Vietnam	Thailand	Phillipines
Total Population (mn)	274.9	5.9	32.6	97.8	69.9	110.3
Urbanisation (%)	57%	100%	77%	38%	52%	48%
Median Age	29.9	42.5	30.5	32.7	40.3	25.8
% Population (13+)	78%	89%	80%	80%	86%	74%
% Population (18+)	69%	85%	72%	73%	80%	65%
% Population (16 to 24)	66%	73%	68%	67%	69%	63%
GDP (\$bn) - 2020	1,058	340	337	271	502	361
GDP/Capita (US\$) - 2020	3,870	59,798	10,402	2,786	7,189	3,299
Mobile Connections (mn)	345.3	8.5	40.0	154.4	90.7	152.4
% of population	126%	146%	123%	158%	130%	138%
Internet Users (mn)	202.6	5.3	27.4	68.7	48.6	73.9
% of population	74%	90%	84%	70%	70%	67%
Active social media users (mn)	170	4.9	28	72	55	89

Source: Hootsuite, We are Social, 2021. BofA Global Research.

¹ IMF 2022 data.



ASEAN as an Economic Bloc

Initiatives towards the establishment of the ASEAN Economic Community (AEC) started in 1992 when ASEAN leaders mandated the creation of the ASEAN Free Trade Area (AFTA).

In 2003, through Bali Concord II, ASEAN leaders committed to further regional integration, focusing on the three key pillars of Economic, Political-Security and Socio-Cultural Community integration. Subsequently there were agreements to facilitate the movement of people, trade of goods and services and investments, bolstering the integration of the region.

To further the integration with the Asia Bloc, The Regional Comprehensive Economic Partnership (RCEP) has been agreed to and has started operation from 1 January 2022.

The RCEP

The Regional Comprehensive Economic Partnership included ASEAN countries, Japan, China, Korea, Australia, and New Zealand. It enables better connection of supply chains by lowering trade and investment barriers within the Asia region.

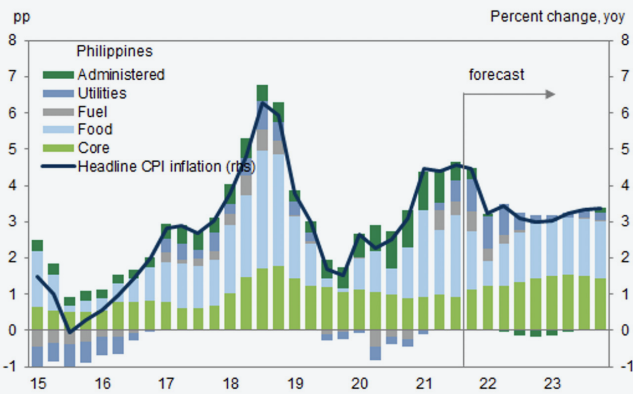
RCEP is the world's largest trade bloc, accounting for 30% of global population (2.2 billion people) and GDP, and more than a quarter of global trade. The impact to global economic growth can add half a trillion dollars in world trade by 2030.

ASEAN has a young and abundant labour force. More than a quarter of the population is between 15-29 years age, while only 6% are seniors or 65 years old and above. This propels income growth and the number of middle-income families is growing and demand for consumer goods, such as electronics, mobile phones and gadgets, cars, as well as services related to education, health, and leisure is rapidly increasing.

Young workers driving growth in the Philippines

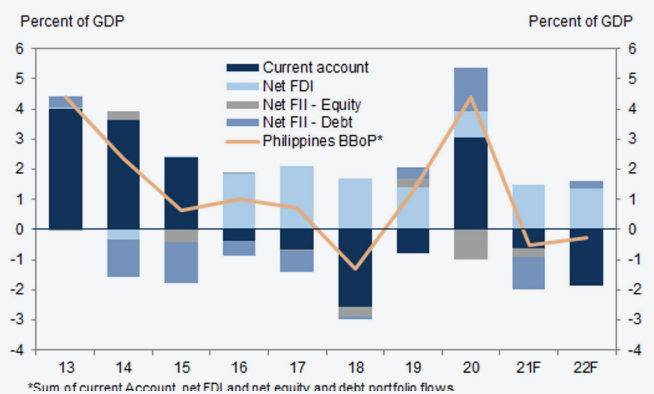
The Philippines has a cheap, young, educated and English-speaking workforce. The country is driven by the continual growth of Business Process Outsourcing (BPO). In lay person's terms – call centres, IT, software and accounting outsourcing. There's little indication that it is stopping. The Philippines will have a relatively balanced current account.

Figure 1: Philippines headline inflation to decline in 2022 as food supply constraints ease



Source: Haver Analytics, Goldman Sachs Global Investment Research.

Figure 2: The broad balance of payments could stay negative in 2022 as the CA deficit widens



Source: Haver Analytics, Goldman Sachs Global Investment Research.

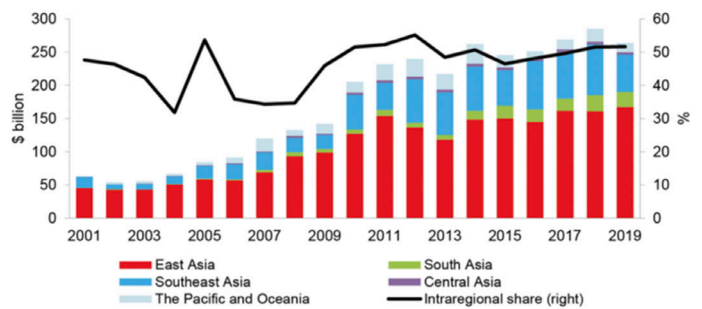
It is set to benefit migration of supply chain to the ASEAN region, at a time when the Chinese labour costs are increasing with rapid economic development. Tariff cuts and simplified rule-of-origin is a key part of the package. While the ASEAN countries enjoy low tariffs with other RCEP members (China, Japan, Korea, Australia and New Zealand) via separate bilateral free trade agreements (FTAs), the RCEP will cut these tariffs further. In particular, ASEAN exports of agricultural products to Japan will see 61% of the tariffs eliminated. Further, China-Japan and Japan-South Korea, which hitherto have not had a bilateral trade agreement, will enjoy lower trade barriers and more uniform rules of origin, enabling a fuller integration of the supply chain taking advantage of each countries' competitive advantage within the RCEP partners.

ASEAN has been growing its dominance in global exports. Closer supply chain integration will bolster South East Asia's competitiveness as a global factory. It will give RCEP countries a cost advantage selling within the region compared to those made outside. Agricultural products produced in the US may become less competitive for instance. Thailand, a major exporter of electronics, auto and agriculture products will see 29,000 export items enjoying immediate zero tariffs, and total 40,000 items will enjoy lower rate. As a key supply chain player in the auto and electronics sectors, it enjoys a reduced tariff for industrial goods from Japan, Korea, and China!

Clearer investment rules will facilitate the foreign direct investment (FDI) that is coming to take advantage of new policies. Indonesia is reducing barriers to foreign investments to take advantage to create jobs in manufacturing sector. Thailand is providing tax incentives to foreign direct investment projects. Vietnam will continue its policy of favourable tax regime to attract investments into its manufacturing and technology sector. Malaysia's government is formulating a national investment strategy to attract high-quality FDI.

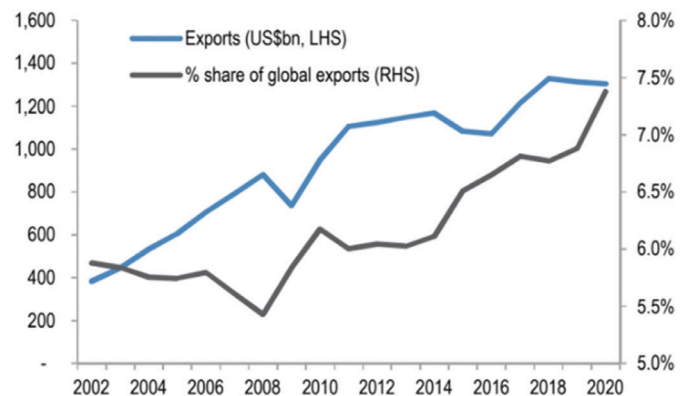
Partly as a result of the uncertainties over global trade regimes resulting from the trade disputes, ASEAN appears to have a desire to integrate more than before, and also more to the big regional economies. Regional trade and FDI flows are likely to continue to grow, and the RCEP is simply a catalyst that will enable this outcome.

Figure 3: Asia's intraregional FDI inflows, 2001-2019



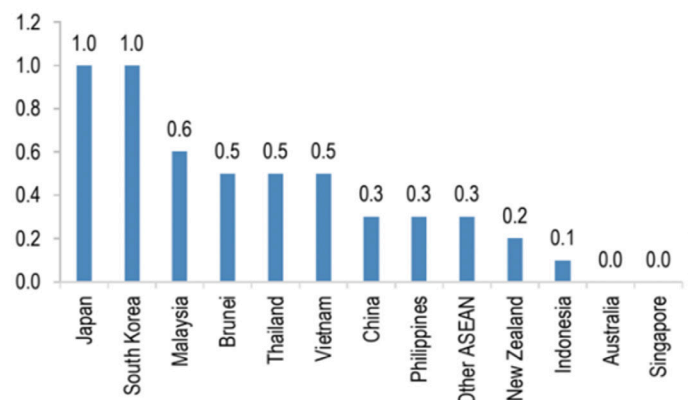
Source: ADB. 2021. *Asian Economic Integration Report 2021*. Manila; data from the ASEAN Secretariat, Eurostat, OECD, UNCTAD, and national sources.

Figure 4: ASEAN - rising share of global exports



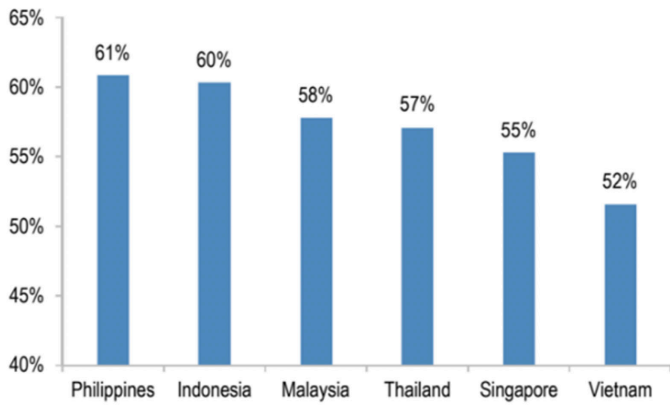
Source: CEIC data, World Bank data, J.P. Morgan.

Figure 5: Net impact of RCEP on real GDP by 2030 (%)



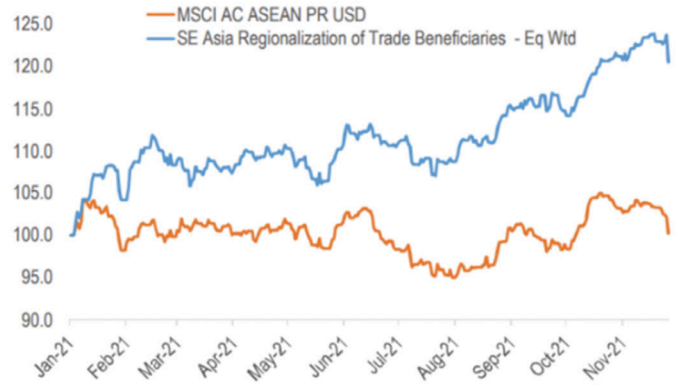
Source: ADB estimates.

Figure 6: ASEAN trade with RCEP countries (% total trade)



Source: CEIC Data, J.P. Morgan.

Figure 7: J.P. Morgan S.E. Asia Trade Regionalisation Beneficiaries - performance



Source: J.P. Morgan Equity Macro Research, Bloomberg Finance L.P.

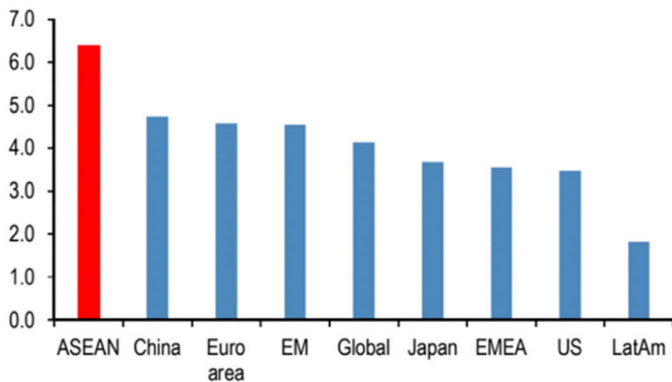


Digitalisation: The Next Growth Driver

The internet economy size in ASEAN had grown to US\$174bn in 2021 (+49% y/y), driven by e-commerce, transportation, food delivery, fintech, and online entertainment. Growth is expected to persist (at closer to ~20% clip in the coming five years). Similar to other regions, once people have a smartphone, the mobile internet ecosystem takes off.

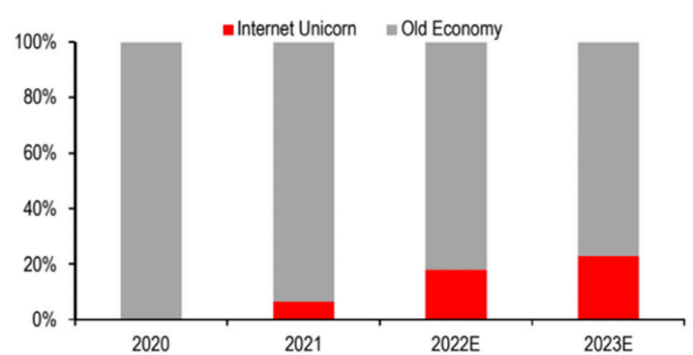
New economy names are starting to make an appearance in ASEAN countries. Many unicorns have grown to be dominant players in their respective domains and are now seeking to access public capital markets. Sea Ltd (a mobile gaming and e-commerce company) and Grab (ride hailing) are already listed, garnering significant interest.

Figure 8: 2022 Real GDP growth (%o/a)



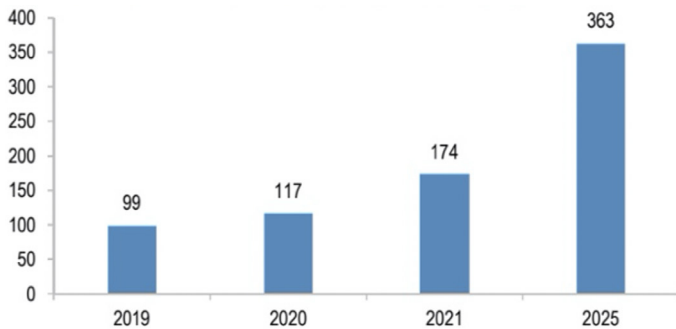
Source: J.P. Morgan Economics.

Figure 9: Internet sector could be more than 20% of MSCI ASEAN



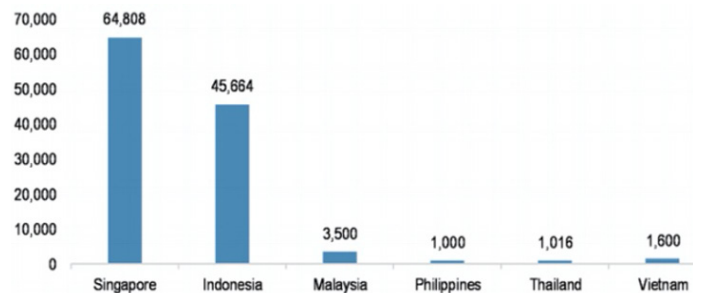
Source: MSCI, Bloomberg Finance L.P., J.P. Morgan Calculations. Note: Assumes full inclusion of SEA Ltd in February, listing & inclusion other digital plays in MSCI Singapore in 2022. Potential listing and inclusion of GoTo, Traveloka, J&T Express based on last reported equity valuation in 2022. Market cap adjusted to 28.4% free float according to Technology Sector in Indonesia average except GoTo adjusted to 20%. Assuming other companies listing in 2023 who disclosed intentions to list.

Figure 10: ASEAN's Internet economy size (US\$bn)



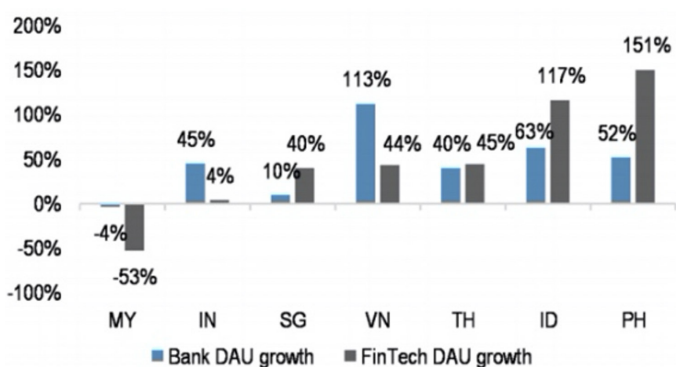
Source: Google, Bain and Temasek.

Figure 11: Last reported equity value of ASEAN technology, media, and telecom (TMT) unicorns and 'soonicones' (US\$mn)



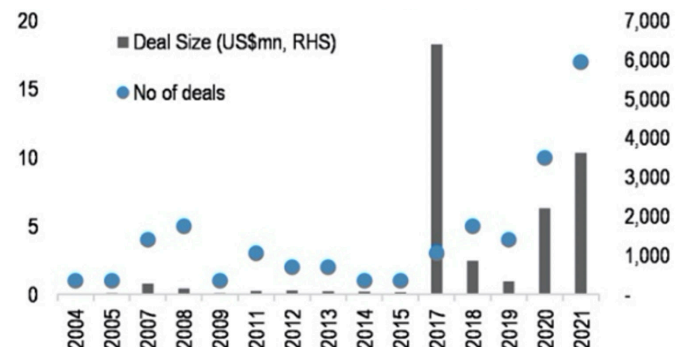
Source: Company releases, media reports.

Figure 12: Banks application & Fintech application growth (%/y)



Source: Apptopia, J.P. Morgan. Note: MY declined due to Touch 'n Go, which is used for public transport and toll payments.

Figure 13: Special purpose acquisition company (SPAC) deals for Asia companies



Source: Bloomberg Finance L.P. Note: These are completed SPAC IPOs of firms domiciled in Asia but listed in United States. Note: Data for 2021 is YTD as of 12th July 2021.

Energy and Selected Commodities Benefiting ASEAN

Commodity prices, in particular energy, are at a decade high. The main reason is a sputtering Chinese economy as it had to tighten its economy periodically after the huge debt piled up post the global financial crisis. The China slowdown led to an oversupply of commodities when investment decisions for development projects were made during the boom times. After a decade of adjustment, we are witnessing a drastic reversal of expectations. Most mining companies are pessimistic and are not rapidly growing capacities.

China is in the last inning of its debt reduction campaign. The property sector is the last bastion of indebtedness. Going forward, we will see a steadier level of economic activities, and less boom and bust. The beneficiaries are countries that are endowed with the necessary resources – energy, copper, nickel, etc. Some of these countries happen to be ASEAN.

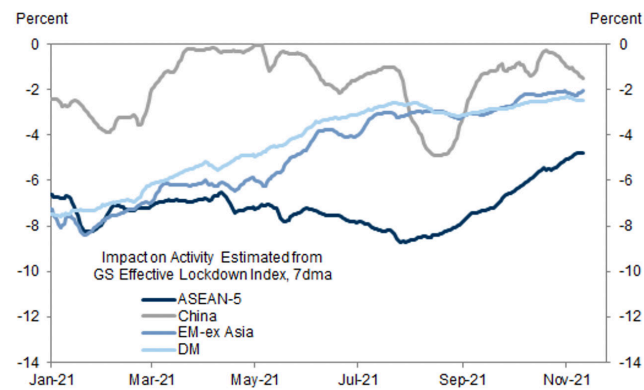
The carbon movement is absolutely essential for the long term survival of the planet, but it has created a great deal of disincentives for capital markets to invest in energy despite the fact that gas – and to a lesser extent, oil – will still be needed as a transition fuel for years to come. It is likely we are seeing a classic commodity cycle in energy in the coming years, except this time, the hurdle rate of new investment will incorporate the carbon costs. We believe that structurally higher commodity and energy prices are likely as we transition towards net zero.

Commodities and energy prices are nice headwinds for ASEAN economies in the coming decade.

The Inflection Time for ASEAN

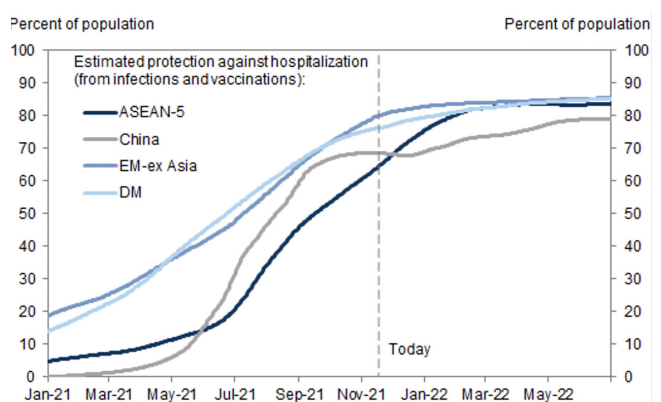
In the coming 6 months, the ASEAN economies are coming out of COVID lockdown. Vaccination rates have climbed to developed world levels. The opening up of trade will lead to an improvement in activities. Omicron will only be a speed bump to the overall recovery given the young population and experiences elsewhere in South Africa, London and New York City.

Figure 14: Drag on ASEAN activity due to virus restrictions easing, but still large relative to other regions



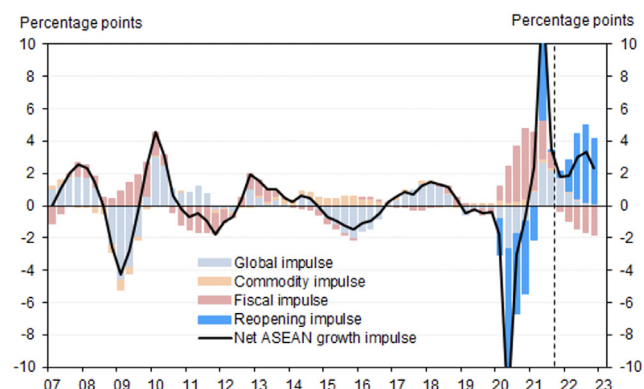
Source: Goldman Sachs Global Investment Research, University of Oxford (covidtracker.bsg.ox.ac.uk), Google LLC "Google COVID-19 Community Mobility Reports" last accessed 15 November 2021, Wind.

Figure 15: We expect effective protection against COVID-19 hospitalisation in ASEAN to rise above 80% early next year



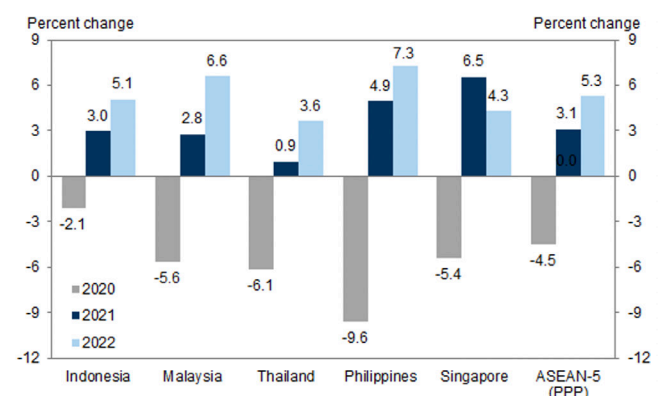
Source: Goldman Sachs Global Investment Research, Ourworldindata.com.

Figure 16: Reopening boost in ASEAN to dominate other growth drivers over the coming year



Source: Haver Analytics, Goldman Sachs Global Investment Research.

Figure 17: We expect GDP growth in Southeast Asian economies to accelerate in 2022



Source: Haver Analytics, Goldman Sachs Global Investment Research.

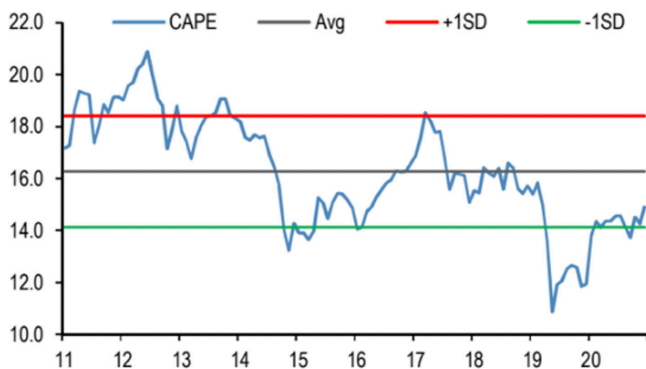
Valuations are Attractive

The valuations in ASEAN markets are attractive due to a number of dynamics.

The spotlight has been taken disproportionately by China and India as they are much bigger countries with more cost competitive labour costs relative to the ASEAN countries that have industrialised earlier. Further, the whole emerging market has been out of favour because the Chinese economy over the last decade.

The dynamics are changing. China has just finished deleveraging the property sector which is one of the last big debt piles it had to deal with. Labour costs in China are also much less competitive now compared to a decade ago. The RCEP will enable the ASEAN factories to better integrate with Asian supply chain, boosting their exports to supply the big economies.

Figure 18: ASEAN equities inexpensive on CAPE basis



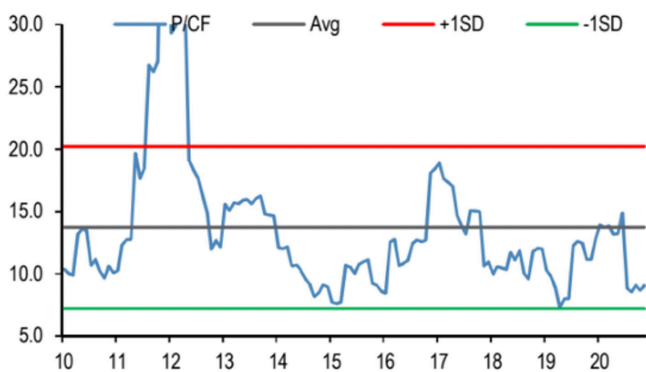
Source: MSCI, Refinitiv.

Figure 19: ASEAN price to book value ratio



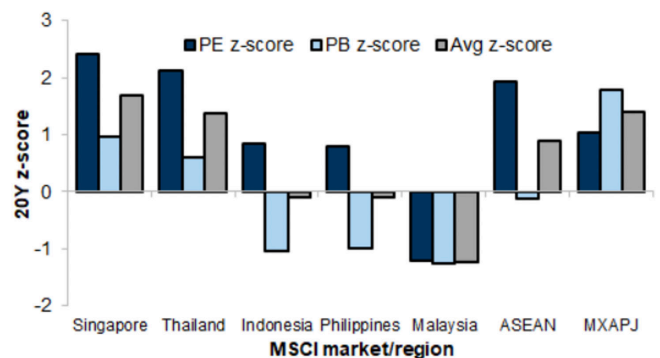
Source: MSCI, Refinitiv.

Figure 20: ASEAN price to cash flow ratio



Source: MSCI, Bloomberg Finance L.P.

Figure 21: ASEAN valuations relative to historical trading ranges are generally inexpensive and at the low end of the regional spread



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

In Summary

There is a lot of growth ahead for ASEAN. A lot of the low-end manufacturing jobs have migrated to China after China's entry to the WTO. Rising Chinese wages have already led to reshoring of some parts of the supply chain back to ASEAN where workers are abundant and young. The RCEP is enabling a smooth reconfiguration of the global supply chain, and opening up the ASEAN countries to the huge export markets of China, Japan and Korea. The income levels are low and will pick up. The young population is hooked into the internet and new industries will be created, just like in other countries before them. This presents exciting opportunities for investors.



COUNTRY IN FOCUS: INDONESIA

In the coming decade, Indonesia will enjoy multiple growth engines: the Omnibus Law encouraging investment, structurally higher energy prices to boost income, and the Digital Revolution creating new opportunities. These will drive significant consumption and urbanisation growth.

The Omnibus Law

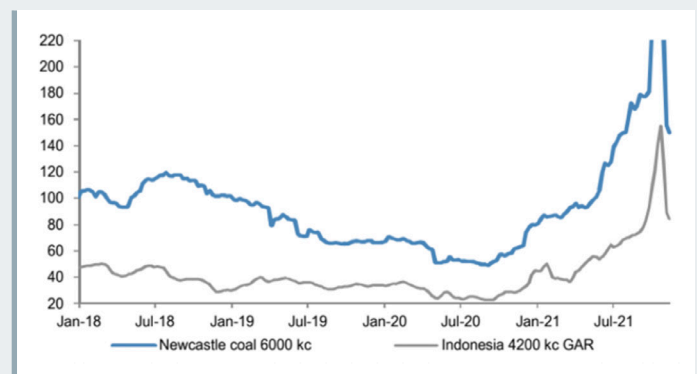
The Omnibus Law was passed on 5 October 2020. Red tapes are often an obstacle in developing countries for foreign investment, and the Law is designed make it easier to invest in Indonesia and to create jobs.

The impact has already been felt through robust FDI throughout 2021 despite the ongoing pandemic. Indonesia's FDI grew by 9% YoY as of September 2021, amounting to US\$22.7bn. This has been led by the base metal and metal product sector (investments into nickel), which amounted to ~US\$5bn FDI realization (781 projects) as of September 2021.

The Law also creates an Indonesian Sovereign Wealth Fund – the Indonesia Investment Authority (INA). The Government has injected US\$5bn of capital in cash and kind (in the form of State bank shares). The INA is undertaking investments with partners to build infrastructure, toll road, seaport, airport, etc. Many developing countries are short infrastructure and lifting infrastructure endowment can do wonders for productivity of the country.

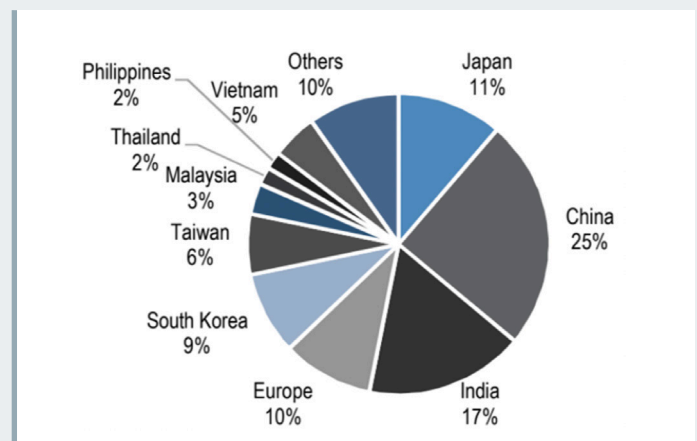
Higher Energy and Commodity Prices

Figure 22: Australian & Indonesia coal prices (\$/ton)



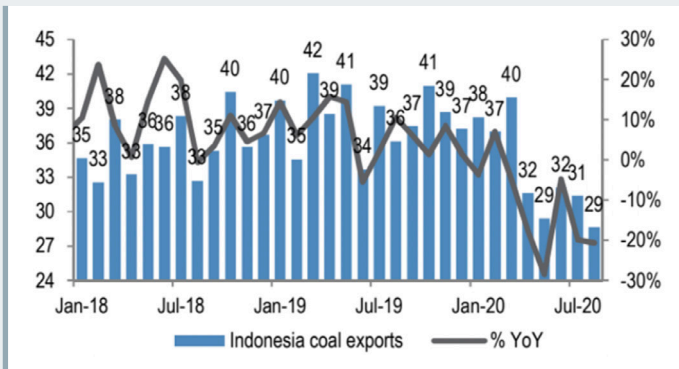
Source: IHS energy, Bloomberg Finance L.P.

Figure 23: Global thermal coal import share



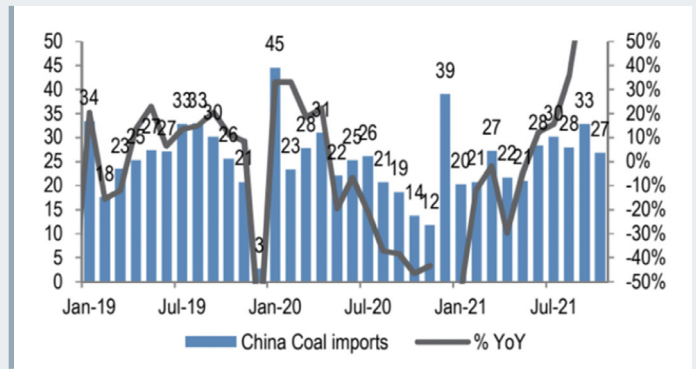
Source: Bloomberg Finance L.P., WoodMac, J.P. Morgan estimates.

Figure 24: Indonesia monthly coal exports (mn tons)



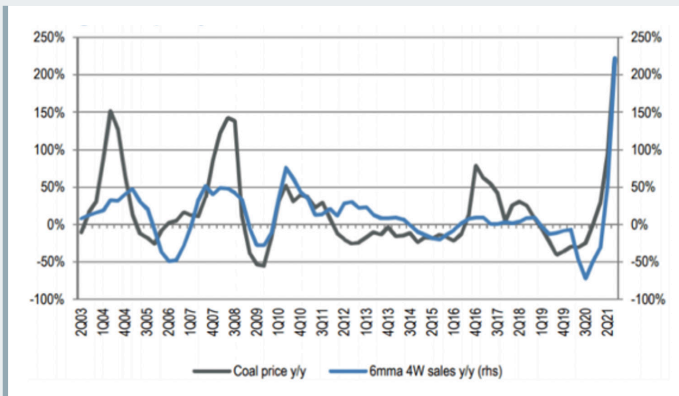
Source: Bloomberg Finance L.P.

Figure 25: China monthly coal imports (mn tons)



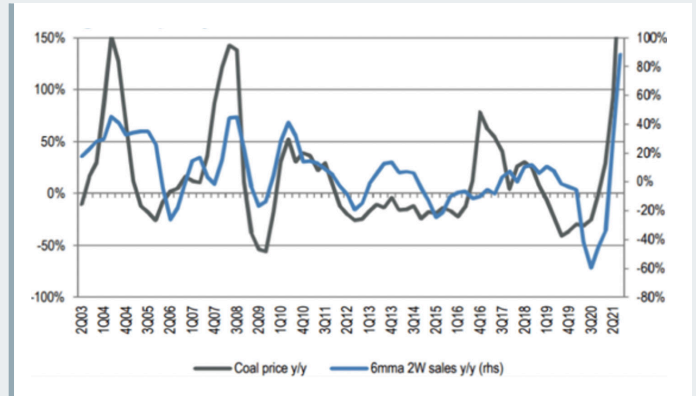
Source: Bloomberg Finance L.P.

Figure 26: Coal price y/y vs 6mma 4W sales y/y; strong relationship through multiple cycles



Source: Bloomberg Finance L.P., Gaikindo.

Figure 27: Coal price y/y vs 6mma 2W sales y/y; strong relationship through multiple cycles



Source: Bloomberg Finance L.P., Gaikindo.

Indonesia is a major player in the seaborne coal market. While the long-term outlook for coal is negative given the move to carbon net zero, we will likely see structurally higher prices as coal continues to be undersupplied due to a lack of incentive by the market to fund capacity growth.

Higher energy prices are already doing wonders for Indonesia's current account position, and thereby the attractiveness of its sovereign bond and Rupiah's stability.

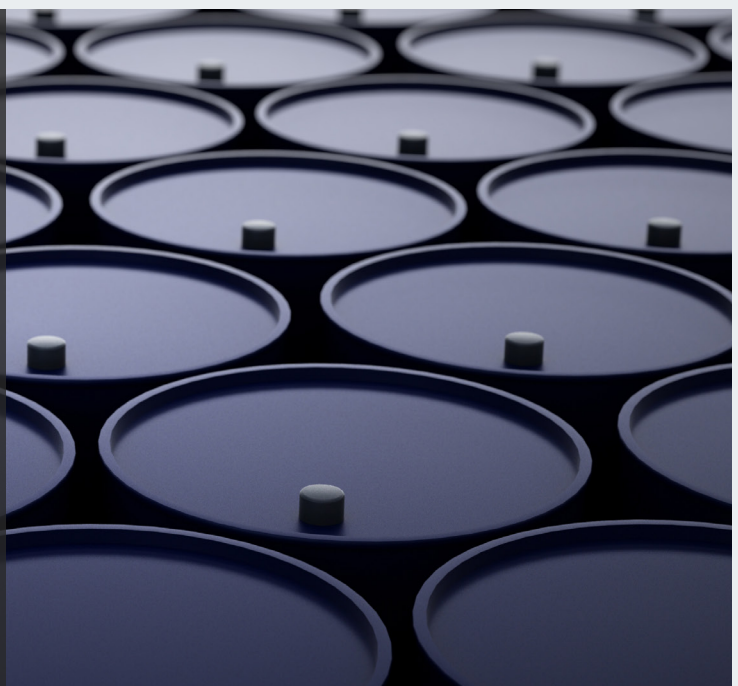
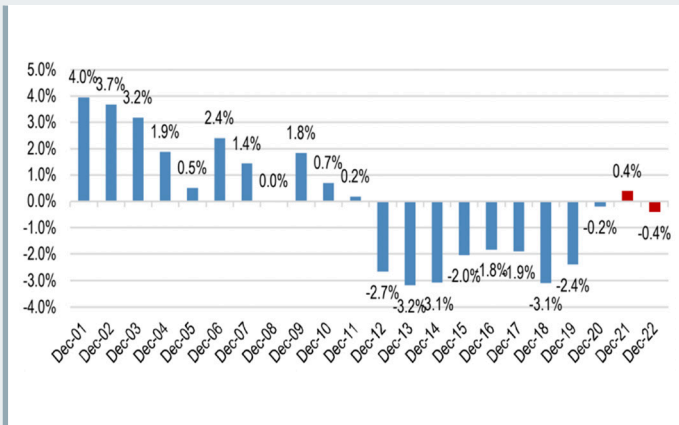
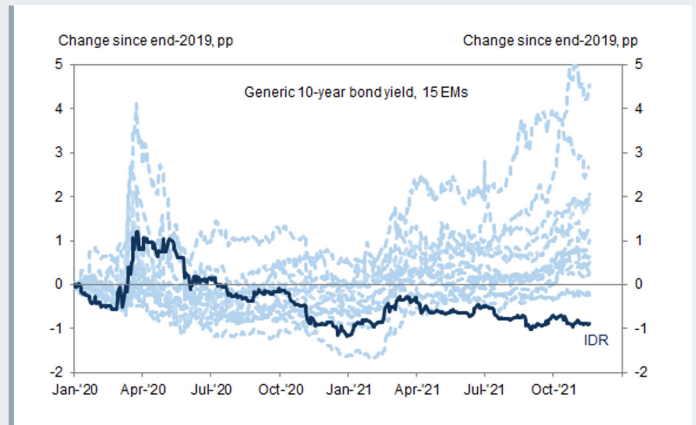


Figure 28: Indonesia Current Account balance as % of GDP



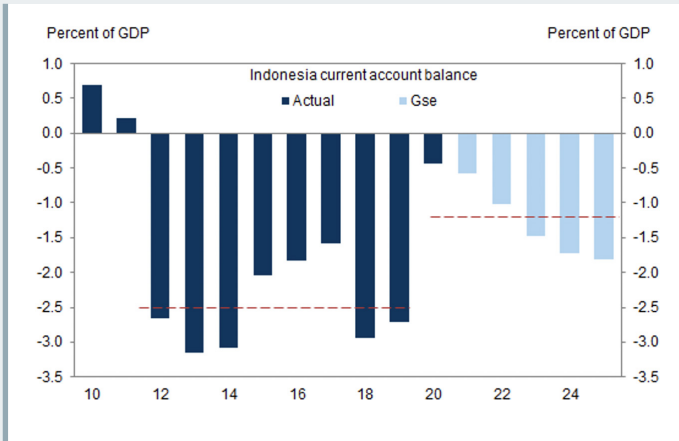
Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Figure 29: IndoGBs are the only major EM local bond market notably stronger than pre-pandemic levels



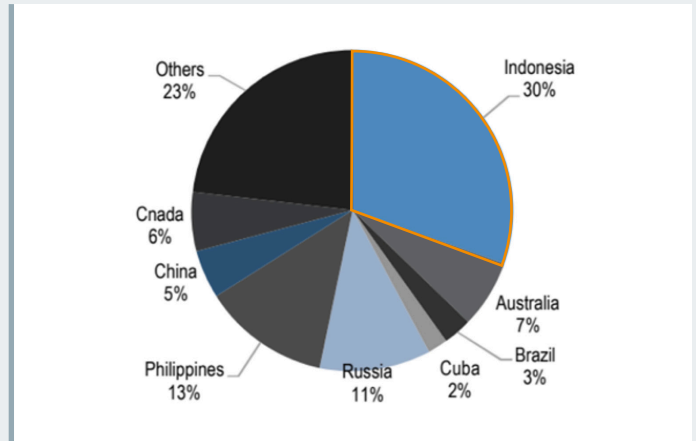
Source: Haver Analytics, Goldman Sachs Global Investment Research.

Figure 30: Sustained terms of trade gains could keep the CA deficit lower than pre-COVID averages of 2.5% of GDP



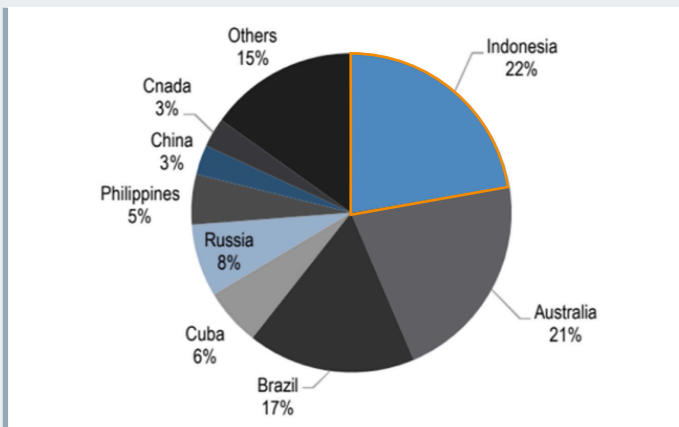
Source: Haver Analytics, Goldman Sachs Global Investment Research.

Figure 31: Global nickel production - Indonesia accounts for 30% in 2020



Source: USGS.

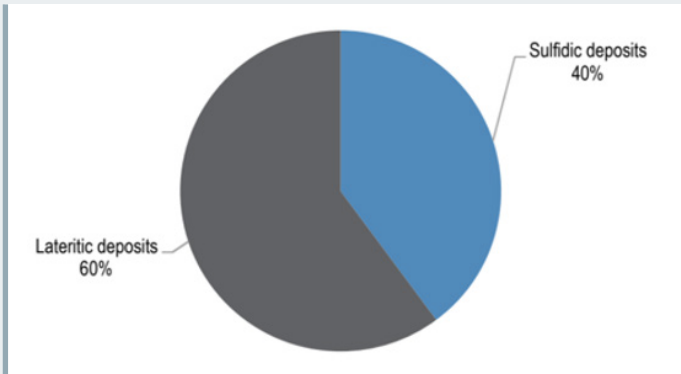
Figure 32: World's nickel reserve, Indonesia accounts for 22% (No.1)



Source: USGS.

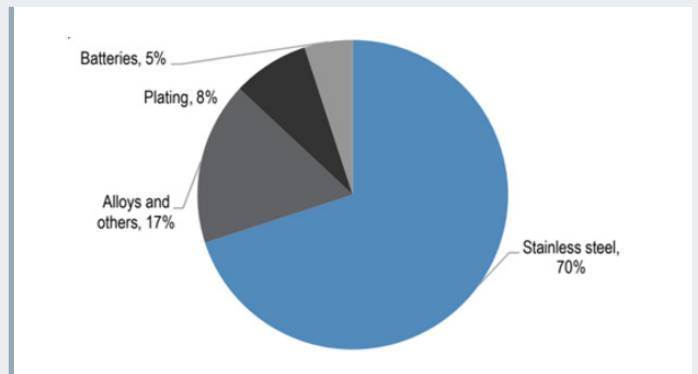
Indonesia is also endowed with nickel ore. It accounts for 30% of total global production and 22% of world's reserve according to United States Geological Survey. Most of the nickel in Indonesia is mined in the islands of Sulawesi and Maluku, where raw ore is processed into NPI (Nickel Pig Iron, 8-12% nickel content), FeNi (20-40% nickel content) and Matte before being used for the downstream stainless steel industry or exported.

Figure 33: World nickel's reserve by type



Source: Nickelinstitute.org.

Figure 34: Nickel uses – 2020



Source: Nickelinstitute.org.

Indonesia is therefore well positioned to take advantage of the electric vehicle revolution. EVs require ~7-15 kg more nickel compared to an ICE car and overall consume ~25-30kg of nickel/car.

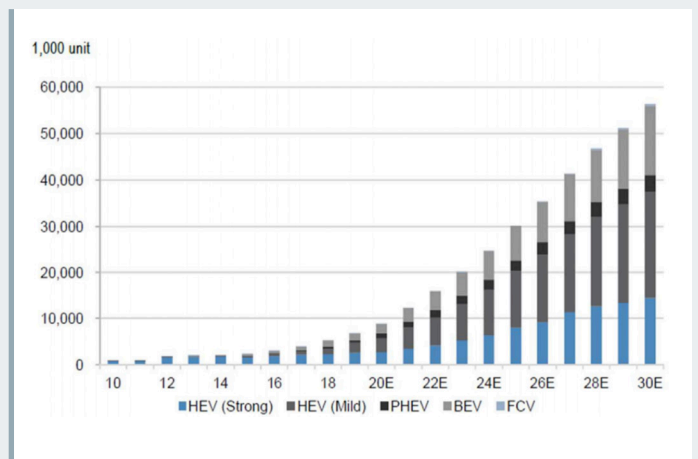
Batteries consume 5% of global nickel production and this will increase to around 20% with higher EV penetration globally. Indonesia Battery Holding Corporation is the Government’s attempt to turn Indonesia into a major battery hub.

Table 2: Nickel demand from green technologies

000 metric tonnes	2020	2021	2022	2023	2024	2025
EV	108	167	233	322	440	556
Storage	10	17	26	32	34	27
Consumer electronics	18	20	23	24	27	29
Total green nickel demand	136	204	282	378	501	612
Total Nickel Demand	2,402	2,712	2,875	3,005	3,192	3,362
Green as a % of total ¹	5.7%	7.5%	9.8%	12.6%	15.7%	18.2%

Source: IHS, BNEF, NEA, Tsinghua University’s Institute of Energy, Environment and Economy (3Es), Carbon-neutral Pathways for the United States, CRU, Wood Mackenzie, J.P. Morgan Commodities Research.

Figure 35: Global xEV forecast



Source: J.P. Morgan estimates based on Autodata, JADA, CAAM, KAMA, TWMA, SIAM, Astra, CAMPI, Toyota Motor Thailand, VAMA, Marklines, HIS Automotive.





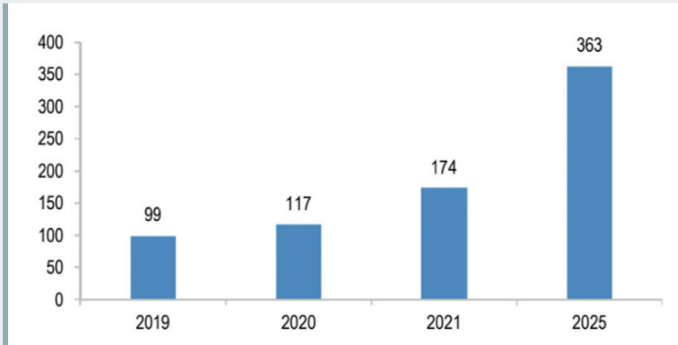
The Digital Revolution

Indonesia's Internet economy has grown significantly from ~US\$8bn in 2015 to ~US\$60bn in 2021 but this is still under penetrated (5% of GDP).

Indonesia has four big tech giants:

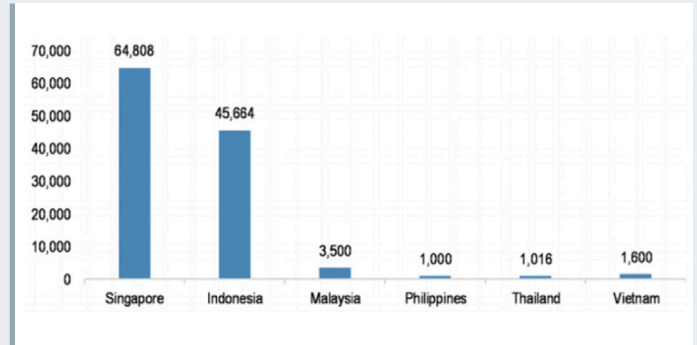
- **Gojek** (SuperApp/ Ride-Hailing) – backed by Tencent, JD.COM, Astra International, Telkom, VISA, Facebook, KKR
- **Tokopedia** (E-Commerce) – backed by Softbank, Alibaba, Google, Temasek
- **Traveloka** (Online Travel Agent) – backed by Expedia, JD.COM, GIC
- **Bukalapak** (E-Commerce/O2O) – backed by Emtek Group, Ant Financial, GIC, Microsoft

Figure 36: ASEAN's Internet economy size (US\$bn)



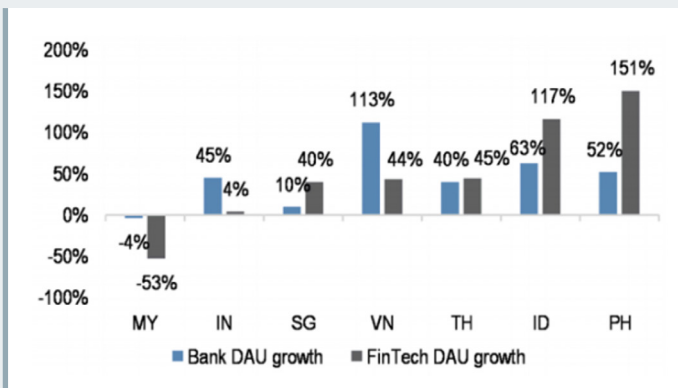
Source: Google, Bain and Tamasek.

Figure 37: Last reported equity value of ASEAN TMT unicorns and "sooniercorns" (US\$m)



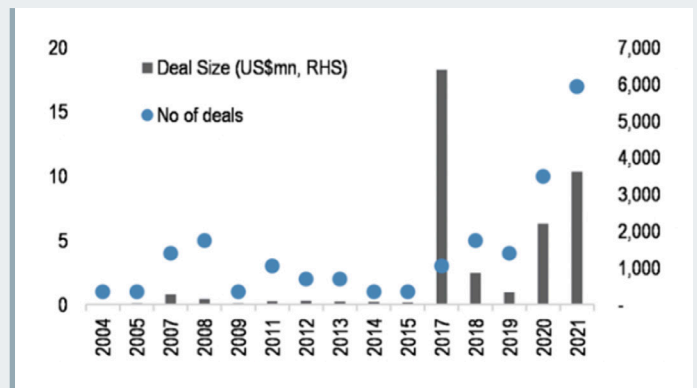
Source: Company releases, media reports.

Figure 38: Banks application & Fintech application growth (%/y)



Source: Apptopia, J.P. Morgan. Note: MY declined due to Touch 'n Go, which is used for public transport and toll payment.

Figure 39: SPAC deals for Asian companies



Source: Bloomberg Finance L.P. Note: These are completed SPAC IPOs of firms domiciled in Asia but listed in United States. Note: Data for 2021 is YTD as of 12th July, 2021.

Table 3: Summary of Indonesia's tech giants

Services offered in Indonesia	Gojek	Tokopedia	Sea Ltd	Grab	Emtek
Ecommerce		Tokopedia	Shopee		Bukalapak
Mobility	GoCar GoRide GoBluebird	-	-	GrabCar GrabBike GrabTaxi	-
Delivery					
Express delivery	GoSend	-		GrabExpress	-
Food	GoFood		Shopee Express	GrabFood	
Online grocery	GoMart		Shopee Food	GrabMart	
Fintech					
E-wallet	GoPay	OVO	ShopeePay	OVO	DANA
Online lending	GoPayLater	PayLater (Dhanapala, Indodana, Kredivo, etc.)	SPayLater	OVO PayLater	BukaEmas
Other financial products	Merchant loans GoSure (insurance) Gonvestasi (investment) Bank (Bank Jago)	Merchange loans Insurance Investment (gold, mutual funds)	Merchant loans Investment (gold) Bank (SeaBank Indonesia)	Merchant loans Insurance Investment (through OVO)	Bukalapak Investasi Bersama (BIB) Bank Fama
Fulfilment	-	TokoCabang	Dikelola Shopee	-	-
Online-to-Offline (O2O)	Mapan	Mitra Tokopedia	Mitra Shopee	GrabKios	Mita Bukalapak
Others	GoTix (movie/ event ticketing)	Travel	Travel	Travel	Media (SCMA)
	GoMed (Halodoc)	Tokopedia Play (streaming)	Ticketing (movies, events)	Home services (Clean & Fix) GrabHealth (Good Doctor)	OTT (Vidio.com) Hospital (SAME), KlikDokter
	GoFitness GoPlay (OTT platform)	BrideStory, ParentStory			

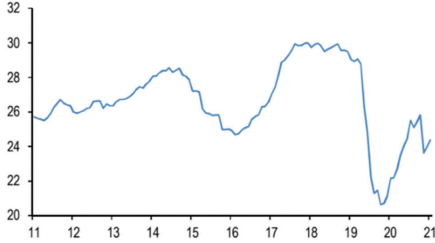
Source: Company apps. The list may not be exhaustive.



APPENDIX

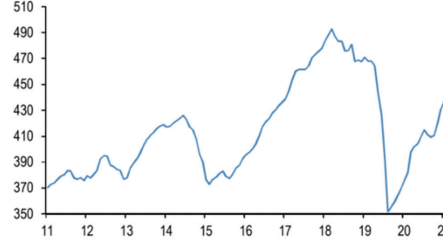
Forward EPS trend over the last 10 years

Figure 40: Singapore



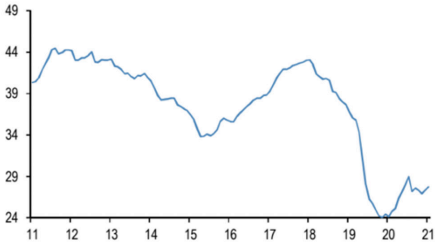
Source: MSCI, IBES, Refinitiv.

Figure 41: Indonesia



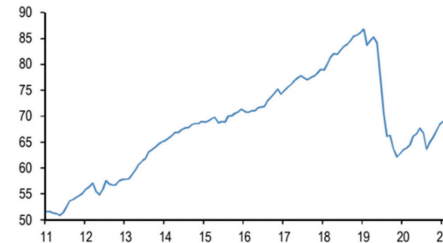
Source: MSCI, IBES, Refinitiv.

Figure 42: Thailand



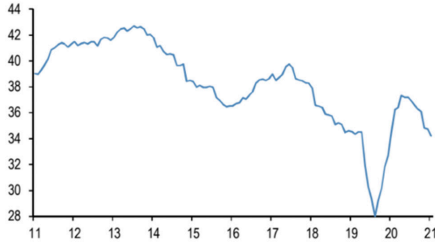
Source: MSCI, IBES, Refinitiv.

Figure 43: Philippines



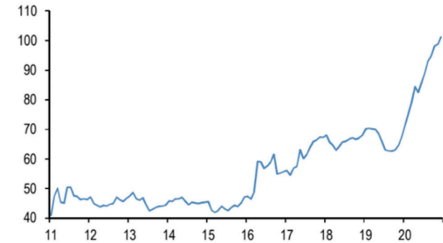
Source: MSCI, IBES, Refinitiv.

Figure 44: Malaysia



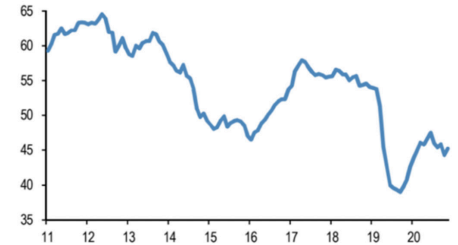
Source: MSCI, IBES, Refinitiv.

Figure 45: Vietnam



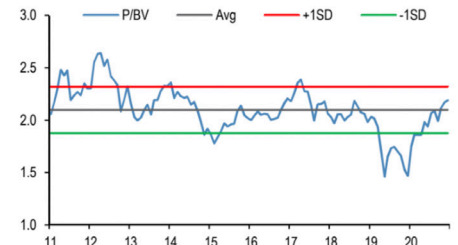
Source: Bloomberg, VN-Index.

Figure 46: ASEAN Earnings still below pre-pandemic levels



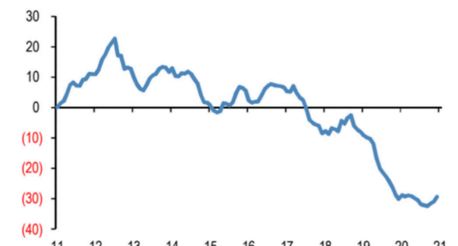
Source: MSCI, IBES, Refinitiv. Note: chart show forward EPS for MSCI ASEAN Index.

Figure 47: ASEAN equities inexpensive on CAPE basis



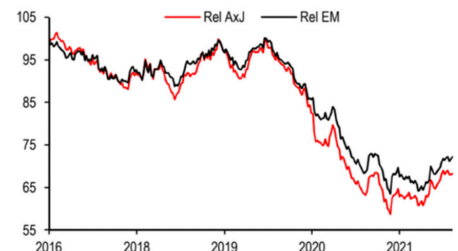
Source: MSCI, Refinitiv.

Figure 48: Ultra-light positioning - cumulative foreign flows in ASEAN equities (US\$ bn)



Source: Bloomberg Finance L.P.

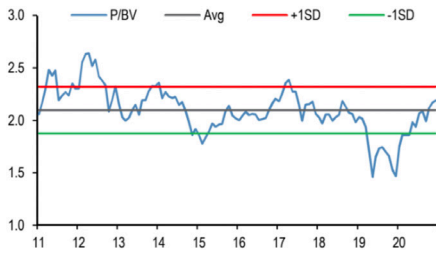
Figure 49: MSCI ASEAN underperforming by 30% from pre-pandemic levels



Source: MSCI, Bloomberg Finance L.P..

Price to book value

Figure 50: Thailand



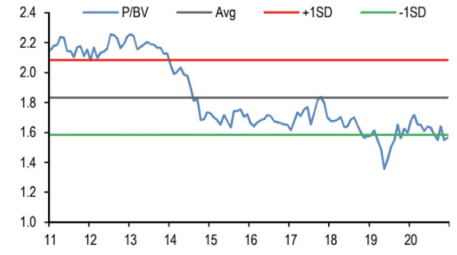
Source: MSCI, Refinitiv.

Figure 51: Singapore



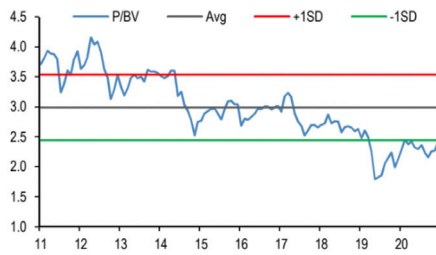
Source: MSCI, Refinitiv.

Figure 52: Malaysia



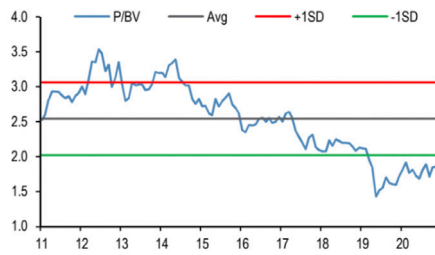
Source: MSCI, Refinitiv.

Figure 53: Indonesia



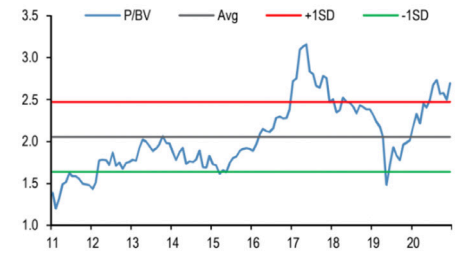
Source: MSCI, Refinitiv.

Figure 54: Philippines



Source: MSCI, Refinitiv.

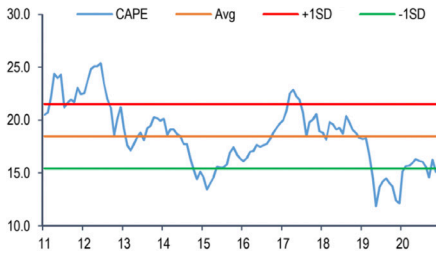
Figure 55: Vietnam



Source: Bloomberg Finance L.P. VN-Index.

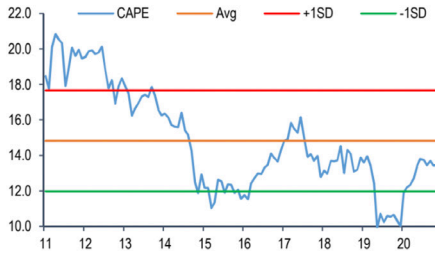
Cycle adjusted price to earnings ratio (CAPE)

Figure 56: Thailand



Source: MSCI, Refinitiv.

Figure 57: Singapore



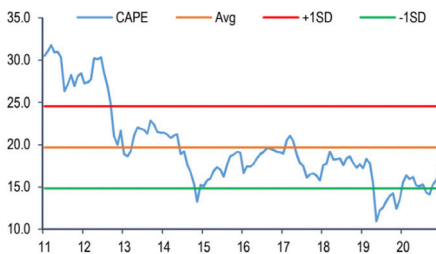
Source: MSCI, Refinitiv.

Figure 58: Malaysia



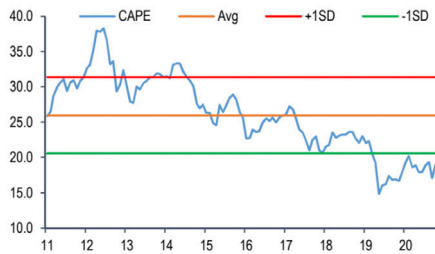
Source: MSCI, Refinitiv.

Figure 59: Indonesia



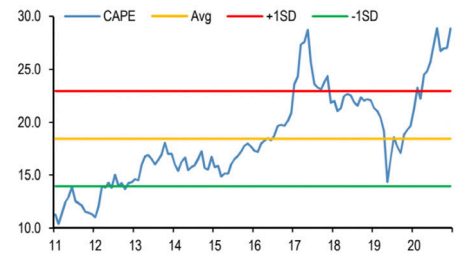
Source: MSCI, Refinitiv.

Figure 60: Philippines



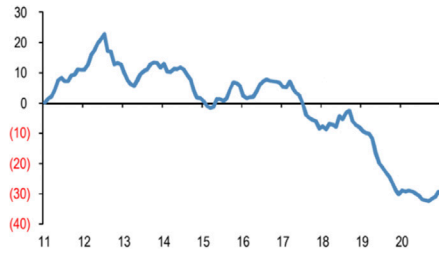
Source: MSCI, Refinitiv.

Figure 61: Vietnam



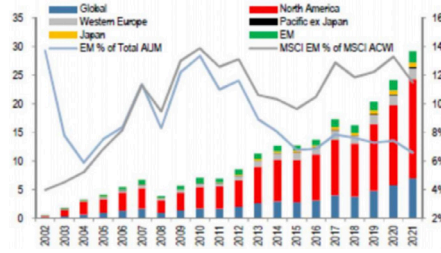
Source: Bloomberg Finance L.P. VN-Index.

Figure 62: ASEAN cumulative net flows over last 10 years (US\$bn)



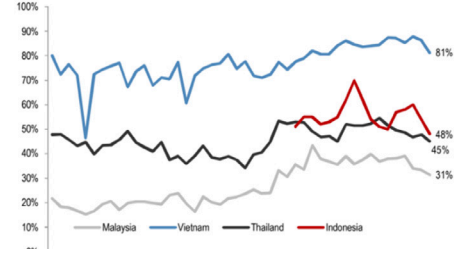
Source: Bloomberg Finance L.P., ho Chi Minh City Securities Trading Centre, TSE, Burs Malaysia Berhad, JSE, PSE. *ASEAN includes Singapore, Vietnam, Thailand, Malaysia, Indonesia and Philippines. **Data for Singapore is till 30th September 2020 from EPFR Global. For Malaysia – data starts at October 2009 and for Vietnam – data starts at January 2009.

Figure 63: EM AUM at 6.6% of global mutual fund AUM



Source: EPFR Global, MSCI, Refinitiv, J.P. Morgan. Note: Left axis: AUM in US\$tn; Right axis: EM share of total AUM/MSCI AC World. Data as of end October 2021.

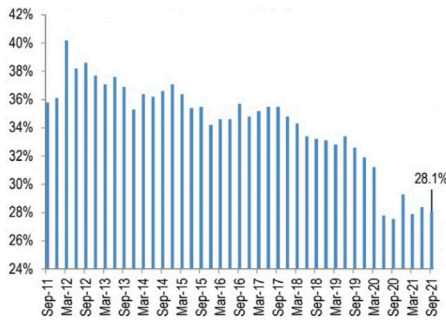
Figure 64: Retail investor participation in ASEAN (5 traded value)



Source: Bloomberg Finance L.P., IDX, J.P. Morgan Estimates.

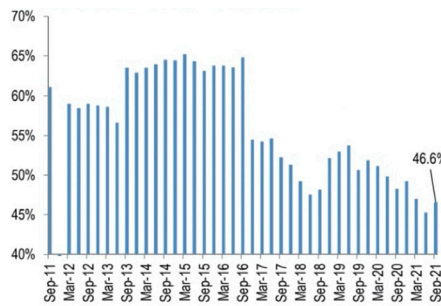
Foreign Ownership in equities (%)

Figure 65: Thailand – Foreign ownership (%)



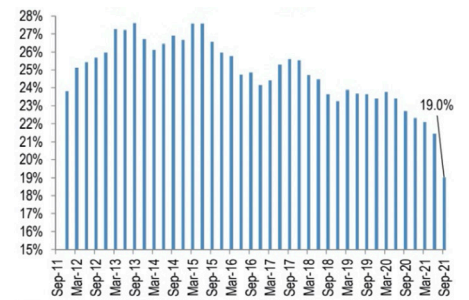
Source: Bloomberg Finance L.P., and SETSMART. *NVDR – non-voting depository receipts & TTF – Thai Trust Fund.

Figure 66: Indonesia – Foreign ownership (%)



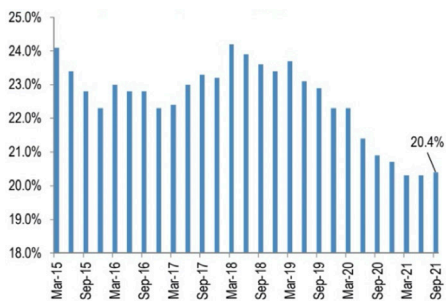
Source: KSEI. *Only among shares that have been dematerialised.

Figure 67: Philippines – Foreign ownership (%)



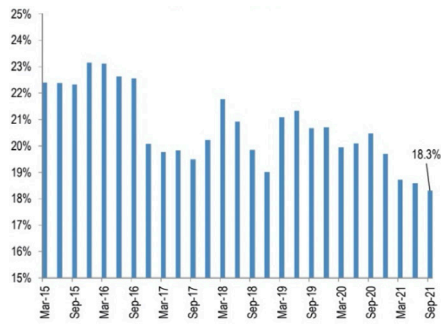
Source: PSE, Bloomberg Finance L.P., J.P. Morgan estimates.

Figure 68: Malaysia – Foreign ownership (%)



Source: Bursa Malaysia Berhad.

Figure 69: Vietnam – Foreign ownership (%)



Source: Bloomberg Finance L.P., J.P. Morgn.

Data on size of the economy.

Table 4: Demographic status in East Asia and Southeast Asia, 2020 (estimated)

	Total Population	Population Aged 0-14	Population Aged 15-64	Population Aged 65+	Share of Population Aged 65+	Status
World	7,794,799	1,983,649	5,083,544	727,606	9.3%	Aging society
People's Republic of China	1,439,324	254,930	1,012,131	172,262	12.0%	Aging society
Japan	126,476	15,744	74,816	35,916	28.4%	Super-aged society
Republic of Korea	51,269	6,431	36,743	8,096	15.8%	Aging society
Brunei Darussalam	437	98	315	24	5.6%	Young society
Cambodia	16,719	5,170	10,737	811	4.9%	Young society
Indonesia	273,524	70,941	185,453	17,129	6.3%	Young society
Lao People's Democratic Republic	7,276	2,324	4,641	310	4.3%	Young society
Malaysia	32,366	7,589	22,452	2,325	7.2%	Aging society
Myanmar	54,410	13,867	37,150	3,393	6.2%	Young society
Philippines	109,581	32,921	70,620	6,040	5.5%	Young society
Singapore	5,850	720	4,350	781	13.4%	Aging society
Thailand	69,800	11,554	49,202	9,044	13.0%	Aging society
Vietnam	97,339	22,577	67,105	7,657	7.9%	Aging society

Source: UN DESA (2019) and authors calculations.

Contact us

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