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Domestic Blue Chips are Promising for Investment

Henry Seggerman, President of US-based IIA

interviewed by Won-Ki Kim

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Foreign investors anticipate that domestic demand will recover towards the end of this year. Henry Seggerman, the President of US-based IIA (International Investment Advisers), expressed the sentiments of foreign investors in an interview today with Hankyung Economic Daily.

Seggerman mentioned that some domestic blue chips such as Shingegae have already priced in a rebound in Korean consumer sentiment. In addition, he was confident that a re-rating of those domestic consumption-related blue chips would take place.

Mr. Seggerman said that the recent fall in export-related IT share prices might present a good buying opportunity right now. Thus, it makes sense to pay attention to major export players like Samsung Electronics. However, he stated that domestic stocks would become more attractive toward the end of the year

Knowing the characteristics of Korean market volatility, the recent dramatic movement of share prices in market performance is not surprising at all. He advised investors to buy shares below the KOSPI 800 level, and that, even though the market might possibly fall again, it was certain to rise significantly above this level within several months' time.

IIA's Korea International Investment Fund (KIIF) was launched in 1992, and its current assets total 60 billion won, invested exclusively in the Korean stock markets. Last year, KIIF grew 50%, beating the KOSPI index by 20%. From its inception in 1992, KIIF has beaten the KOSPI by 300%.