

# India now fourth preferred market in Asia: BofA survey

FE BUREAU  
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**THE INDIAN EQUITY** market is now the fourth-most preferred market in Asia, with Taiwan and South Korea benefiting from the resurgent semiconductor cycle, BofA Securities' latest Asia Fund Manager Survey noted on country allocations.

"Japan remains the most favourite market by a distance, followed by Taiwan and Korea, with India slipping to the fourth spot," the survey found. While Korea gains additional upside from hopes surrounding its new leadership's policy reforms, China allocation dropped again with only Australia and Thailand behind it in the pecking order," the Survey said.

Among the sectors in India, investors are keen on consumption and infrastructure plays. "IT services is out of favour, mirroring our India IT services Indicator's plunge to a 20-month low last month," BofA Securities observed adding that small/mid-caps themes are on top of investors' minds.

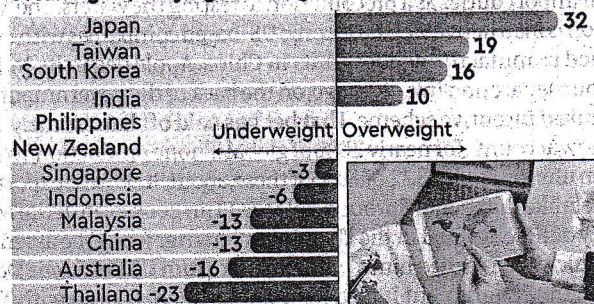
In the Asia ex-Japan portfolio,

## INVESTOR CHOICE

Japan stays most favourite, followed by Taiwan & South Korea

Asia Pacific market sentiment: Net % FMS investors

overweight (% saying overweight - % saying underweight)



Source: BofA Asia Fund Manager Survey

lio, participants are growth-biased and overweight in semiconductors, software, tech hardware, and banks, while avoiding materials, energy, industrials, and real estate, the survey revealed. In Japan, banks, beneficiary of higher rates, remain the most preferred sector, followed by semiconductors. The survey noted, "Investors prefer value tilt over growth but they do not see a definite market-cap size seg-

ment that will outperform." China's AI/semis remains the most favored theme.

Investor concern over President Trump's trade war posturing is fading fast, even as he broadens the conflict, the survey said. "A striking 70% of the participants view the potential hit to Asian economies/markets as only slightly negative - marking the most optimistic reading since December," it said.