

Foreigners Keep Dumping Korean Stocks

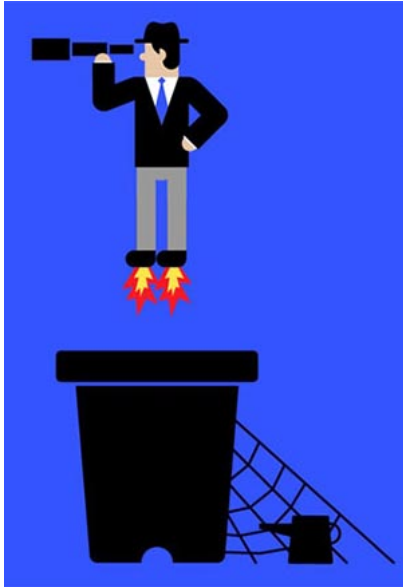
By Kim Ji-seop

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The Korea Composite Stock Price Index has risen 33 percent in just two months after the initial coronavirus shock. The KOSPI is now close to surpassing 1,950 points foreign investors have yet to return.

The focus of market watchers is on how long the bargain-hunting spree among small domestic investors will last.

On Thursday, the KOSPI closed down 0.8 percent at 1,924.96 points. After surging 11 percent last month, it has fallen 1.2 percent so far in May.



Since falling to the lowest point so far this year or 1,457.64 points in late March, the KOSPI has been seen continued foreign investors. According to the Korea Exchange, foreigners shed W12.56 trillion worth of Korean stocks in March trillion in April (US\$1=W1,228). So far this month they sold W2.34 trillion.

The slack was taken up by individual investors, who bought W11.29 trillion worth of stocks in March, W3.18 trillion in more than W3 trillion so far this month.

Since March, foreigners bought Korean stocks for only five trading days.

The main reason is the coronavirus epidemic. The rate of infection has eased in some Asian countries including China continues to rage on in the U.S. and Europe. Jitters remain high over a global economic slump, prompting investors safe-haven assets such as U.S. dollars, bonds and gold.

As lockdowns continue in the U.S. and Europe, investors are reluctant to invest in export-dependent emerging economies.

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1 / 2

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