

Global investment outlook

Risks of US tariff policy rising again; Taiwan listed among 'Dirty 15' countries

Key message

1. The US will implement a reciprocal tariff policy, adjusting rates based on products and incorporating non-tariff barriers and exchange rate factors, with the goal of achieving fair tariffs with trade partner countries.
2. The countries with the largest tariff gaps with the US are Nigeria and Thailand. Thailand, Brazil, South Korea and India are countries with high risks, while Taiwan is also listed.
3. Trump's tariff policy not only considers reciprocal tariffs but also takes into account imports of key industries, foreign direct investment (FDI) into the US, defense spending, and other factors to assess whether they are disadvantageous to the US.
4. Taiwan is considered a high-risk country due to its high proportion of semiconductor and metal exports to the US. Taiwan establishing factories in the US and raising defense spending will be key to avoiding reciprocal tariffs.

Event

US Treasury Secretary Besent stated on April 2 that the US will confront each trade partner country with a reciprocal tariff “number”. The Trump administration is particularly concerned with the top 15% of trade partners that impose high tariffs (and high trade barriers) on the US and have large trade volumes. Besent described these countries as the 'Dirty 15'. According to Reuters, the top 15 US trade partners are Mexico, Canada, China, Germany, Japan, South Korea, Taiwan, Vietnam, the UK, India, the Netherlands, Ireland, Italy, France, and Brazil.

Analysis

US will raise tariffs on major trading partners with significant tariff gaps. Trump signed an executive order on February 13 to raise US import tariffs, with adjustments based on products and incorporating non-tariff barriers and exchange rate factors, to the same levels its trading partners impose on the US, called reciprocal tariffs. The re-calculation will take into account the cost of non-tariff barriers and forex rates. Details are unlikely to be finalized before April 1, the earliest implementation date, including: (1) whether tariffs on all categories of goods will be fully fair and reciprocal; and (2) if the US tariff rate on a category of imported goods is higher than a trading partner's, the US will cut the rate to compensate for other categories currently at a lower rate. Judging by the average effective tariff rate, the countries with the largest tariff gaps with the US are Nigeria, Thailand, Brazil and Argentina. Other countries with large gaps, and which are more likely to be targeted for reciprocal tariffs, include Thailand, Brazil, South Korea and India. Although Taiwan is not among the top countries on this list, it is still ranked among the 'Dirty 15'.

Key import sectors, FDI in the US and national defense spending are also factors for consideration. Reciprocal tariffs are only one facet of Trump's manifold tariff policy. For Taiwan to be listed as a primary target of reciprocal tariffs, many other factors must have been taken into consideration. We have compiled a Trump tariffs threat/ vulnerability index in accordance with his remarks and our expectations, including overall trade (the concept of reciprocal tariffs included), key import sectors (automobile, semiconductor, pharmaceuticals and metals), FDI in the US and national defense spending, which are all areas where Trump claims that the US has been taken advantage of, and must be compensated for. Moreover, factors such as trading partners' total exports, weighting of exports to the US in GDP, and manufacturing sector weighting in GDP have to also be considered in order to assess the effects of the trade war, as well as whether the partners are vulnerable or resilient amid the trade war (the more vulnerable, the more readily they will accept US conditions). Mexico, China and Canada rank top three in the above-mentioned index, so it is natural they were picked by Trump for the first wave of tariff revenge. As for other countries, those that are highly likely to be prioritized as targets in the future include East Asian nations and ASEAN, such as Vietnam, Malaysia, Taiwan, South Korea, Japan, Thailand, and India. In Europe, countries like Ireland, Germany, and Switzerland are also relatively likely to be targeted.

Conclusion

The global division of labor and the incurring of a trade surplus or deficit, whether on a general or industry-specific basis, are all based on the theory of comparative advantage, which argues, in a nutshell, that whoever produces something at a lower cost or of better quality should specialize in the production of that product for export. The US government under Trump's administration has clearly overlooked this theory, as well as the fact that the current trade deficit is the inevitable result of US dollar hegemony, or the so-called Bretton Woods II system. Based on our compiled data, the US is a major target market for Taiwan's exports, especially of semiconductors, metals (which people pay less attention to) and other manufactured goods. This is why Taiwan ranks sixth among the 'Dirty 15'. We think the direct impact of tariffs on Taiwan may not necessarily be significant, because while imported automobiles are subject to high tariffs, Taiwan does not sell a lot of automobiles to the US, and thus may not be dealt with retaliatory tariffs on that front. But as Trump has also set his eyes on semiconductors, other companies, in addition to TSMC, could fall victim. To avoid tariffs, both upstream and downstream semiconductor firms may be forced to build factories in the US. This is different from the first trade war, when Taiwanese firms could simply move to a different country, like Mexico or Vietnam, to circumvent the impact. Building tech facilities in the US will directly boost FDI to the US, giving Taiwan more leverage in negotiations with the Trump administration. Last but not least, Taiwan must also raise its defense budget-to-GDP ratio to convince the US government to not bring forth additional tariffs.

Figure 1: Ranking of countries where applicable tariff rates will be increased if the US implements reciprocal tariffs

| | | Average effective tariff (%) | | | Weighted mean most favored nations (MFN) tariff (%) | | | | |
|----|----------------------|------------------------------|---------------|------------|---|----------------------|---------------|------------|-------|
| | | on the U.S. | from the U.S. | Difference | | on the U.S. | from the U.S. | Difference | |
| 1 | Nigeria | 9.96 | 0.01 | 9.95 | 1 | South Korea | 16.98 | 1.75 | 15.23 |
| 2 | Colombia | 7.02 | 0.17 | 6.85 | 2 | Nigeria | 9.96 | 1.52 | 8.44 |
| 3 | India | 9.45 | 2.99 | 6.46 | 3 | India | 9.45 | 2.99 | 6.46 |
| 4 | Chile | 5.98 | 0 | 5.98 | 4 | Colombia | 7.02 | 2.46 | 4.56 |
| 5 | Thailand | 6.19 | 0.85 | 5.34 | 5 | Saudi Arabia | 5.98 | 1.56 | 4.42 |
| 6 | Mexico | 5.17 | 0.01 | 5.16 | 6 | Chile | 5.98 | 1.66 | 4.32 |
| 7 | Argentina | 6.25 | 1.61 | 4.64 | 7 | China | 7.13 | 2.86 | 4.27 |
| 8 | South Korea | 4.45 | 0.01 | 4.44 | 8 | Thailand | 6.19 | 2 | 4.19 |
| 9 | China | 7.13 | 2.86 | 4.27 | 9 | Argentina | 6.25 | 2.49 | 3.76 |
| 10 | Russia | 4.52 | 1.01 | 3.51 | 10 | Russia | 4.52 | 1.01 | 3.51 |
| 11 | South Africa | 3.5 | 0.09 | 3.41 | 11 | Japan | 4.8 | 1.72 | 3.08 |
| 12 | Brazil | 4.7 | 1.32 | 3.38 | 12 | United Arab Emirates | 4.2 | 1.54 | 2.66 |
| 13 | Israel | 2.93 | 0.05 | 2.88 | 13 | Brazil | 4.7 | 2.25 | 2.45 |
| 14 | Saudi Arabia | 4.35 | 1.56 | 2.79 | 14 | South Africa | 3.5 | 1.51 | 1.99 |
| 15 | United Arab Emirates | 4.2 | 1.54 | 2.66 | 15 | Israel | 2.93 | 1.06 | 1.87 |
| 16 | Japan | 3.9 | 1.58 | 2.32 | 16 | Mexico | 5.17 | 3.39 | 1.78 |
| 17 | Philippines | 3.25 | 1.4 | 1.85 | 17 | Malaysia | 1.84 | 0.72 | 1.12 |
| 18 | Malaysia | 1.84 | 0.72 | 1.12 | 18 | Canada | 3.08 | 1.99 | 1.09 |
| 19 | Peru | 1.18 | 0.12 | 1.06 | 19 | Philippines | 3.25 | 2.19 | 1.06 |
| 20 | Canada | 1.08 | 0.12 | 0.96 | 20 | Denmark | 1.48 | 0.74 | 0.74 |
| 21 | Taiwan | 1.6 | 0.7 | 0.9 | 21 | Poland | 2.36 | 1.67 | 0.69 |
| 22 | Denmark | 1.48 | 0.74 | 0.74 | 22 | Turkey | 3.89 | 3.3 | 0.59 |
| 23 | Poland | 2.36 | 1.67 | 0.69 | 23 | Austria | 1.95 | 1.4 | 0.55 |
| 24 | Turkey | 3.89 | 3.3 | 0.59 | 24 | Finland | 1.48 | 1.07 | 0.41 |
| 25 | Austria | 1.95 | 1.4 | 0.55 | 25 | Czech Republic | 1.88 | 1.56 | 0.32 |
| 26 | Finland | 1.48 | 1.07 | 0.41 | 26 | Sweden | 1.56 | 1.34 | 0.22 |
| 27 | Czech Republic | 1.88 | 1.56 | 0.32 | 27 | Germany | 1.8 | 1.65 | 0.15 |
| 28 | Sweden | 1.56 | 1.34 | 0.22 | 28 | Ireland | 1.97 | 1.83 | 0.14 |
| 29 | Germany | 1.8 | 1.65 | 0.15 | 29 | Hungary | 1.64 | 1.59 | 0.05 |
| 30 | Ireland | 1.97 | 1.83 | 0.14 | 30 | Taiwan | 1.6 | 0.7 | 0.9 |
| 31 | Indonesia | 4.16 | 4.11 | 0.05 | 31 | Australia | 2.3 | 2.31 | -0.01 |
| 32 | Hungary | 1.64 | 1.59 | 0.05 | 32 | Belgium | 1.56 | 1.58 | -0.02 |
| 33 | Singapore | 0.04 | 0 | 0.04 | 33 | Norway | 0.75 | 1.09 | -0.34 |
| 34 | Belgium | 1.56 | 1.58 | -0.02 | 34 | Netherlands | 1.23 | 1.6 | -0.37 |
| 35 | Norway | 0.75 | 1.09 | -0.34 | 35 | Slovak Republic | 1.76 | 2.36 | -0.6 |
| 36 | Netherlands | 1.23 | 1.6 | -0.37 | 36 | United Kingdom | 0.69 | 1.32 | -0.63 |
| 37 | Australia | 0 | 0.53 | -0.53 | 37 | France | 1.25 | 1.9 | -0.65 |
| 38 | Slovak Republic | 1.76 | 2.36 | -0.6 | 38 | Indonesia | 4.16 | 5.1 | -0.94 |
| 39 | United Kingdom | 0.69 | 1.32 | -0.63 | 39 | Switzerland | 0.52 | 2.21 | -1.69 |
| 40 | France | 1.25 | 1.9 | -0.65 | 40 | Vietnam | 2.85 | 4.63 | -1.78 |
| 41 | Switzerland | 0.52 | 2.21 | -1.69 | 41 | Italy | 1.12 | 3.05 | -1.93 |
| 42 | Vietnam | 2.85 | 4.63 | -1.78 | 42 | Spain | 0.78 | 2.84 | -2.06 |
| 43 | Italy | 1.12 | 3.05 | -1.93 | 43 | Portugal | 0.88 | 3.49 | -2.61 |
| 44 | Spain | 0.78 | 2.84 | -2.06 | 44 | New Zealand | 1.99 | 4.67 | -2.68 |
| 45 | Portugal | 0.88 | 3.49 | -2.61 | 45 | Peru | 1.18 | 3.89 | -2.71 |
| 46 | New Zealand | 1.99 | 4.67 | -2.68 | 46 | Hong Kong | 0 | 3.3 | -3.3 |
| 47 | Hong Kong | 0 | 3.3 | -3.3 | 47 | Singapore | 0.04 | 3.9 | -3.86 |
| 48 | Bangladesh | 3.57 | 10.7 | -7.13 | 48 | Bangladesh | 3.57 | 10.7 | -7.13 |

"Note: Most Favored Nation (MFN) status is generally based on the provisions of a bilateral or multilateral treaty, referring to the preferential treatment and exemptions in trade, tariffs, shipping, and legal status of citizens that one contracting party grants to any third country, which are also granted to the other contracting parties. However, it is important to note that 'preferential treatment' is relative to general tariff rates. Therefore, MFN status is often not the 'most preferential tariff rate'; because there are even lower tariff rates outside of MFN status.

Source: WITS, KGI Research

Figure 2: Trump tariffs threat/ vulnerability index

| Overall Ranking | Country | Avg. Z-score | US import from the country (US\$bn) | | US trade deficit with the country (US\$bn) | | US vehicle import from the country (US\$bn) | | US semiconductor import from the country (US\$bn) | | US pharmaceutical import from the country (US\$bn) | | US metal import from the country (US\$bn) | | Difference if tariff with the U.S. (%) | | FDI to the U.S. (US\$bn) | | Military spending/GDP (%) | | Export to the U.S./GDP (%) | | Total export/GDP (%) | | Manufacturing output/GDP (%) | |
|-----------------|----------------------|--------------|-------------------------------------|------|--|------|---|------|---|------|--|------|---|------|--|------|--------------------------|------|---------------------------|------|----------------------------|------|----------------------|------|------------------------------|------|
| | | | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank | Amount | Rank |
| 1 | Mexico | 1.54 | 475.2 | 1 | (152.5) | 2 | 34.1 | 1 | 3.4 | 6 | 0.8 | 21 | 20.5 | 3 | 5.2 | 6 | 144.5 | 37 | 0.7 | 3 | 26.6 | 1 | 33.2 | 20 | 21.6 | 11 |
| 2 | China | 1.20 | 426.9 | 2 | (279.1) | 1 | 2.5 | 10 | 3.6 | 4 | 3.4 | 14 | 33.1 | 2 | 4.3 | 9 | 126.9 | 36 | 1.7 | 29 | 2.4 | 27 | 19.3 | 35 | 25.0 | 5 |
| 3 | Canada | 0.92 | 418.6 | 3 | (64.3) | 7 | 27.0 | 3 | 0.8 | 14 | 6.8 | 7 | 38.5 | 1 | 1.0 | 20 | 451.6 | 42 | 1.3 | 18 | 19.5 | 3 | 26.5 | 29 | 9.6 | 43 |
| 4 | Vietnam | 0.80 | 114.4 | 7 | (104.6) | 3 | 0.2 | 18 | 5.9 | 3 | 0.0 | 35 | 4.0 | 10 | (1.8) | 42 | - | - | 1.8 | 30 | 26.4 | 2 | 79.6 | 5 | 25.9 | 4 |
| 5 | Malaysia | 0.77 | 46.2 | 16 | (26.8) | 13 | - | - | 11.5 | 1 | 0.1 | 27 | 1.6 | 23 | 1.1 | 18 | 10.9 | 13 | 0.9 | 9 | 11.6 | 6 | 78.2 | 7 | 23.0 | 8 |
| 6 | Taiwan | 0.61 | 87.8 | 8 | (47.8) | 9 | 0.2 | 21 | 6.0 | 2 | 0.3 | 23 | 9.3 | 5 | 0.9 | 21 | 19.3 | 23 | 2.2 | 36 | 11.6 | 5 | 57.2 | 11 | 34.2 | 1 |
| 7 | Ireland | 0.59 | 82.3 | 10 | (65.6) | 6 | 0.0 | 31 | 2.2 | 8 | 31.0 | 1 | 0.2 | 42 | 0.1 | 30 | 491.2 | 43 | 0.2 | 1 | 14.9 | 4 | 37.6 | 16 | 29.5 | 2 |
| 8 | South Korea | 0.58 | 116.2 | 6 | (51.1) | 8 | 22.5 | 4 | 3.4 | 5 | 1.5 | 17 | 9.3 | 4 | 4.4 | 8 | 35.6 | 26 | 2.8 | 41 | 6.3 | 9 | 34.4 | 19 | 27.6 | 3 |
| 9 | Germany | 0.55 | 159.3 | 4 | (82.6) | 4 | 17.0 | 5 | 0.9 | 13 | 25.6 | 3 | 8.1 | 6 | 0.2 | 29 | 193.2 | 38 | 1.5 | 23 | 3.5 | 19 | 37.4 | 17 | 20.3 | 13 |
| 10 | Japan | 0.51 | 147.2 | 5 | (71.6) | 5 | 32.9 | 2 | 2.0 | 10 | 4.4 | 11 | 5.3 | 9 | 2.3 | 16 | 63.4 | 31 | 1.2 | 14 | 3.5 | 20 | 17.0 | 38 | 20.6 | 12 |
| 11 | Thailand | 0.43 | 56.3 | 14 | (40.7) | 12 | 0.2 | 20 | 3.0 | 7 | 0.0 | 31 | 3.1 | 13 | 5.3 | 5 | 15.1 | 17 | 1.2 | 13 | 10.9 | 7 | 54.6 | 12 | 24.9 | 6 |
| 12 | Switzerland | 0.17 | 52.3 | 15 | (24.5) | 14 | 0.4 | 16 | 0.1 | 24 | 28.2 | 2 | 0.8 | 25 | (1.7) | 41 | 238.2 | 40 | 0.7 | 5 | 5.8 | 11 | 46.9 | 13 | 18.3 | 19 |
| 13 | India | 0.09 | 83.7 | 9 | (43.3) | 11 | 0.3 | 17 | 0.5 | 15 | 7.8 | 5 | 6.7 | 7 | 6.5 | 3 | 49.6 | 29 | 2.4 | 39 | 2.3 | 28 | 12.1 | 46 | 16.7 | 25 |
| 14 | Belgium | 0.06 | 22.8 | 22 | 16.0 | 44 | 1.9 | 11 | 0.1 | 25 | 14.8 | 4 | 0.8 | 30 | (0.0) | 34 | 66.5 | 32 | 1.2 | 15 | 3.6 | 18 | 88.5 | 3 | 15.1 | 30 |
| 15 | Nigeria | 0.02 | 5.7 | 45 | (3.1) | 29 | - | - | 0.0 | 43 | 0.0 | 45 | 0.1 | 44 | 10.0 | 1 | 6.5 | 7 | 0.8 | 7 | 1.6 | 38 | 17.4 | 37 | 15.7 | 28 |
| 16 | Czech Republic | (0.03) | 7.5 | 39 | (2.9) | 30 | - | - | 0.0 | 28 | 0.2 | 25 | 0.5 | 35 | 0.3 | 27 | 4.6 | 2 | 1.5 | 24 | 2.2 | 31 | 74.4 | 8 | 21.8 | 10 |
| 17 | Italy | (0.04) | 72.9 | 11 | (44.1) | 10 | 3.5 | 7 | 0.3 | 19 | 7.3 | 6 | 3.3 | 12 | (1.9) | 43 | 29.0 | 24 | 1.6 | 26 | 3.2 | 23 | 22.9 | 24 | 17.5 | 23 |
| 18 | Singapore | (0.05) | 40.9 | 17 | 1.5 | 36 | - | - | 1.6 | 11 | 4.1 | 12 | 0.3 | 39 | 0.0 | 33 | 424.2 | 41 | 2.7 | 40 | 8.2 | 8 | 94.9 | 2 | 17.7 | 22 |
| 19 | Austria | (0.07) | 19.1 | 24 | (13.6) | 17 | 0.8 | 14 | 0.1 | 23 | 1.8 | 16 | 1.9 | 21 | 0.6 | 25 | 6.1 | 4 | 0.8 | 8 | 3.7 | 16 | 43.2 | 15 | 17.7 | 21 |
| 20 | Slovak Republic | (0.08) | 8.3 | 37 | (7.9) | 19 | 2.7 | 9 | 0.0 | 35 | 0.0 | 42 | 0.0 | 46 | (0.6) | 38 | - | - | 2.0 | 33 | 6.3 | 10 | 88.4 | 4 | 19.2 | 17 |
| 21 | Hungary | (0.08) | 10.9 | 35 | (7.7) | 20 | 1.0 | 12 | 0.0 | 33 | 0.0 | 43 | 0.3 | 38 | 0.0 | 32 | 16.0 | 21 | 2.1 | 35 | 5.1 | 12 | 74.4 | 9 | 19.9 | 14 |
| 22 | Indonesia | (0.11) | 26.8 | 20 | (17.0) | 15 | - | - | 0.2 | 21 | - | - | 0.8 | 28 | 0.0 | 31 | 15.9 | 20 | 0.7 | 4 | 2.0 | 32 | 18.9 | 36 | 19.5 | 15 |
| 23 | South Africa | (0.11) | 14.0 | 31 | (6.9) | 21 | 1.0 | 13 | 0.0 | 42 | 0.0 | 33 | 1.6 | 22 | 3.4 | 11 | 8.0 | 10 | 0.7 | 6 | 3.7 | 17 | 29.0 | 23 | 14.4 | 33 |
| 24 | Philippines | (0.12) | 13.3 | 32 | (4.0) | 27 | - | - | 2.1 | 9 | 0.0 | 36 | 0.2 | 40 | 1.9 | 17 | 6.4 | 6 | 1.2 | 17 | 3.0 | 24 | 16.7 | 40 | 16.2 | 26 |
| 25 | Argentina | (0.13) | 6.4 | 43 | 5.0 | 41 | 0.0 | 35 | 0.0 | 44 | 0.1 | 30 | 0.9 | 26 | 4.6 | 7 | 14.5 | 16 | 0.5 | 2 | 1.0 | 46 | 10.3 | 47 | 19.4 | 16 |
| 26 | Chile | (0.14) | 15.6 | 29 | 3.2 | 40 | 0.0 | 33 | 0.0 | 39 | 0.0 | 37 | 3.9 | 11 | 6.0 | 4 | 32.0 | 25 | 1.6 | 28 | 4.6 | 13 | 28.2 | 26 | 10.2 | 42 |
| 27 | Denmark | (0.16) | 11.6 | 34 | (6.4) | 23 | 0.1 | 25 | 0.0 | 29 | 6.7 | 8 | 0.2 | 41 | 0.7 | 22 | 12.8 | 15 | 2.0 | 32 | 2.9 | 25 | 31.8 | 21 | 18.0 | 20 |
| 28 | Brazil | (0.17) | 39.1 | 18 | 5.6 | 42 | 0.0 | 27 | 0.0 | 31 | 0.2 | 24 | 6.2 | 8 | 3.4 | 12 | 87.9 | 33 | 1.1 | 11 | 1.8 | 36 | 15.6 | 41 | 15.2 | 29 |
| 29 | Turkey | (0.19) | 15.5 | 30 | (0.9) | 35 | 0.1 | 24 | 0.2 | 22 | 0.0 | 38 | 2.5 | 16 | 0.6 | 24 | 6.3 | 5 | 1.5 | 20 | 1.4 | 41 | 22.6 | 32 | 22.1 | 9 |
| 30 | Colombia | (0.25) | 16.1 | 26 | 1.6 | 37 | 0.0 | 30 | 0.0 | 30 | 0.0 | 41 | 0.7 | 31 | 6.9 | 2 | 8.4 | 11 | 2.9 | 42 | 4.4 | 14 | 13.6 | 44 | 10.9 | 39 |
| 31 | Sweden | (0.25) | 18.4 | 25 | (9.7) | 18 | 3.4 | 8 | 0.0 | 26 | 2.5 | 15 | - | - | 0.2 | 28 | 56.2 | 30 | 1.5 | 19 | 1.3 | 42 | 14.2 | 43 | 15.8 | 27 |
| 32 | Peru | (0.27) | 8.7 | 36 | 3.1 | 39 | 0.0 | 34 | 0.0 | 45 | 0.0 | 44 | 1.2 | 25 | 1.1 | 19 | 6.6 | 8 | 1.1 | 12 | 3.3 | 22 | 27.6 | 27 | 12.2 | 35 |
| 33 | Finland | (0.29) | 7.3 | 40 | (4.3) | 25 | 0.2 | 19 | 0.0 | 40 | 1.0 | 20 | 0.7 | 33 | 0.4 | 26 | 5.5 | 3 | 2.4 | 38 | 2.5 | 26 | 27.4 | 28 | 17.1 | 24 |
| 34 | Poland | (0.31) | 13.2 | 33 | (2.2) | 31 | - | - | 0.0 | 38 | 0.0 | 32 | 0.6 | 34 | 0.7 | 23 | 15.8 | 19 | 3.8 | 43 | 1.6 | 37 | 46.8 | 14 | 18.6 | 18 |
| 35 | France | (0.32) | 57.6 | 13 | (13.7) | 16 | 0.1 | 22 | 0.3 | 20 | 4.5 | 10 | 2.1 | 19 | (0.7) | 40 | 100.9 | 35 | 2.1 | 34 | 1.9 | 34 | 20.8 | 34 | 10.8 | 41 |
| 36 | Hong Kong | (0.35) | 4.1 | 48 | 23.7 | 47 | 0.0 | 28 | 0.4 | 16 | 0.0 | 40 | 0.1 | 43 | (3.3) | 47 | 90.6 | 34 | 0.0 | - | 1.1 | 45 | 151.3 | 1 | 1.0 | 48 |
| 37 | Portugal | (0.39) | 6.5 | 42 | (4.1) | 26 | - | - | 0.0 | 34 | 0.6 | 22 | 0.4 | 37 | (2.6) | 45 | 2.9 | 1 | 1.5 | 22 | 2.3 | 29 | 28.4 | 25 | 12.1 | 36 |
| 38 | Israel | (0.39) | 20.8 | 23 | (6.8) | 22 | - | - | 1.1 | 12 | 1.1 | 19 | 0.7 | 32 | 2.9 | 13 | 45.9 | 28 | 5.3 | 44 | 4.1 | 15 | 12.5 | 45 | 15.0 | 31 |
| 39 | Spain | (0.39) | 23.1 | 21 | 2.0 | 38 | 0.1 | 23 | 0.0 | 32 | 1.4 | 18 | 1.5 | 24 | (2.1) | 44 | 37.9 | 27 | 1.5 | 21 | 1.4 | 40 | 25.3 | 30 | 11.9 | 38 |
| 40 | Norway | (0.41) | 6.1 | 44 | (1.1) | 34 | - | - | 0.0 | 36 | 0.2 | 26 | 0.9 | 27 | (0.3) | 35 | 15.4 | 18 | 1.6 | 27 | 1.3 | 44 | 36.6 | 18 | 6.2 | 46 |
| 41 | United Arab Emirates | (0.41) | 6.6 | 41 | 18.2 | 46 | 0.0 | 26 | - | - | 0.0 | 39 | 2.9 | 14 | 2.7 | 15 | 16.1 | 22 | 5.6 | 45 | 1.3 | 43 | 70.1 | 10 | 10.9 | 40 |
| 42 | New Zealand | (0.48) | 5.5 | 46 | (1.2) | 33 | 0.0 | 32 | 0.0 | 37 | 0.1 | 29 | 0.1 | 45 | (2.7) | 46 | 8.5 | 12 | 1.2 | 16 | 2.2 | 30 | 17.0 | 39 | 7.9 | 45 |
| 43 | Bangladesh | (0.50) | 8.3 | 38 | (6.0) | 24 | - | - | - | - | 0.0 | 34 | - | - | (7.1) | 48 | - | - | 1.0 | 10 | 1.8 | 35 | 8.6 | 48 | 23.1 | 7 |
| 44 | Russia | (0.51) | 4.6 | 47 | (4.0) | 28 | - | - | 0.0 | 41 | - | - | 2.6 | 15 | 3.5 | 10 | 7.7 | 9 | 5.9 | 46 | 0.2 | 48 | 22.7 | 31 | 12.5 | 34 |
| 45 | Netherlands | (0.52) | 38.5 | 19 | 42.8 | 48 | 0.5 | 15 | 0.4 | 18 | 3.5 | 13 | 1.9 | 20 | (0.4) | 36 | 980.4 | 44 | 1.5 | 25 | 3.3 | 21 | 79.1 | 6 | 12.0 | 37 |
| 46 | Saudi Arabia | (0.56) | 15.9 | 28 | (2.0) | 32 | - | - | - | - | - | - | 0.5 | 36 | 2.8 | 14 | 11.3 | 14 | 7.1 | 47 | 1.5 | 39 | 30.2 | 22 | 14.8 | 32 |
| 47 | Australia | (0.56) | 15.9 | 27 | 17.6 | 45 | 0.0 | 29 | 0.0 | 27 | 0.1 | 28 | 2.5 | 17 | (0.5) | 37 | 193.3 | 39 | 1.9 | 31 | 0.9 | 47 | 21.3 | 33 | 5.7 | 47 |
| 48 | United Kingdom | (0.67) | 64.2 | 12 | 10.1 | 43 | 6.8 | 6 | 0.4 | 17 | 6.3 | 9 | 2.4 | 18 | (0.6) | 39 | 1057.6 | 45 | 2.3 | 37 | 1.9 | 33 | 14.4 | 42 | 9.1 | 44 |

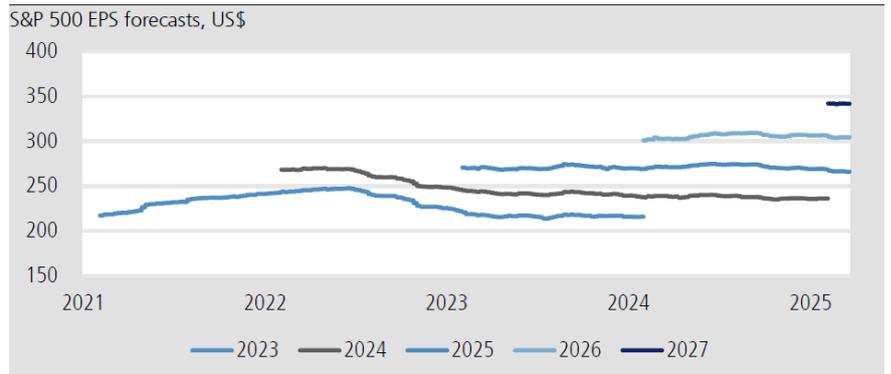
Source: Bloomberg; SIPRI; CIA; OEC; Census Bureau; WITS; BEA; KGI Research

Figure 71: Major international political & economic events over the next quarter

| Date | Major event | Possible effect |
|----------|--|---|
| 4/1 | Special election in Florida | The special election to fill the vacancy left after Marco Rubio became Secretary of State may slightly weaken the Republican Party's influence in Congress. |
| 4/17 | ECB monetary policy meeting | The ECB may cut interest rates by another 25 bps. |
| 4/30-5/1 | The 2025 Spring Meetings of the World Bank and IMF | Expected to issue economic forecasts to incorporate a more in-depth assessment of the impact of Trump's trade wars on the global economy. |
| 5/6-7 | Fed FOMC meeting | The federal funds rate is expected to remain unchanged. |
| 6/5 | ECB monetary policy meeting | If there is no rate cut at the April meeting, it is almost certain that the ECB will cut rates this time, widening the interest rate differential with the United States. |
| 6/15-17 | 51th G7 summit | Theme: "Building the Economy, Combating Climate Change, and Managing New Technologies" |
| 6/16-17 | BOJ monetary policy meeting | The BOJ is expected to cut interest rates by 25 bps. |
| 6/17-18 | Fed FOMC meeting | The market expects a rate cut of 25 bps, but the trade wars have just begun, and the impact is uncertain |

Source: KGI Research

Figure 72: S&P 500 EPS forecasts



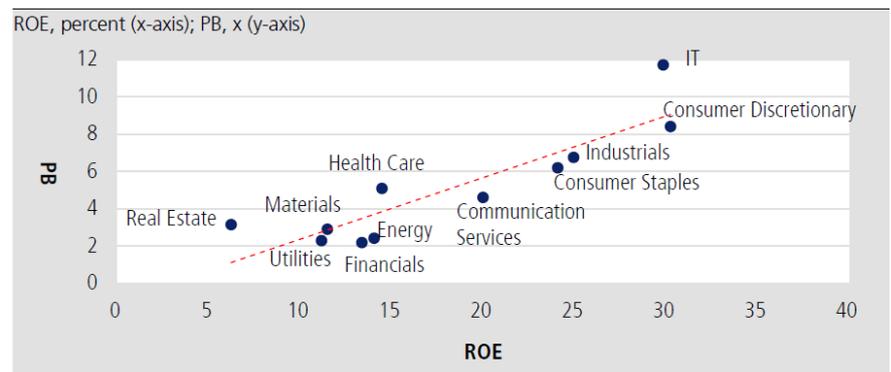
Source: Refinitiv, KGI Research

Figure 73: S&P 500 EPS growth forecasts by sector

| | 3Q24 | 4Q24 | 1Q25 | 2Q25 | 3Q25 | 4Q25 | 2023 | 2024 | 2025 |
|------------------------|--------|--------|--------|-------|-------|------|--------|--------|------|
| S&P 500 | 9.1 | 17.1 | 7.8 | 10.4 | 12.6 | 11.2 | 4.1 | 12.1 | 10.6 |
| Consumer Discretionary | 11.3 | 27.4 | 0.7 | 3.9 | 7.3 | 6.7 | 49.0 | 19.6 | 5.6 |
| Consumer Staples | 4.0 | 1.6 | (6.7) | 2.4 | 3.7 | 6.1 | 4.7 | 4.1 | 1.6 |
| Energy | (25.4) | (29.1) | (15.5) | (7.8) | 9.2 | 20.0 | (25.8) | (19.7) | 0.4 |
| Financials | 8.5 | 35.1 | 1.8 | 5.3 | 11.6 | 6.0 | 11.9 | 18.9 | 5.7 |
| Health Care | 14.6 | 14.3 | 38.0 | 10.6 | 12.9 | 16.7 | (18.7) | 5.2 | 18.4 |
| Industrials | (5.0) | 8.0 | 4.8 | 9.5 | 27.6 | 7.3 | 23.4 | 2.4 | 12.5 |
| Materials | (6.8) | 2.0 | (6.5) | 2.3 | 22.9 | 19.0 | (22.3) | (6.3) | 5.3 |
| Real Estate | (9.3) | 15.4 | 0.1 | 3.5 | 21.1 | 2.1 | 1.5 | 3.2 | 6.9 |
| Information Technology | 19.4 | 19.8 | 16.0 | 19.1 | 18.7 | 17.3 | 9.1 | 21.5 | 18.0 |
| Communication Services | 25.7 | 31.5 | 5.9 | 32.0 | 4.6 | 7.3 | 26.0 | 26.3 | 11.4 |
| Utilities | 16.0 | 12.5 | 7.9 | 3.1 | (1.9) | 8.7 | 2.6 | 16.4 | 5.2 |

Source: Refinitiv, KGI Research

Figure 74: S&P 500 PB by sector versus ROE



Source: Bloomberg, KGI Research

Key US economic data

| Indicators | Units | 2021 | 2022 | 2023 | 2024 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | |
|--|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| GDP | GDP QoQ SAAR | QoQ % SAAR | | | | 1.6 | | | 3.0 | | | 3.1 | | | | | 2.3 | |
| | GDP YoY | YoY % | 6.1 | 2.5 | 2.9 | 2.8 | 2.9 | | 3.0 | | | 2.7 | | | | | 2.5 | |
| Consumer prices | CPI | YoY % | 4.7 | 8.0 | 4.1 | 3.0 | 3.5 | 3.4 | 3.3 | 3.0 | 2.9 | 2.5 | 2.4 | 2.6 | 2.7 | 2.9 | 3.0 | 2.8 |
| | Core CPI | YoY % | 3.6 | 6.2 | 4.8 | 3.4 | 3.8 | 3.6 | 3.4 | 3.3 | 3.2 | 3.2 | 3.3 | 3.3 | 3.3 | 3.2 | 3.3 | 3.1 |
| | PCE price index | YoY % | 4.1 | 6.6 | 3.8 | 2.5 | 2.8 | 2.7 | 2.6 | 2.4 | 2.5 | 2.3 | 2.1 | 2.3 | 2.5 | 2.6 | 2.6 | 2.5 |
| | Core PCE index | YoY % | 3.6 | 5.4 | 4.2 | 2.8 | 3.0 | 2.9 | 2.7 | 2.6 | 2.7 | 2.7 | 2.7 | 2.8 | 2.8 | 2.9 | 2.9 | 2.6 |
| Labor market | Labor force participation rate | % | 62.0 | 62.3 | 62.5 | 62.5 | 62.7 | 62.7 | 62.6 | 62.6 | 62.7 | 62.7 | 62.7 | 62.5 | 62.5 | 62.5 | 62.6 | 62.4 |
| | Unemployment rate | % | 5.4 | 3.6 | 3.6 | 4.0 | 3.9 | 3.9 | 4.0 | 4.1 | 4.2 | 4.2 | 4.1 | 4.1 | 4.2 | 4.1 | 4.0 | 4.1 |
| | Non farm payrolls | '000 | 7,233 | 4,555 | 2,594 | 2,012 | 246 | 118 | 193 | 87 | 88 | 71 | 240 | 44 | 261 | 323 | 125 | 151 |
| | Net Change In total employment in labor force | '000 | 6,124 | 4,555 | 2,594 | 2,012 | 412 | 70 | (331) | (9) | 64 | 206 | 377 | (346) | (273) | 478 | 2,234 | (588) |
| | Challenger job cut announce | YoY % | (1.2) | (1.7) | 2.1 | (0.9) | 1 | (3) | (20) | 20 | 9 | 1 | 53 | 51 | 27 | 11 | (40) | 103 |
| | Opening/ hiring | x | 1.56 | 1.75 | 1.58 | 1.43 | 1.48 | 1.36 | 1.42 | 1.46 | 1.38 | 1.46 | 1.29 | 1.42 | 1.51 | 1.40 | 1.44 | |
| Economic activity & business condition | Avg. hourly earnings | YoY % | 5.0 | 4.9 | 4.1 | 4.0 | 4.2 | 4.0 | 4.1 | 3.9 | 3.6 | 4.0 | 3.9 | 4.1 | 4.2 | 4.0 | 3.9 | 4.0 |
| | Industrial production | YoY % | 4.4 | 3.4 | 0.2 | (0.3) | (0.3) | (0.8) | 0.0 | 0.9 | (0.5) | (0.1) | (0.7) | (0.3) | (0.6) | 0.5 | 1.9 | 1.4 |
| | Durable goods orders | YoY % | 18.4 | 8.2 | 4.4 | (1.6) | (2.2) | 1.2 | (1.4) | (11.3) | 2.8 | (0.4) | (2.9) | 5.4 | (6.5) | (3.7) | 4.3 | |
| | Core capital goods orders | YoY % | 12.8 | 6.5 | 1.7 | 0.6 | (0.9) | 2.8 | (0.5) | (2.2) | 2.0 | (1.5) | 0.5 | 1.8 | (0.4) | 2.9 | 2.2 | |
| | Total business inventory/ sales ratio | x | 1.28 | 1.34 | 1.37 | 1.37 | 1.37 | 1.37 | 1.38 | 1.38 | 1.37 | 1.38 | 1.37 | 1.37 | 1.37 | 1.35 | 1.37 | |
| | Manufacturing inventory/ sales ratio | x | 1.49 | 1.47 | 1.48 | 1.47 | 1.47 | 1.46 | 1.47 | 1.46 | 1.45 | 1.46 | 1.46 | 1.46 | 1.47 | 1.46 | 1.46 | |
| | Retail inventory/ sales ratio | x | 1.15 | 1.24 | 1.27 | 1.31 | 1.29 | 1.30 | 1.31 | 1.33 | 1.32 | 1.33 | 1.33 | 1.32 | 1.32 | 1.30 | 1.32 | |
| | ISM manufacturing index | Point | 60.6 | 53.5 | 47.1 | 48.2 | 49.8 | 48.8 | 48.5 | 48.3 | 47.0 | 47.5 | 47.5 | 46.9 | 48.4 | 49.2 | 50.9 | 50.3 |
| | ISM non-manufacturing index | Point | 62.4 | 56.1 | 52.7 | 52.4 | 51.3 | 49.6 | 53.5 | 49.2 | 51.4 | 51.6 | 54.5 | 55.8 | 52.5 | 54.0 | 52.8 | 53.5 |
| | ISM manufacturing index: new orders | Point | 64.3 | 51.6 | 46.0 | 48.7 | 50.3 | 48.7 | 46.3 | 48.9 | 47.6 | 45.6 | 46.7 | 47.9 | 50.3 | 52.1 | 55.1 | 48.6 |
| | Chicago Fed National activity Index | Point | 0.38 | (0.00) | (0.13) | (0.17) | (0.20) | (0.38) | 0.15 | (0.15) | (0.33) | (0.05) | (0.21) | (0.51) | (0.05) | 0.18 | (0.03) | |
| | Conference board leading index | YoY % | 7.1 | 0.4 | (7.5) | (4.8) | (5.5) | (5.4) | (5.0) | (4.5) | (4.7) | (4.6) | (4.3) | (3.7) | (3.0) | (3.0) | (2.7) | (3.1) |
| C&I Loans for large/medium - tightening lending standard | % | (15.1) | 11.8 | 43.9 | 9.5 | | 15.6 | | | 7.9 | | | 0.0 | | | | 6.2 | |
| C&I Loans for large/medium - stronger demand | % | (1.2) | 12.4 | (42.3) | (18.2) | | (26.6) | | | 0.0 | | | (21.3) | | | | 9.4 | |
| Housing market | Building Permits | '000, SAAR | 1,738 | 1,682 | 1,518 | 1,462 | 1,485 | 1,440 | 1,399 | 1,454 | 1,406 | 1,470 | 1,425 | 1,419 | 1,493 | 1,482 | 1,473 | 1,456 |
| | Housing starts | '000, SAAR | 1,605 | 1,552 | 1,421 | 1,368 | 1,299 | 1,377 | 1,315 | 1,329 | 1,262 | 1,379 | 1,355 | 1,344 | 1,305 | 1,526 | 1,350 | 1,501 |
| | New home sales | '000, SAAR | 770 | 637 | 666 | 686 | 683 | 736 | 672 | 672 | 707 | 691 | 726 | 623 | 679 | 734 | 657 | |
| | Existing home sales | mn, SAAR | 6.1 | 5.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 3.9 | 4.0 | 3.9 | 3.9 | 4.0 | 4.2 | 4.3 | 4.1 | 4.3 |
| | NAHB housing market index | Point, SA | 81 | 59 | 44 | 45 | 51 | 51 | 45 | 43 | 41 | 39 | 41 | 43 | 46 | 46 | 47 | 42 |
| S&P/Case-Shiller 20-city composite home price index | YoY % | 18.7 | 4.9 | 6.4 | 4.5 | 7.5 | 7.2 | 6.8 | 6.5 | 5.9 | 5.2 | 4.6 | 4.3 | 4.4 | 4.5 | | | |
| Consumption | Personal expenditures | YoY % SA | 8.8 | 3.0 | 2.5 | 2.8 | 2.7 | 2.4 | 2.8 | 2.9 | 2.9 | 2.9 | 3.2 | 3.2 | 3.2 | 3.1 | 3.0 | |
| | Retail sales | YoY % | 18.2 | 9.1 | 3.5 | 2.6 | 3.6 | 2.8 | 2.6 | 2.0 | 2.9 | 2.0 | 2.0 | 3.0 | 4.0 | 4.4 | 3.9 | 3.1 |
| | Retail sales ex-autos | YoY % | 17.3 | 10.6 | 3.4 | 2.7 | 3.7 | 3.2 | 2.9 | 3.3 | 3.2 | 2.3 | 2.4 | 2.7 | 3.2 | 3.4 | 3.5 | 3.1 |
| | Domestic vehicles sales | mn, SA | 179.2 | 164.8 | 185.2 | 189.3 | 15.5 | 15.7 | 15.9 | 15.3 | 15.8 | 15.1 | 15.8 | 16.0 | 16.5 | 16.8 | 15.6 | 16.0 |
| | Conference board consumer confidence | Point | 112.7 | 104.5 | 105.4 | 104.5 | 103.1 | 97.5 | 101.3 | 97.8 | 101.9 | 105.6 | 99.2 | 109.6 | 112.8 | 109.5 | 105.3 | 98.3 |
| Michigan Consumer Sentiment Index | Point | 77.6 | 59.0 | 65.4 | 72.5 | 79.4 | 77.2 | 69.1 | 68.2 | 66.4 | 67.9 | 70.1 | 70.5 | 71.8 | 74.0 | 71.7 | 64.7 | |
| Fiscal | Budget balance | As % of GDP | (10.4) | (5.3) | (6.3) | (6.9) | (5.8) | (5.6) | (6.0) | (5.4) | (5.4) | (7.0) | (6.2) | (6.9) | (7.1) | (6.9) | (7.2) | (7.2) |
| Int'l balance | Current account balance | As % of GDP | (3.7) | (3.9) | (3.3) | (3.9) | (3.2) | | | (3.3) | | | (3.6) | | | | (3.8) | |
| | Net foreign securities transactions | US \$bn | 907 | 1,321 | 1,005 | 801 | 89.7 | 42.8 | (4.1) | 26.2 | 101.1 | 94.9 | 211.0 | 120.4 | 54.2 | 75.0 | (45.2) | |
| Monetary & financial | Federal funds rate | % | 0.25 | 4.50 | 5.50 | 4.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.00 | 5.00 | 4.75 | 4.50 | 4.50 | 4.50 | |
| | 10-Year treasury yield | % | 1.51 | 3.87 | 3.88 | 4.57 | 4.20 | 4.68 | 4.50 | 4.40 | 4.03 | 3.90 | 3.78 | 4.28 | 4.17 | 4.57 | 4.54 | 4.21 |
| | Dollar index | Point | 95.7 | 103.5 | 101.3 | 108.5 | 104.5 | 106.2 | 104.7 | 105.9 | 104.1 | 101.7 | 100.8 | 104.0 | 105.7 | 108.5 | 108.4 | 107.6 |

Source: Bloomberg, KGI Research

Key Taiwan economic data

| Indicators | | Units | 2021 | 2022 | 2023 | 2024 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 |
|----------------------|---------------------------------|---------|-------|-------|--------|-------|--------|------------|------------|--------|------------|--------|------------|------------|------------|--------|------------|--------|
| GDP | GDP YoY | YoY % | 6.7 | 2.7 | 1.1 | 4.6 | 6.6 | | | 4.9 | | | 4.2 | | | 2.9 | | |
| Consumer prices | CPI | YoY % | 2.0 | 3.0 | 2.5 | 2.2 | 2.2 | 1.9 | 2.2 | 2.4 | 2.5 | 2.4 | 1.8 | 1.7 | 2.1 | 2.1 | 2.7 | 1.6 |
| | Core CPI | YoY % | 1.9 | 2.7 | 2.4 | 1.7 | 2.1 | 1.8 | 1.8 | 1.8 | 1.9 | 1.8 | 1.8 | 1.6 | 1.7 | 1.7 | 2.3 | 1.0 |
| Labor market | Unemployment rate | % | 3.7 | 3.6 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Economic activity | Industrial production | YoY % | 14.7 | (1.7) | (12.5) | 11.6 | 4.8 | 15.2 | 16.0 | 13.3 | 13.2 | 13.1 | 11.8 | 8.9 | 10.6 | 19.8 | 5.1 | |
| | Market Taiwan manufacturing PMI | Point | | | 46.3 | 50.9 | 49.3 | 50.2 | 50.9 | 53.2 | 52.9 | 51.5 | 50.8 | 50.2 | 51.5 | 52.7 | 51.1 | 51.5 |
| | NDC monitoring light signal | | | | | | Green | Yellow-red | Yellow-red | Red | Yellow-red | Red | Yellow-red | Yellow-red | Yellow-red | Red | Yellow-red | |
| | NDC monitoring indicators | Point | 39.0 | 24.2 | 14.4 | 34.0 | 31.0 | 35.0 | 36.0 | 38.0 | 35.0 | 39.0 | 34.0 | 32.0 | 34.0 | 38.0 | 34.0 | |
| | NDC composite leading index | YoY % | 4.8 | (3.2) | (1.6) | 2.1 | 0.3 | 1.3 | 2.5 | 3.5 | 4.1 | 4.5 | 4.6 | 4.5 | 4.3 | 4.2 | 4.1 | |
| | NDC composite coincident index | YoY % | 8.3 | (1.5) | (8.6) | 7.0 | 5.9 | 7.3 | 8.3 | 8.9 | 9.0 | 9.0 | 8.8 | 8.6 | 8.6 | 8.5 | 8.2 | |
| Consumption | Retail sales | YoY % | 3.3 | 7.4 | 9.7 | 3.3 | 5.7 | 1.6 | 2.6 | 3.9 | 3.1 | 1.1 | 3.4 | (0.5) | 2.1 | 2.9 | 5.3 | |
| Trade | Exports | US\$bn | 446.6 | 479.7 | 432.6 | 475.3 | 41.8 | 37.5 | 37.4 | 39.9 | 39.9 | 43.6 | 40.6 | 41.3 | 41.1 | 43.6 | 38.7 | 41.3 |
| | Imports | US\$bn | 381.3 | 428.1 | 352.1 | 394.7 | 33.1 | 31.0 | 31.3 | 35.2 | 35.1 | 32.1 | 33.5 | 34.4 | 33.2 | 37.5 | 28.7 | 34.8 |
| | Trade balance | US\$bn | 65.3 | 51.6 | 80.5 | 80.5 | 8.7 | 6.5 | 6.1 | 4.7 | 4.8 | 11.5 | 7.1 | 6.9 | 7.9 | 6.1 | 10.0 | 6.6 |
| | Export growth | YoY % | 29.4 | 7.4 | (9.8) | 9.9 | 18.8 | 4.2 | 3.4 | 23.4 | 3.1 | 16.8 | 4.5 | 8.4 | 9.7 | 9.1 | 4.4 | 31.5 |
| | Import growth | YoY % | 33.4 | 12.3 | (17.8) | 12.1 | 7.1 | 7.1 | 0.5 | 33.9 | 15.8 | 11.6 | 17.3 | 6.0 | 19.7 | 30.4 | (16.9) | 47.8 |
| | Export orders | US\$bn | 674.1 | 666.8 | 561.0 | 589.5 | 47.2 | 47.1 | 48.9 | 45.6 | 50.0 | 50.2 | 53.8 | 55.5 | 52.3 | 52.9 | 47.0 | 49 |
| | Export order growth | YoY % | 26.3 | (1.1) | (15.9) | 5.1 | 1.2 | 10.8 | 7.0 | 3.1 | 4.8 | 9.1 | 4.7 | 4.9 | 3.3 | 20.8 | (3.0) | 31.1 |
| Monetary & financial | M1B | YoY % | 12.8 | 4.1 | 3.1 | 4.0 | 5.4 | 4.9 | 5.0 | 5.2 | 5.2 | 4.1 | 4.1 | 4.9 | 4.6 | 4.0 | 4.4 | 3.1 |
| | M2 | YoY % | 8.0 | 7.1 | 5.3 | 5.5 | 6.2 | 6.1 | 6.0 | 6.3 | 6.2 | 5.8 | 5.6 | 5.8 | 5.5 | 5.5 | 5.5 | 5.2 |
| | Foreign reserves | US\$bn | 548.4 | 554.9 | 570.6 | 576.7 | 568.1 | 567.0 | 572.8 | 573.3 | 571.7 | 579.1 | 577.9 | 576.9 | 578.0 | 576.7 | 577.6 | 577.6 |
| | Rediscount rate | % | 1.1 | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| | Exchange rate | USD/TWD | 27.7 | 30.7 | 30.7 | 32.8 | 32.0 | 32.6 | 32.4 | 32.4 | 32.8 | 32.0 | 31.7 | 32.0 | 32.5 | 32.8 | 32.7 | 32.8 |

Source: Bloomberg; KGI Research

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