Foreigners scoop up shares of 10 biggest biz groups

Foreign investors increased their holdings of shares of South Korea’s 10 biggest business groups this year amid higher volatility in the financial market.

According to data provided by corporate tracker Chaebul.com, 38.73 percent of the top 10 business groups by asset was owned by foreigners as of mid-January.

The percentage rose 0.18 percentage point from 32.55 percent tallied at the end of 2018.

The combined value of their holdings rose 2.7 percent to KRW 308.6 trillion (USD 276.5 billion) from KRW 300.5 trillion over the cited period.

Samsung Group, the largest business group in South Korea, was the No. 1 pick of foreign investors, who owned 51.5 percent of shares, worth KRW 207.9 trillion.

Foreigners held 35.92 percent of Hyundai Motor Group, worth KRW 31.4 trillion, while foreign ownership in No. 3 SK Group came to 26.4 percent, worth KRW 29.9 trillion.

BNY Mellon, State Street to open office in Jeonju

The world’s top custodian banks, The Bank of New York Mellon Corp (BNY Mellon) and State Street Corp. (State Street), will each open an office in Jeonju, a city in Southern Korea where the country’s biggest institutional investor, the National Pension Service (NPS), is headquartered.

Charles W. Scharf, CEO of BNY Mellon and David Cruikshank, BNY Mellon’s Asia Pacific chairman visited NPS headquarters in Jeonju, Korea on Jan. 24 to sign an agreement to open the bank’s new office in the regional city, according to NPS. The custodian bank plans to open the Jeonju office in March. It is also reported that State Street is readying to open an office in Jeonju in March.

BNY Mellon and State Street are the world’s No. 1 and No. 2 custodian banks that specialize in safeguarding financial assets for clients such as mutual funds and public pension funds. It would become the first time for a global bank with a worldwide network in 100 countries to open an office in areas outside of Seoul in Korea.

Both BNY Mellon and State Street already have an office in the Korean capital.

NPS, the world’s third largest pension fund with USD 570 billion in assets under management, hopes the two global custodian banks’ new offices in Jeonju will help it tap deeper into new asset classes and other parts of the globe.

Tencent, KKR, Carlyle enter bidding war for Korean game giant Nexon

A blockbuster deal worth more than USD 6 billion over the ownership of South Korea’s top game publisher Nexon is gaining heat, with big names like Chinese tech giant Tencent and global private equity funds KKR, TPG and Carlyle Group pledging entries in the race.

Teaser letters have been sent out to possible buyers including U.S. PE giants KKR, TPG, Carlyle and Korea’s largest PE firm MBK Partners, according to investment banking sources.

The list of potential strategic buyers includes American game firms Activision Blizzard Inc. and Electronic Arts Inc. China’s Tencent has reportedly recruited Goldman Sachs as its advisory firm to package an offering. Walt Disney Co. is also said to be interested.

Nexon has reportedly started an investor road show in San Francisco and Hong Kong. Deutsche Bank’s New York branch has been picked to oversee the deal, people familiar with the matter said.

Fitch maintains ‘AA-‘ sovereign rating for S. Korea

Global rating agency Fitch has reaffirmed its “AA-” rating for South Korea with a stable outlook.

“Korea’s AA- rating reflects robust external finances and a solid macroeconomic performance compared with peers, as well as evolving geopolitical risk from the relationship with North Korea, and longer-run challenges of rapid population ageing and low productivity,” Fitch said in a report posted on its website.

Fitch has maintained the same grade for Asia’s fourth-largest economy since it upgraded it to the fourth-highest level on its sovereign ratings table in 2012.

Source: www.investkorea.org; Yonhap News Agency; Pulse by Maeil Business News Korea

KT showcases 5G-equipped trial bus in Seoul

KT Corp., South Korea’s largest Internet service provider, highlighted its capability to deliver fifth-generation (5G) mobile network service with a specially equipped bus in central Seoul.

The 10-seater bus allows passengers to experience next-generation technologies, such as virtual reality (VR) and augmented reality (AR), through the 5G network, which is up to 20 times faster than the existing 4G network or long-term evolution.

KT kicked off the bus service on Jan. 14, with the bus traversing an eight-kilometer route leaving from Gwanghwamun Station five times a day.

The bus experience was aimed at providing a real glimpse of the latest technology to the general public as KT and the country’s other wireless carriers are set to launch the world’s first 5G business to customer (B2C) service in March.

“Customer response has been tremendous as the trial bus was operated to relieve the curiosity over what can be done during a 5G era,” a company representative said.

The bus was equipped with VR headsets that provided live multi-channels in real-time with a 360 degree viewing angle. Contents ranged from K-pop dramas to music.

Users were also able to check out various contents without any concern over interruption in streaming or a slowdown in Internet speed on a moving vehicle.

Industry watchers said that VR and AR services are very sensitive to network performance, citing the importance of stability in 5G network to support these kinds of applications.

The bus ran until Jan. 24 and operated another route in Gangnam, southern Seoul, between Jan. 25 and Feb. 2, KT said, adding that all the tickets for the seats were sold out.

“Customers will be able to experience better 5G when KT officially kicks off 5G B2C service in March,” the company official said.