# MARKET STRATEGY

Feb 2026


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## Korea stock market outlook and strategy I Feb 2026 I

# Stock-market rally broadening

# Korea stock market outlook and strategy for Feb 2026

**Stock-market rally broadening – Sector selection matters more than before**

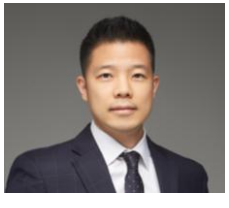
Key variables for February include: 1) strength in EM equity market; 2) continued semiconductor price hikes; and 3) a broadening of stock-price gains (across more sectors).

According to our model, financial market liquidity growth stayed at a robust 2% m-m in January. While capital flows into US financial markets remain favorable, flows into EMs appear to be even stronger, indicating that the financial markets interpret the US government's imposition of import tariffs on other countries as a negative factor for the US stock market.

Semiconductor prices are set to continue rising for an extended period. Semiconductor price increases may slow if US big tech companies report weak 4Q earnings, but consensus has their earnings momentum remaining strong. Concerns about a possible slowdown in AI adoption due to worsening US employment conditions may emerge, but recent data show that employment is stabilizing. In the case of Korean semiconductor companies, which look significantly undervalued, shareholder-friendly policies could serve as an additional driver for share-price gains.

We believe February will be a month when supply-demand dynamics are monitored more closely than earnings, given: 1) the slated completion of 4Q earnings announcements; 2) growing interest in the Kosdaq; 3) rising raw material prices; 4) improving share-price momentum in EMs such as China; and 5) a potential shift in the KRW/USD trend. Meanwhile, Hyundai Motor Group's robotics business has demonstrated global competitiveness, thus Korean auto stocks should benefit when robotics become a hot topic.

The Kospi's ROE has risen sharply, from 12.6% in Dec 2025 to 13.2% in Jan 2026, lifting the fair 12-month forward P/B to 2.1x. We raise the upper bound of our target band for 2026 to 6,300 by applying a P/B of 1.8x which corresponds to a discounted ROE of 11.9% (10% below the current 13.2%), a level that does not appear overly aggressive given the potential for further ROE hikes. We set the lower bound of the February range at 5,100 by applying the average Kospi P/E of 10.7x seen since early 2018, when liquidity growth began to accelerate as strongly as it is now. Our top picks include Samsung Electronics, SK Hynix, Hyundai Motor, Hanwha Aerospace, Naver, Hyosung Heavy Industries, Korea Investment Holdings, Samsung E&A, Poongsan, and SK Chemicals.



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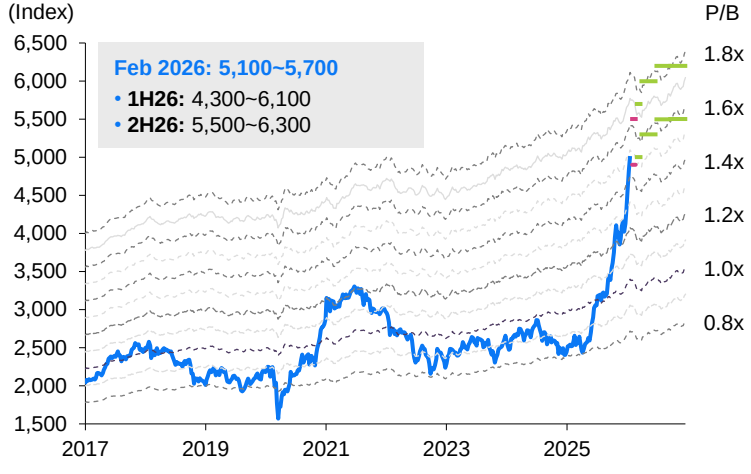
# Stock market outlook

# Kospi to range 5,100-5,700 in February

▶ We expect the Kospi to range 5,100-5,700 in February.

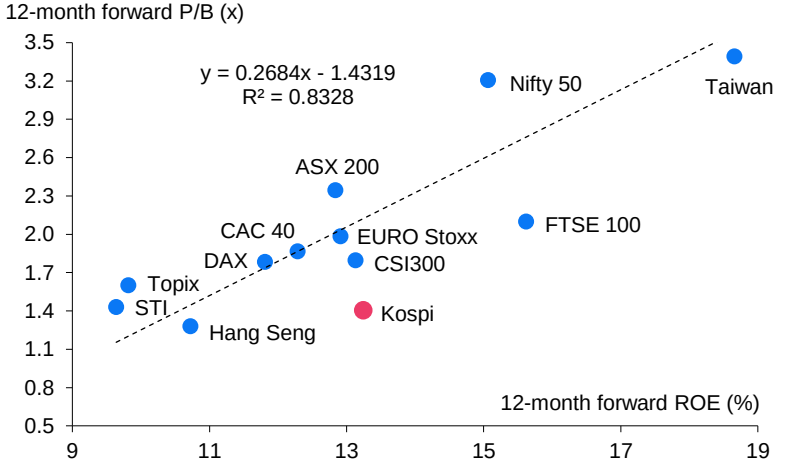
- In January, the global market's COE fell 0.2%pts m-m to 9.2% and the Kospi's ROE rose 1.4%pts m-m to 13.2%, pushing the Kospi's fair P/B up to 2.1x.
- We raise the upper bound of our target P/B band for 2026 to 6,300 (based on 1.8x P/B, which corresponds to a discounted ROE of 11.9%, a 10% discount to the current figure of 13.2%).
- We set 5,100 as the lower bound of our target band for February by applying 10.7x P/E (the Kospi's average since early 2018, when liquidity growth began accelerating as strongly as it is now).

**Kospi: 2026 outlook**




Note: As of Jan 26
Source: LSEG Workspace, Samsung Securities

**Major stock indices: P/B vs ROE**



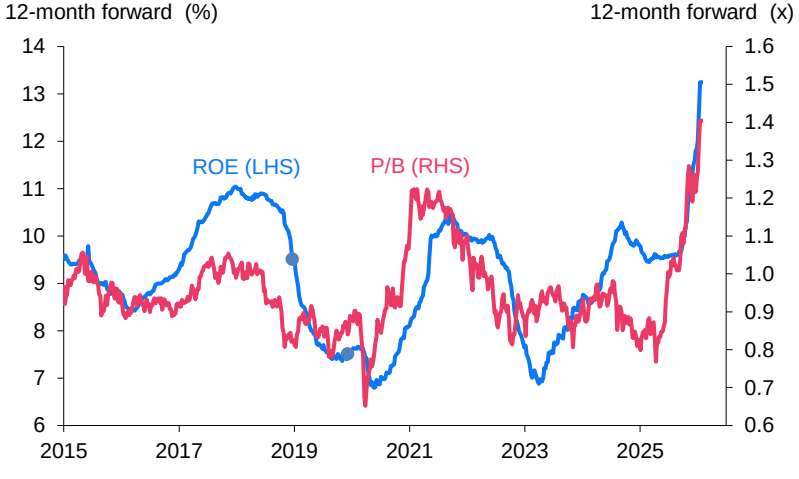

Note: As of Jan 26, S&P 500 – ROE 20.8%, P/B 4.8x
Source: LSEG Workspace, Samsung Securities

# Rationale for valuation expansion

▶ A rise in ROE is another factor that pushes up P/E valuations.

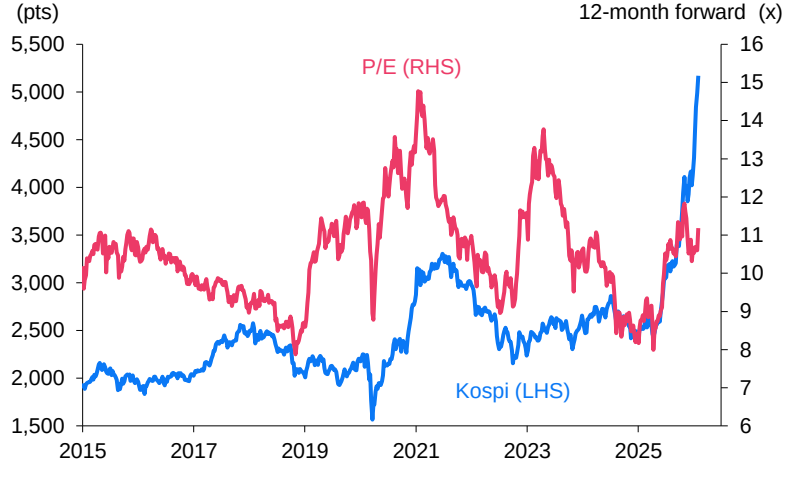
- The Kospi's 12-month forward ROE has started to exceed 13%, which is not only the highest since 2012 but also a relatively high level compared to that for indices in major European countries.
- Despite this, the Kospi is trading at a P/E of just 11x. In line with the ROE rise, the Kospi's P/E should increase, as growth rate is a function of ROE. (In the bottom-right chart on page 5, P/E is represented by the slope from the origin, and the fact that the y-intercept is negative implies that a hike in ROE should at some stage result in a higher P/E.)
- However, this assumes that earnings stability will be maintained. Going forward, key factors should include: 1) the state of the global economy; and 2) the level of capex by semiconductor makers.

**Kospi: ROE vs P/B**




Source: LSEG Workspace, Samsung Securities

**Kospi vs P/E**

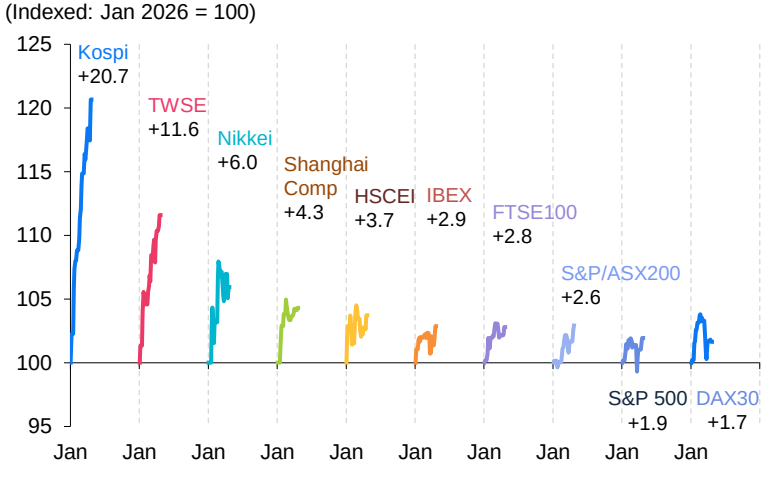



Source: LSEG Workspace, Samsung Securities

# Korean stock market keeps rallying in January

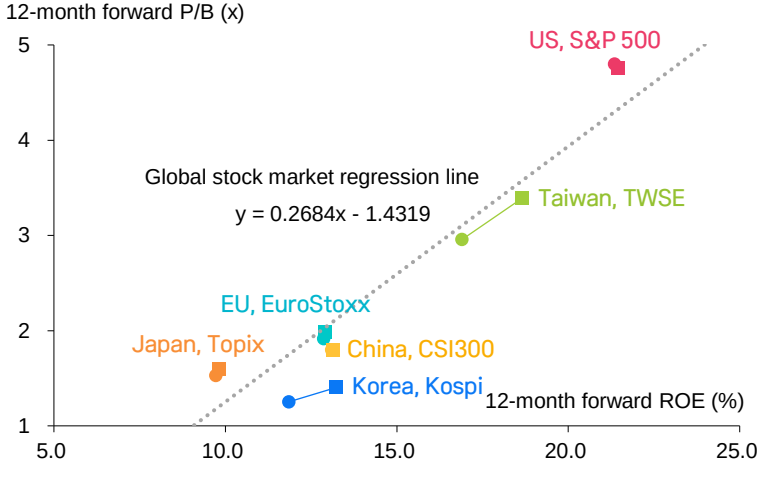
- Global equity markets started the year with a strong rally in January, but volatility increased following tariff threats from President Trump.
  - CES 2026 drew investor attention to hardware companies, leading to Asian markets (*eg*, indices in Korea, Taiwan, and Japan) outperforming European and US markets.
- In most major markets, valuation expansion contributed more to share-price gains, while in Korea, upward revisions to earnings forecasts played a greater role.
  - Despite the gains, the Korean market experienced a deepening of its undervaluation.

**Major stock market performance ytd**




Note: As of Jan 27
Source: Bloomberg, Samsung Securities

**Major stock indices: P/B vs ROE (m-m change)**

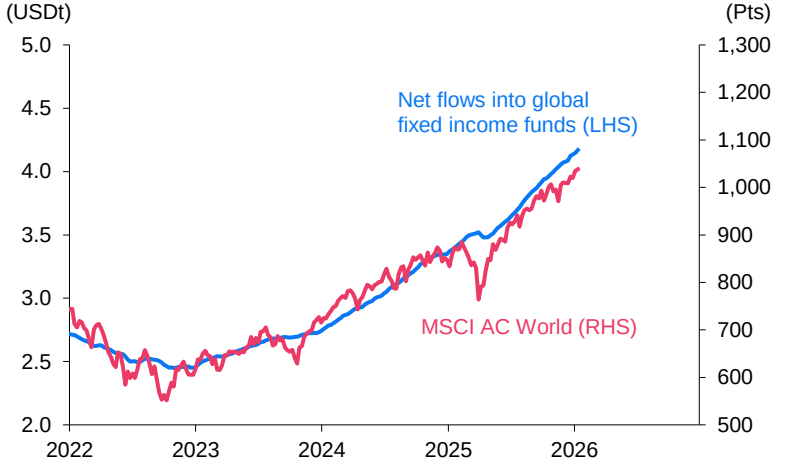



Note: Squares are as of Jan 23, 2026; Circles are as of Dec 23, 2025
Source: LSEG Workspace, Samsung Securities

# Risk appetite in global equity markets to remain strong in February

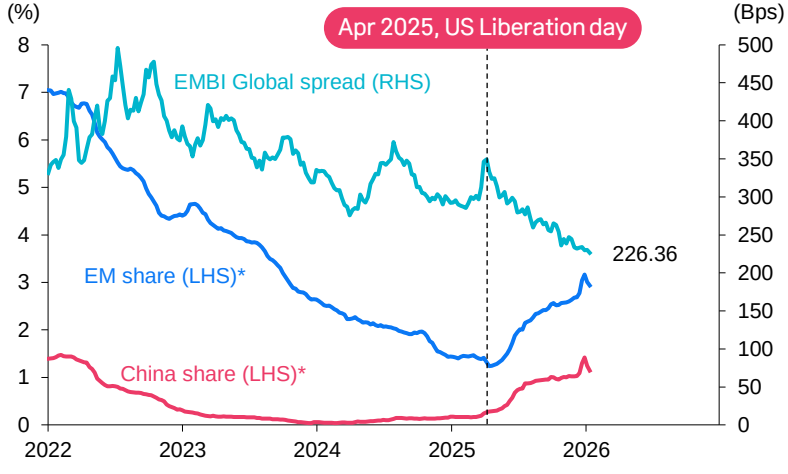
- Global equity markets should keep trending higher in February, led by the favorable liquidity environment.
  - The liquidity environment supports a sustained 2% m-m increase in stock prices.
- EMs should continue outperforming DMs.
  - Since President Trump's Apr 2025 tariff policy was announced, capital flows have increasingly favored EMs.
  - The decline in the EMBI Global spread (a credit spread reflecting the additional yield that investors demand for holding EM bonds) suggests that EM equity markets will remain relatively stable.

**Cumulative net inflows into global bond funds vs MSCI AC World**




Note: Since 2022
Source: LSEG Workspace, EPFR, Samsung Securities

**Regional share of cumulative net inflows into bond funds vs EMBI global spread**

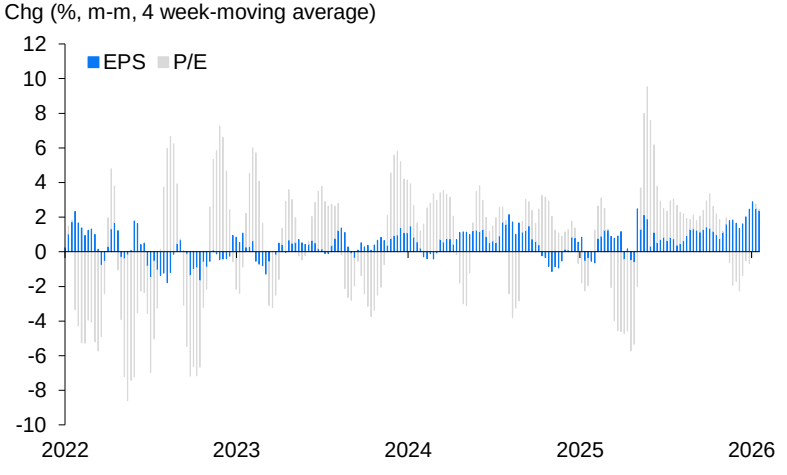



Note: *Share relative to global total amount (see the blue line on the chart on the left)
Source: EPFR, Samsung Securities

# Global equity markets increasingly driven by earnings growth rather than valuation metrics

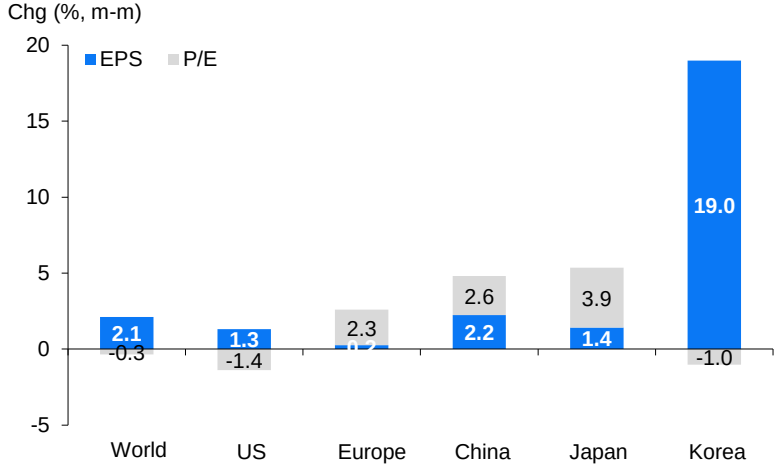
- Monthly upward revisions of around 2% to earnings forecasts are propelling global stock markets. Such revisions suggest that global equity markets' fundamentals remain robust.
  - The 2% m-m revisions are the highest since the pandemic.
- The Korean market, which has high exposure to IT hardware, is outperforming major global markets.

**Composition of MSCI index m-m change: EPS vs P/E**




Note: As of Jan 23; Based on 12-month forward
Source: LSEG Workspace, Samsung Securities

**EPS and P/E contributions to m-m changes, by MSCI country indices**

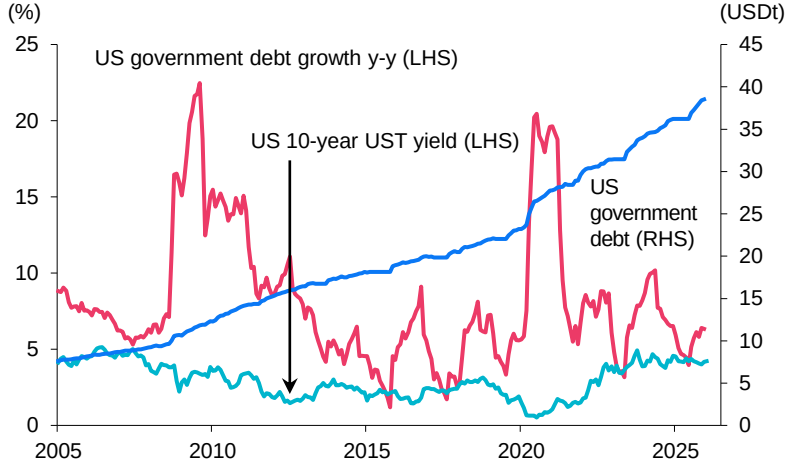



Note: As of Jan 23; Based on 12-month forward
Source: LSEG Workspace, Samsung Securities

# Macro environment not unfavorable for Korean equity market

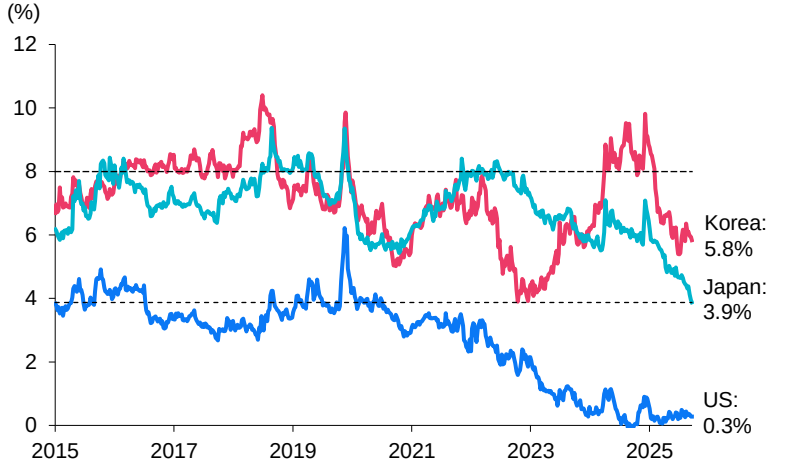
- US government debt growth now exceeds the yield on 10-year US Treasuries (USTs).
  - There is a high likelihood that more attractive investment opportunities exist vs holding USTs.
- The narrow yield gap (expected excess equity returns relative to bond yields) is holding back further expansion of US equity valuations.
  - Korea has a wider yield gap: 1) vs historical levels; 2) vs that in other countries; and 3) in absolute terms.

**US government debt change vs 10-year UST yield**




Source: Bloomberg, Samsung Securities

**Yield gap in Korea, US, and Japan***

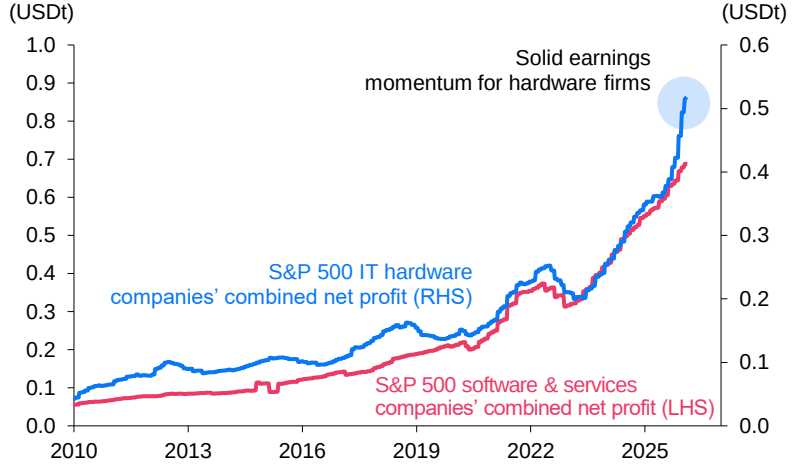



Note: Inverse of the 12-month forward P/E ratio - 10-year government bond yield for each country; As of Jan 23
Source: LSEG Workspace, Samsung Securities

# Hardware-driven momentum favors Korean stock market

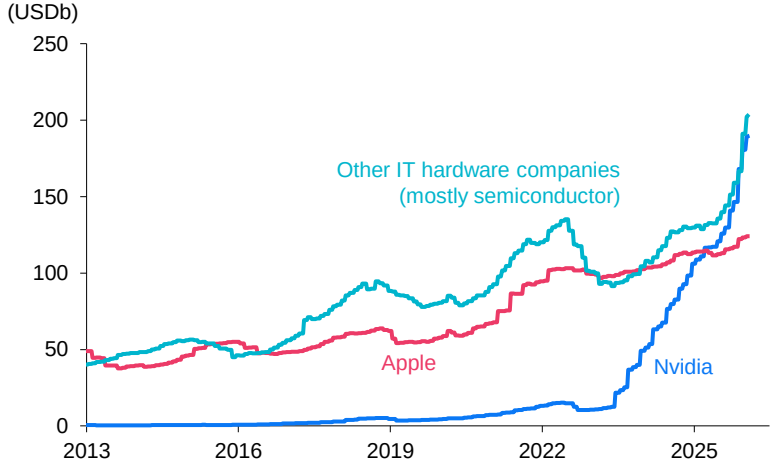
- Over the past month, IT hardware (within the tech sector) has shown stronger earnings momentum vs IT software.
  - The characteristics of the market are shifting: Previously, only Nvidia was rising, but now other semiconductor companies are climbing as well.
  - Nvidia's 12-month forward earnings outlook is still being revised up.
  - Strong hardware earnings momentum is positive for the Korean stock market thanks to its significant exposure to semiconductors.

**S&P 500 12-month forward net profit: IT hardware vs IT software**




Source: EPFR, LSEG Workspace, Samsung Securities

**S&P 500 12-month forward net profit: IT hardware**

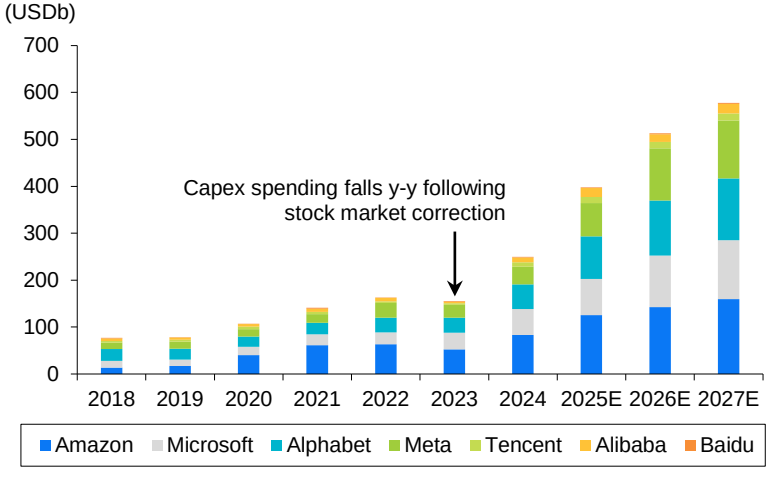



Note: The sum of these three graphs is 'IT hardware' [see the chart on the left]
Source: EPFR, LSEG Workspace, Samsung Securities

# Direction of outlook revisions for hyperscaler capex a key area of interest

- The direction of outlook revisions for hyperscaler capex is a key area of interest, but so is the pace of capex growth in absolute terms.
  - Capex spending by major hyperscalers is set to grow 29% in 2026. The likelihood of these forecasts materializing is higher than in the past as companies are aggressively optimizing their labor costs.
  - The 2027 capex outlook is relatively subdued, suggesting that 2027 figures could be raised in 2026.
  - The process of optimizing labor costs while expanding capex may continue.

**Capex trends and outlook: Top-7 hyperscalers**




Note: Based on calendar year
Source: Bloomberg, Samsung Securities

**Announcements of workforce restructuring by US companies in January**

| Company | Announce-ment date | Scale (people) | Reason |
|---|---|---|---|
| Meta | Jan 20 | 1,500 | • Downsizing Reality Labs (metaverse business)<br>• Reallocation of investment resources towards AI |
| Autodesk | Jan 23 | 1,300 | • Expansion of AI and cloud investments<br>• Improving operational efficiency in terms of sales and customer support |
| Nike | Jan 26 | 775 | • Large logistics centers in Tennessee and Mississippi targeted<br>• Acceleration of logistics center automation<br>• Improvement in offline operational efficiency |
| Pinterest | Jan 27 | 700-800 | • Expansion of AI investment through office space reductions |
| UPS | Jan 27 | 30,000 in 2026 | • Cost savings due to Amazon package delivery volume decline<br>• Workforce replacement driven by logistics automation |
| Amazon | Jan 28 | 16,000 | • AI adoption and corporate organizational culture shift<br>• Management reductions and company-wide cost savings<br>• Adjustment of excess hirings during the pandemic |

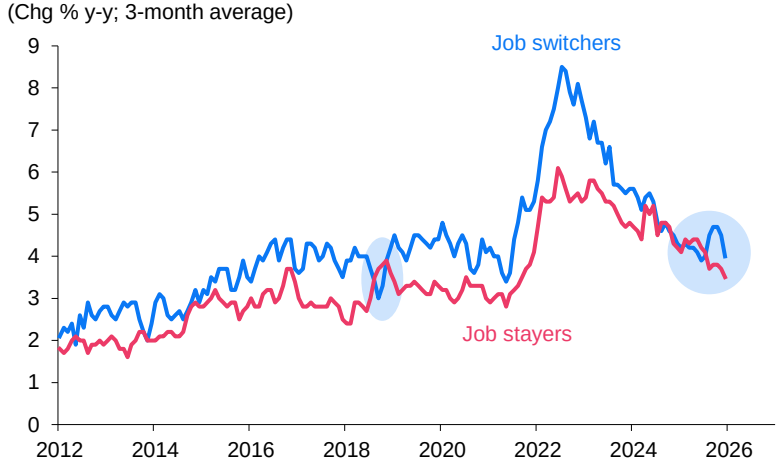
Source: Media, Samsung Securities

# AI expansion not burdening US employment in major way

▶ The cooling labor market does not appear to be dragging down the stock market's performance.

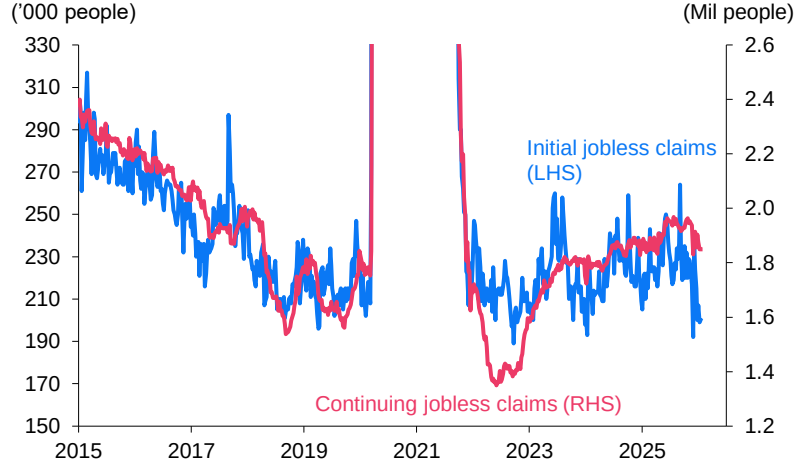
- Wage growth for individuals not changing jobs (job stayers) was relatively strong, probably due to AI adoption, But the pace of wage growth for job switchers is now once again higher than that for job stayers, suggesting that the labor market has not deteriorated to an extent that might discourage people from changing jobs.
- A sustained rise in continued jobless claims had previously signaled structural challenges to the labor market , with individuals facing increasing difficulty re-entering the workforce once unemployed. But signs of a reversal have been spotted.

**US wage growth: Job switchers vs job stayers**




Note: As of Dec 31, 2025
Source: Atlanta Fed, Samsung Securities

**Initial jobless claims vs continuing jobless claims**

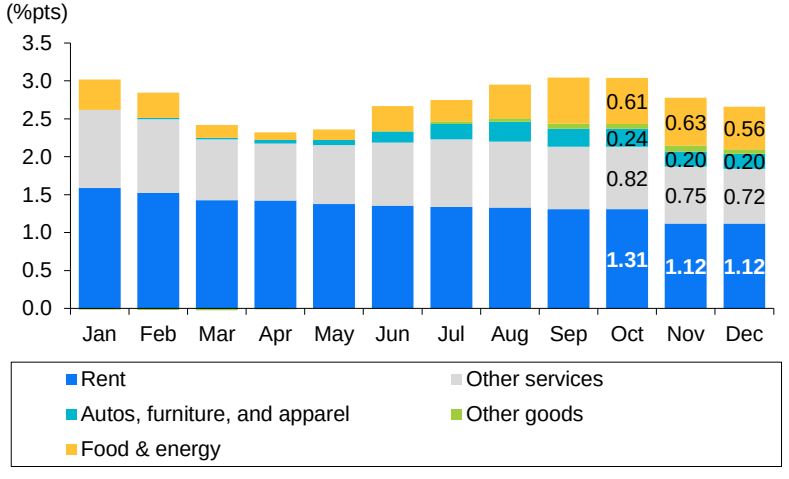



Note: As of Jan 16
Source: Bloomberg, Samsung Securities

# More intervention by US government in Fed could amplify volatility

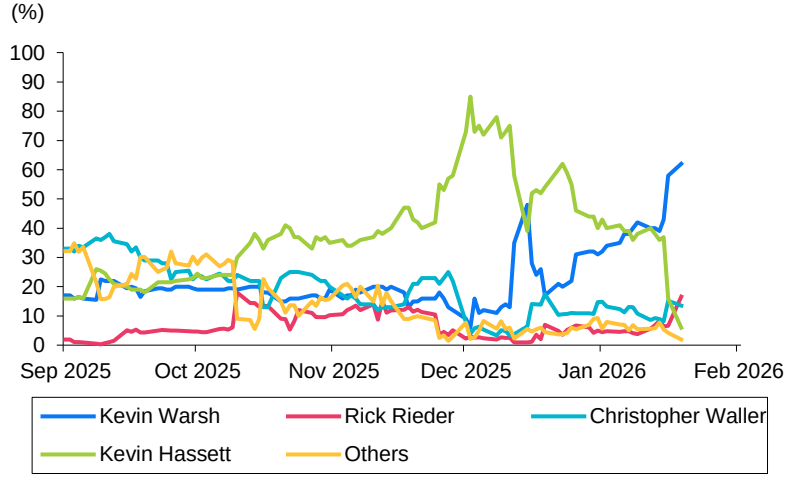
- Despite distortions in the US CPI (as data were not collected in December), the stock market's accent should persist.
  - Even if there were no price distortions in December, inflationary pressure would have been weak.
- However, if doubts arise regarding the value of the US dollar, it could drive greater volatility in global equity markets.
  - In the short term, the relationship with the current Fed Chair will be more important than the appointment of the next Fed officials.

**US CPI (y-y change): Contribution, by category**




Note: As of end-December, 2025
Source: Bloomberg, Samsung Securities

**Probability of the next Federal Reserve Chair nomination**



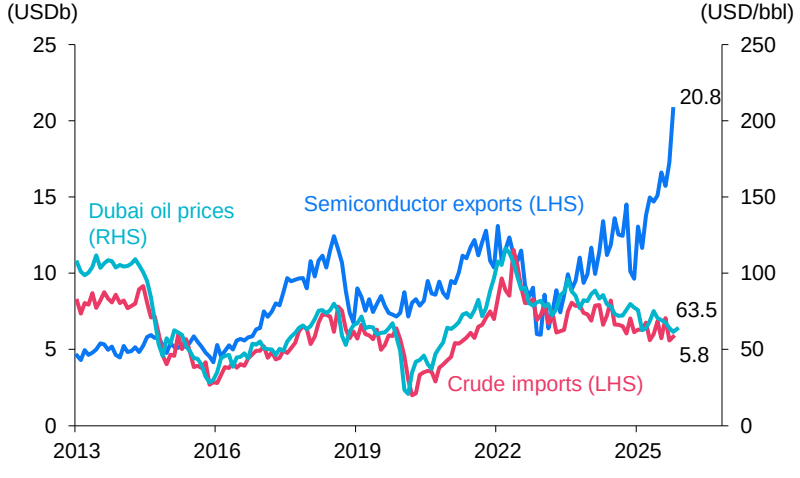

Souce: Polymarket, Samsung Securities

# Semiconductors driving Korea's trade surplus

▶ Chip prices are high and oil prices are stable.

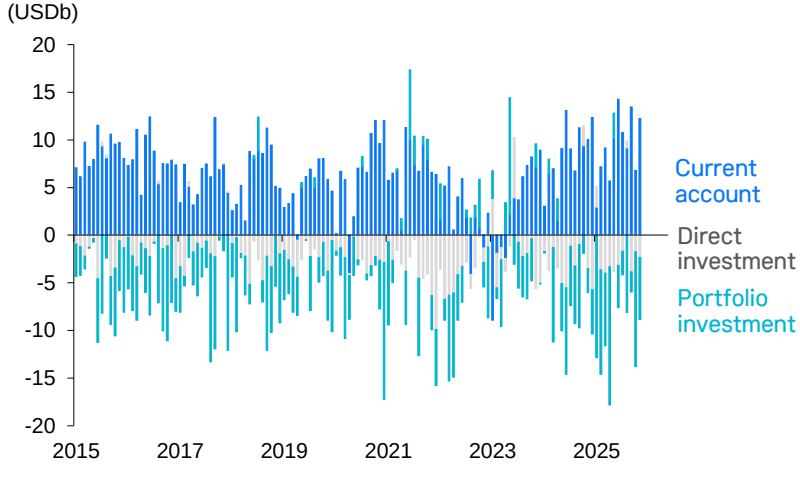
- The gap between Korea's semiconductor exports and crude imports is likely to widen further in 2026.

**Korea: Semiconductor exports vs crude imports**




Source: Bloomberg, Samsung Securities

**Main components of balance of payments**

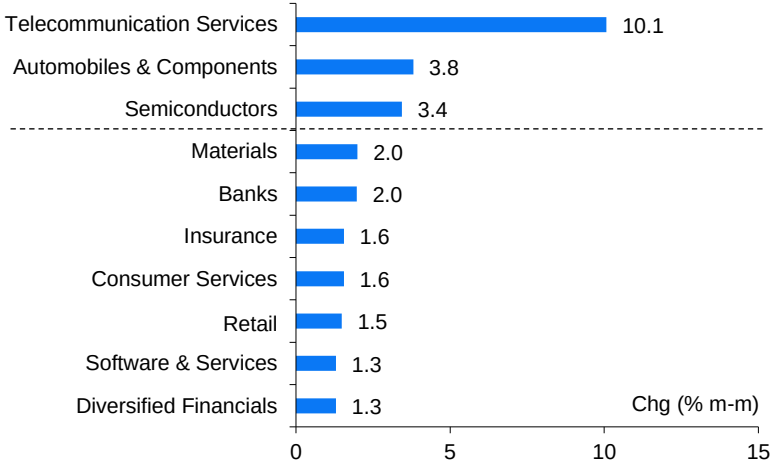



Note: As of end-November, 2025
Source: Bloomberg, Samsung Securities

# AI momentum strong in US; earnings momentum rising in EMs and in non-AI sectors

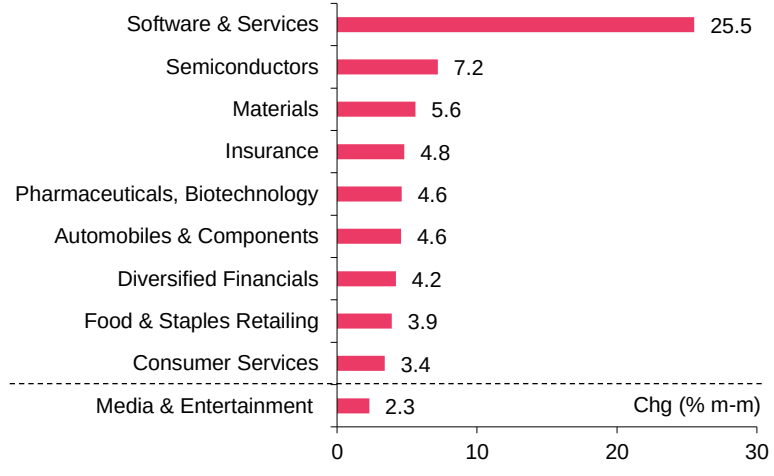
- While the US stock market has enjoyed solid earnings momentum, China's earnings momentum is beginning to pick up.
  - In January, more diverse sectors in China saw 12-month forward earnings forecasts revised up by more than 3% m-m.
- In Korea, while momentum has so far concentrated on AI-related sectors, stock-price momentum will likely soon spread to a broader range of industries.
  - Sectors like materials, biotech, and media/entertainment warrant investor attention.

**US: Upward 12-month forward EPS revision ratio, by sector**




Note: Based on GICS classification as of Jan 23
Source: LSEG Workspace, Samsung Securities

**China: Upward 12-month forward EPS revision ratio, by sector**

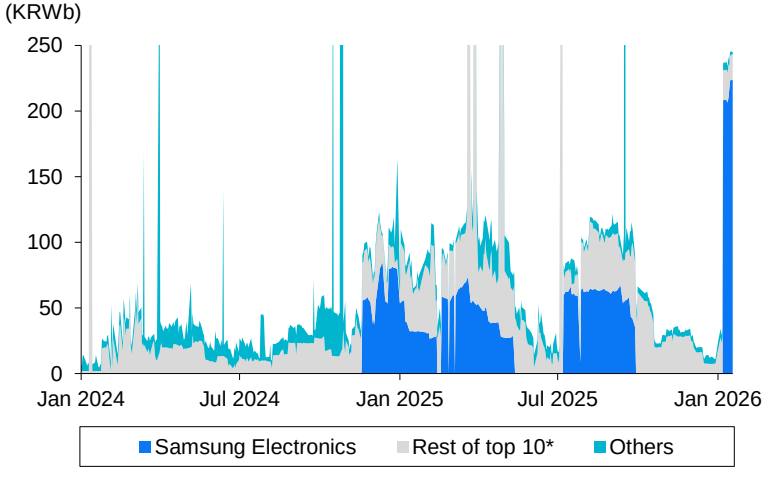



Note: Based on GICS classification as of Jan 23
Source: LSEG Workspace, Samsung Securities

# Time to prepare for broader range of stocks driving market rally

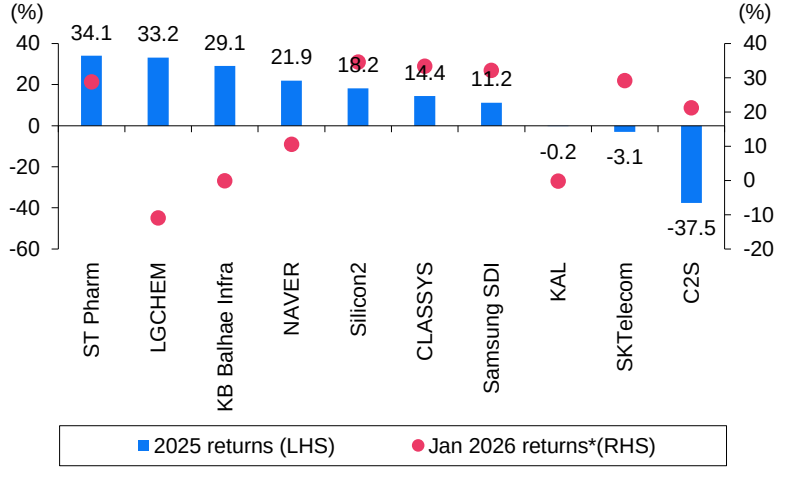
- In February, supply-demand dynamics could become more important than operating results, due to: 1) the 4Q earnings season winding down; 2) growing interest in the Kosdaq; 3) rising commodity prices; and 4) increasing focus on China's earnings momentum.
- Investors need to consider adding exposure to firms that have so far underperformed despite their strong fundamentals.
  - February may also be a good time to look again at stock performances in 2025.

**Estimated value of share buybacks by Kospi-200 company**




Note: *Based on 2025 share buy-back rankings –includes Meritz Financial Group, Shinhan Financial Group, KB Financial, Hyundai Motor, Celltrion, Hana Financial Group, Krafton, Hyundai Mobis, and Kia
Source: Quantiwise, Samsung Securities

**Companies with solid fundamentals but weak share returns in 2025**

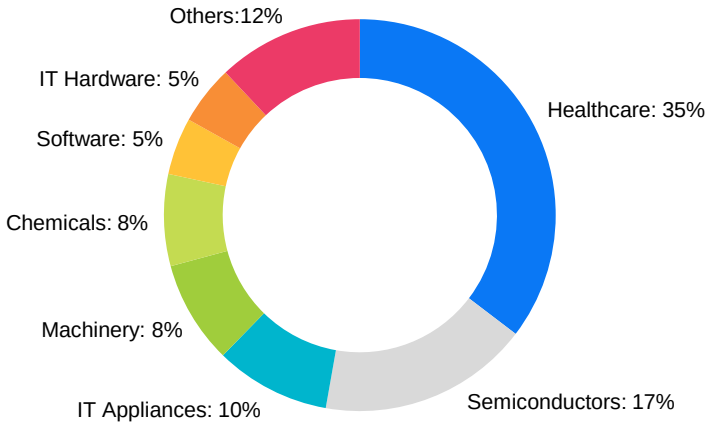



Note: Some of our top picks in
Source: Quantiwise, Samsung Securities

# Interest in the Kosdaq to persist

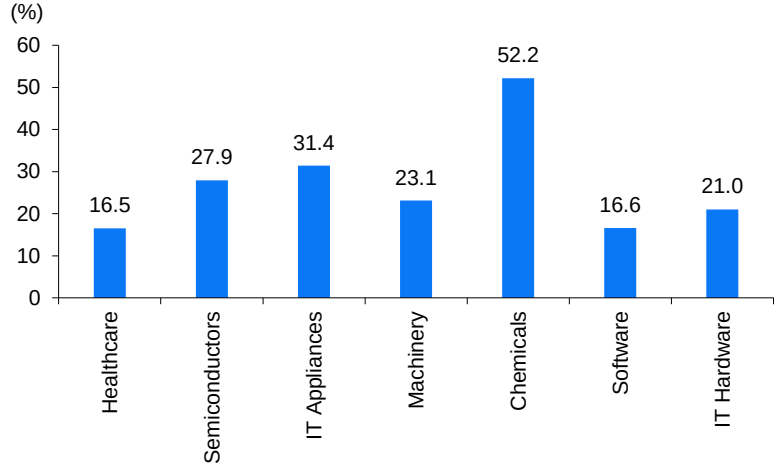
- Investors are expected to pay keen attention to the Kosdaq in February.
  - In the short term, policy-driven momentum may be more important than valuations.
- We prefer stocks that are aligned with the sectors targeted by the National Growth Fund.
  - The National Growth Fund plans to invest KRW150t over the next five years in high-tech strategic industries.
  - The government has identified 10 key advanced industries: 1) AI; 2) semiconductors; 3) bio; 4) vaccines; 5) defense; 6) robotics; 7) hydrogen; 8) rechargeable batteries; 9) displays; and 10) the entire future mobility value chain.

**Composition of Kosdaq, by sector**




Note: Based on WI26 classification, for Kosdaq 150 constituents
Source: Quantiwise, Samsung Securities

**Kosdaq: Market cap growth, by sector**

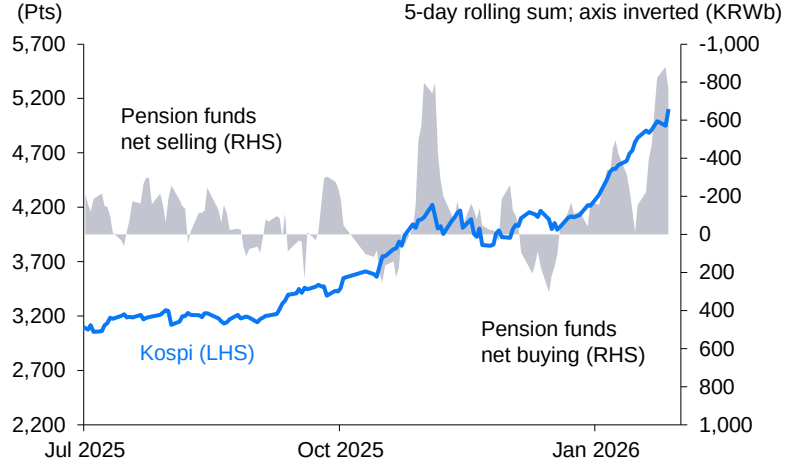



Note: Based on WI26 classification, for Kosdaq 150 constituents (Jan 26-28, 3 trading days)
Source: Quantiwise, Samsung Securities

# Pension fund flows

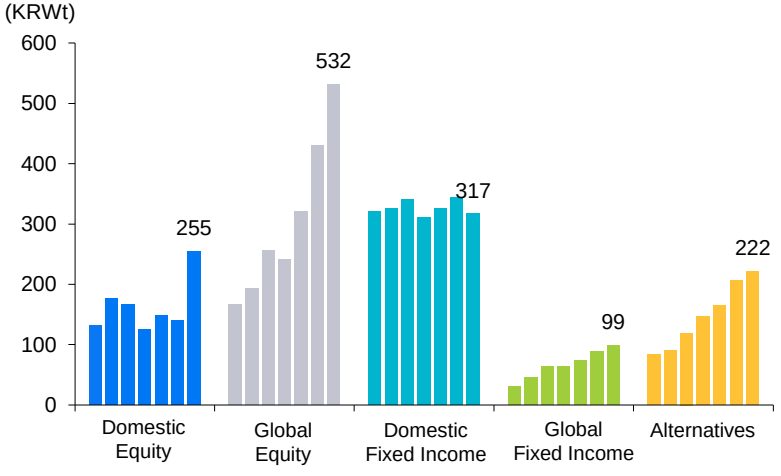
- Pension funds were net sellers in January.
  - The Kospi has trended higher since mid-December, despite ongoing net selling by pension funds.
- It should be important to monitor pension fund policies with respect to their domestic equity allocation.

**Net selling/buying by pension funds vs Kospi**




Source: Quantiwise, Samsung Securities

**National Pension Service: AUM, by asset class (2019-2025)**




Note: 2025 figures are as of end-October
Source: NPS, Samsung Securities

PART

02

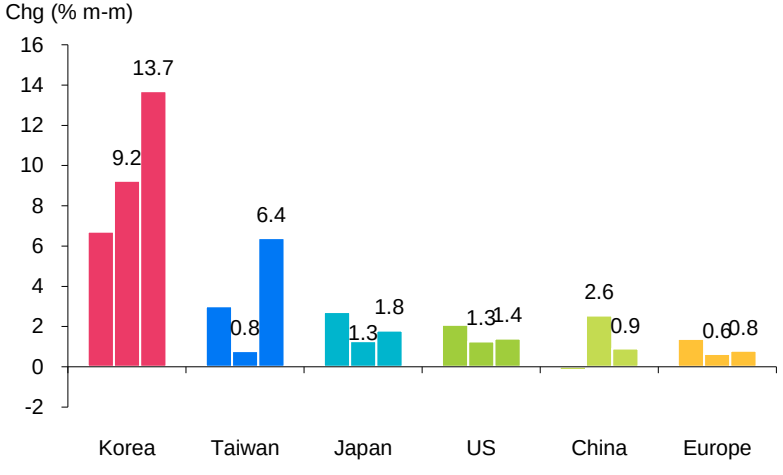
# Sector strategy

# Korea's earnings momentum outshining global peers'

▶ The Korean stock market has enjoyed significant earnings momentum as of late.

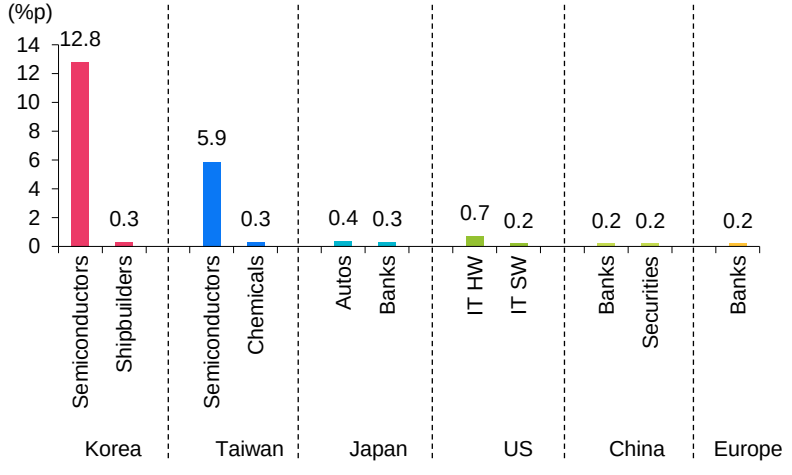
- In January, Korea's earnings momentum remained stronger than that for global markets.
- If global IT software earnings momentum resumes, Korea's earnings momentum should stay strong in February.
- Excluding the IT sector, 12-month forward net profit forecasts in January were revised up greatly for the materials (chemicals) sector in Taiwan and for the financial sector in most other regions. This suggests that similar trends may also emerge in Korea.

**Major markets: Changes to 12M fwd net profit forecasts (forecasts made in Nov 2025, Dec 2025, and Jan 2026)**




Note: As of Jan 19; Calculated for profitable companies listed on Kospi 200 (Korea), S&P500 (US), Euro Stoxx (Europe), Nikkei225 (Japan), Taiwan weighted Index (Taiwan), CSI 300 Index (China) Source: LSEG Workspace, QuantiWise
Samsung Securities

**Sector contributions to 12M forward EPS revisions, by country (Jan 2026)**

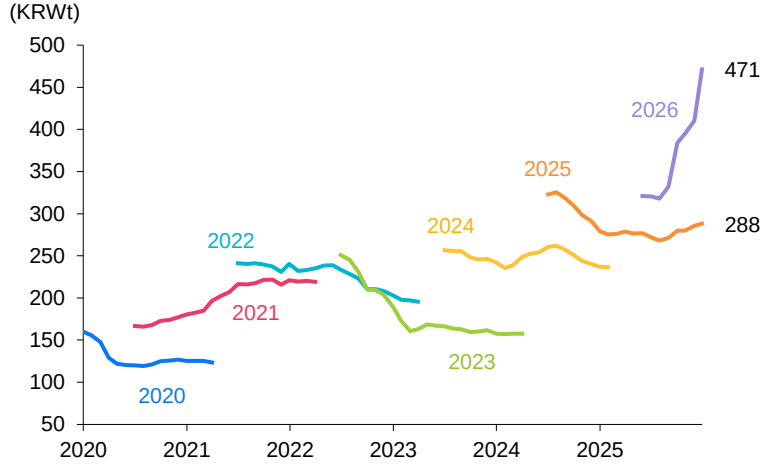



Note: The total in the right chart explains the September figures in the left chart. The difference is due to other industries
Source: LSEG Workspace, QuantiWise, Samsung Securities

# Semiconductors driving revisions to earnings forecasts

- Consensus has 2026 earnings at Korean companies surging.
  - The average 2026 operating profit forecast for Kospi 200 companies is 30.8% higher than the 2025E figure.
- The IT industry, which accounts for a large part of the Kospi 200's total earnings, should drive the upward revisions.

**Kospi 200: Consensus operating profit, by year**




Note: As of Jan 27
Source: Quantiwise, Samsung Securities

**2026 net profit forecasts, by sector**

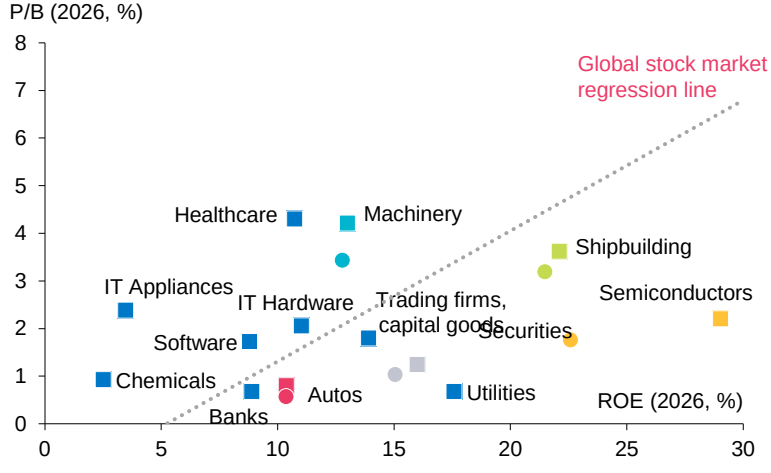
| (KRWt) | 2026 net profit estimates | | |
|---|---|---|---|
| Date estimates made | Dec 26, 2025 | Jan 27, 2026 | Chg (%) |
| IT | 151.4 | 200.8 | 32.7 |
| Energy | 3.1 | 3.2 | 3.2 |
| Heavy Industries | 13.8 | 14.2 | 2.9 |
| Utilities | 11.7 | 12.0 | 2.9 |
| Healthcare | 4.0 | 4.1 | 1.9 |
| Construction | 5.2 | 5.3 | 1.9 |
| Financials | 41.7 | 42.1 | 0.9 |
| Consumer discretionary | 32.0 | 32.1 | 0.4 |
| Chemicals | 5.6 | 5.5 | (0.4) |
| Communication | 8.7 | 8.6 | (1.5) |
| Industrials | 11.3 | 10.9 | (3.3) |
| Steel/Materials | 3.6 | 3.5 | (3.5) |
| Consumer staples | 6.8 | 6.5 | (4.1) |
| Total | 298.8 | 348.9 | 16.7 |

Note: Based on Kospi 200, but the four oil refiners are reflected in energy (not chemicals), and the two utilities companies are reflected in utilities (not consumer staples)
Source: QuantiWise, Samsung Securities

# Valuations attractive even after share-price rallies

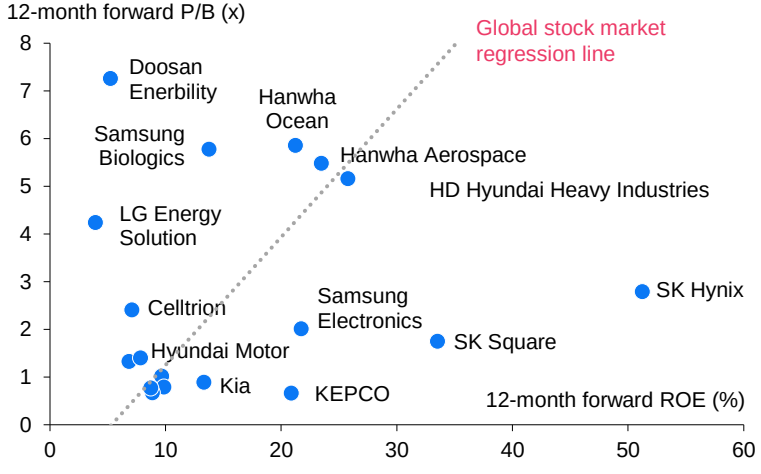
- Several key sectors remain undervalued despite the recent rallies.
  - Semiconductor stocks have seen only modest gains relative to changes in earnings forecasts. The market appears to be pricing in a sustainable ROE of around 13.5% for the sector.
  - Valuations for auto stocks are starting to diverge. However, investors may prefer auto firms with robotics momentum over pure auto players.

**Kospi: P/B vs ROE, by sector**




Note: Top market-cap stocks within each WI 26 sector; Squares indicate Jan 28, 2026, and circles indicate end-2025
Source: Quantiwise, Samsung Securities

**Kospi: P/B vs ROE, by company**



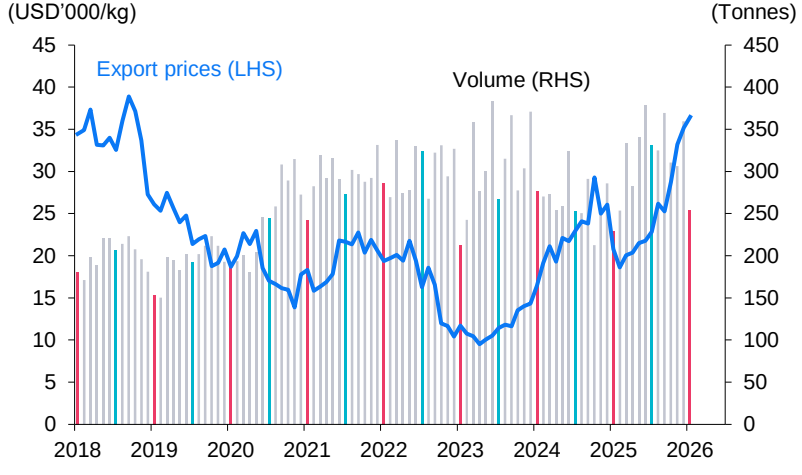

Note: Top market-cap stocks within each WI 26 sector
Source: Quantiwise, Samsung Securities

# Semiconductor: Benefiting from rising commodity DRAM prices

▶ Semiconductor export prices remained strong in January.

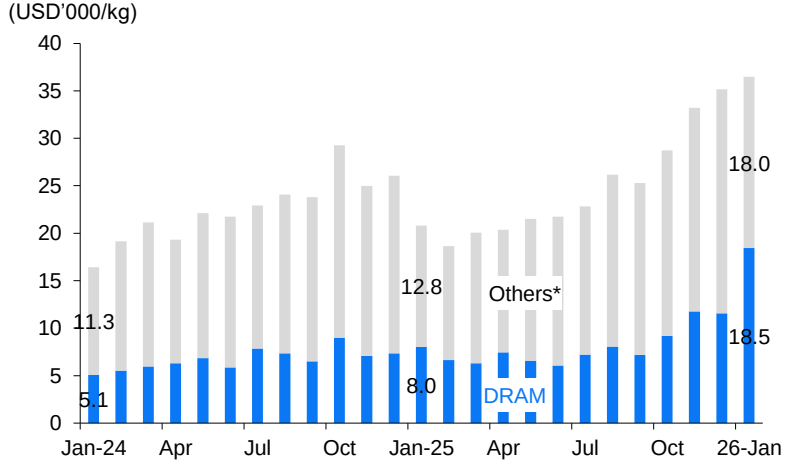
- With DRAM spot prices rising and HBM exports concentrating on the latter half of the month, we believe that January chip exports were very strong.

**Korea: Memory semiconductor exports**




Note: January is red, and July is green, Jan, 2026 volume = cumulative data from Jan 1 to Jan 20 *1.5
Source: KITA, Samsung Securities

**Contribution to semiconductor export unit prices**



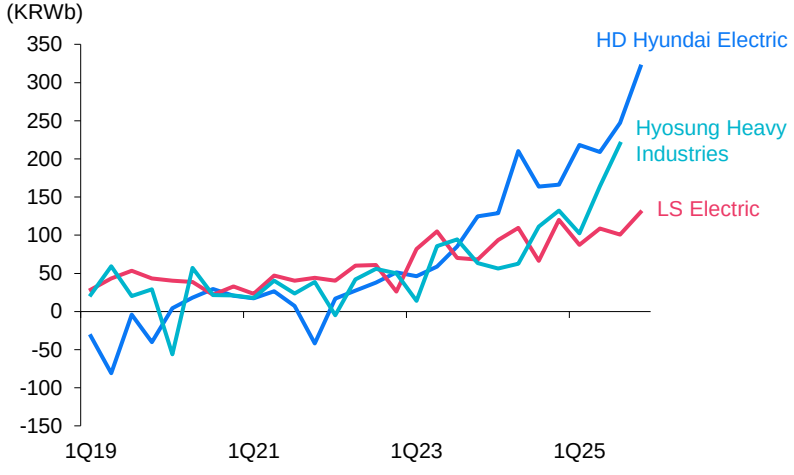

Note: The sum of DRAM and others corresponds to the blue line(export prices) in the left graph. Jan figures are cumulative data from Jan 1 to Jan 20, * NAND and HBM are also expected to be included
Source: Korea Customs Services, Samsung Securities

# Power equipment: Global liquidity and IT momentum moving in same direction

▶ Power equipment companies continue to log robust earnings momentum.

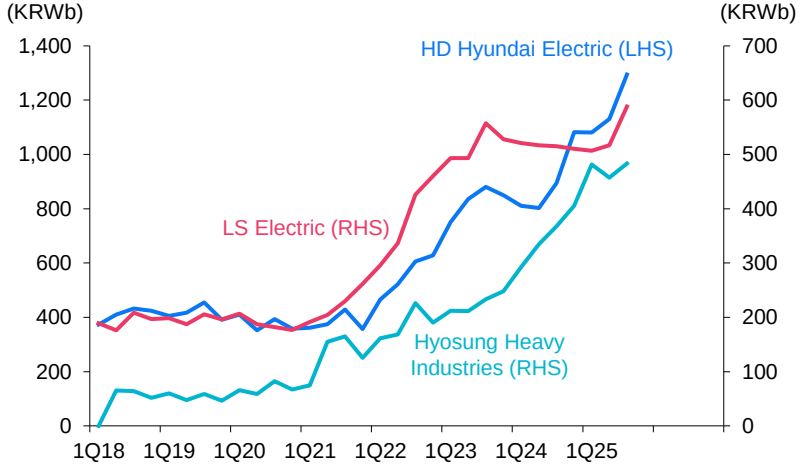
- Power equipment companies reported solid 4Q25 results. LS Electric delivered a strong earnings surprise, if excluding one-offs.
- Hyosung Heavy Industries, which saw relatively low inventory growth in 3Q25, likely avoided weak earnings in 4Q25.

**Operating profit at 3 major power equipment companies**




Note: As of end-4Q25
Source: Company data, Samsung Securities

**Inventories at 3 major power equipment companies**




Note: As of end-3Q25
Source: Company data, Samsung Securities

# Autos: To rally when robotics theme resurfaces

▶ The key theme at CES was physical AI, with growing real-world applications spanning autonomous driving, robotics, logistics, and more.

- Real-world data accumulation and mass-production capabilities have become more important.
- Now that Boston Dynamics has demonstrated global leadership in robotics, domestic auto stocks with exposure to robotics are likely to see share-price gains whenever the robotics theme resurfaces—a shift from the trend seen in the past.

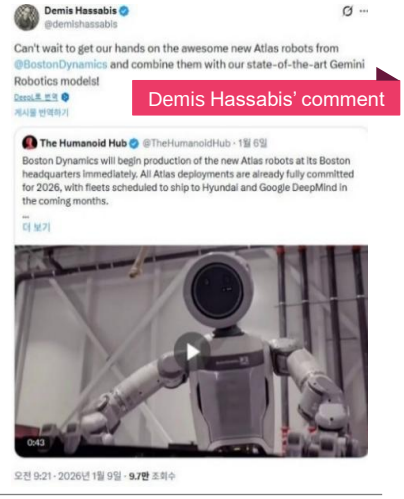
**CES 2026: Physical AI overview**

| | Autonomous driving | Robotics | Logistics |
|---|---|---|---|
| Technology maturity | • Limited-area real-world deployment stage: Technology verification, demonstration → operation and expansion | • Beyond the concept definition stage, a mass-production roadmap specifying production by year has been presented | • Secure operational data *en masse* and apply these data to industrial sites |
| Current status | • Tesla, Waymo, Zoox, Motional showcasing and live vehicle demonstrations: Robotaxi services expanding as daily mobility options in select US cities | • Hyundai Motor Group unveiling mass-production humanoid robot Atlas; Deployment to group affiliates (2026), customer expansion (2027), 30,000 robots made *pa* (2028) | • Amazon vertically integrating robot hardware, AI foundation models, and cloud infrastructure<br>• Over 1m robots deployed across 300+ sites |
| Challenges/ Implications | • Need for differentiated service models<br>• Competition centered on UX, UI, and entertainment (*ie*, beyond driving stability) | • Bottlenecks: Energy storage, thermal management, and cost<br>• Early commercialization stage for service robots capable of performing diverse physical tasks | • The industry most proactively establishing a standard operating model in physical AI: Likely to be adopted as the operational approach when manufacturing robots becomes common place |

Source: Media, Samsung Securities

**Comparison of digital data and physical-world data**

| | Digital dataset | Physical-world dataset |
|---|---|---|
| Replication cost | Near zero | Very high |
| Failure cost | None | Accidents, physical damage |
| Temporal dependency | Independent sampling possible | Time-sequence dependent |
| Rules | Statistical | Constrained by physical laws |
| Distribution | Static | Varies by environment |

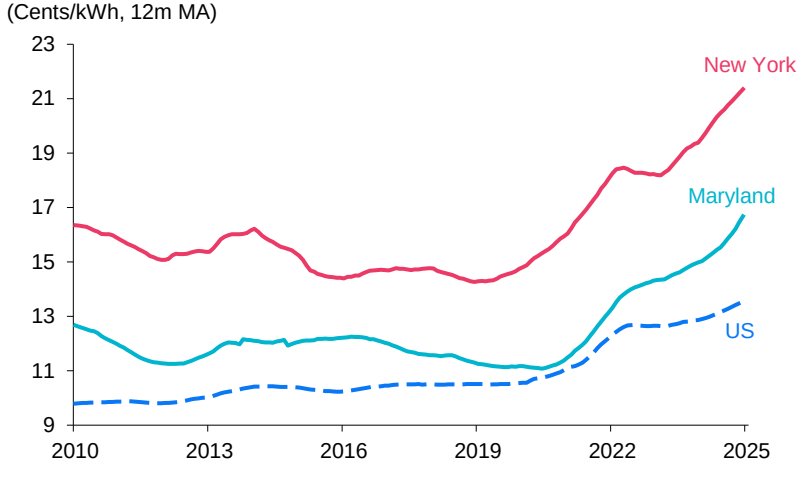



Source: X(Twitter), Samsung Securities

# Energy: As a bottleneck within AI value chain, electricity to continue drawing attention

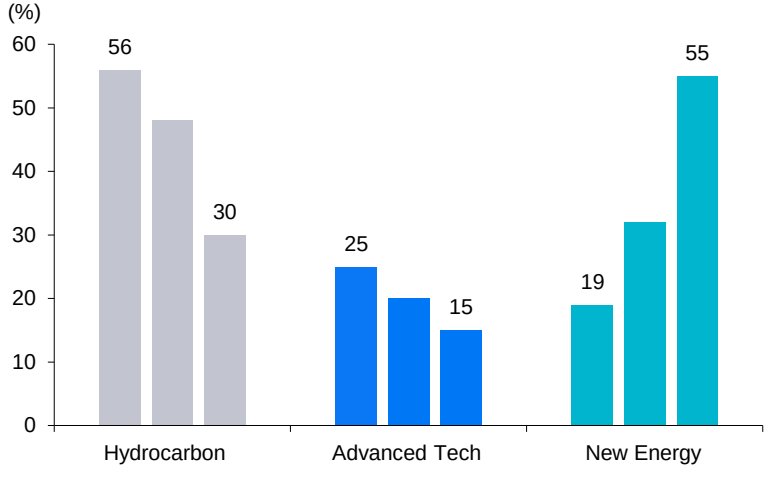
- With the simultaneous increase in manufacturing and AI demand in the US, electricity demand should surge...
  - ...leading to sustained increases in electricity prices. Continued attention should be given to EPC-related companies.
- Samsung E&A forecasts that by 2030, the share of pre-tax profit from new energy (including LNG) will reach 55%.
  - New energy businesses encompass: 1) LNG (FLNG); 2) clean energy like hydrogen and ammonia CCS; and 3) water treatment.

**Electricity prices: US total vs individual states**




Note: Total = Residential + Commercial + Industrial + Transportation (by purpose)
Source: EIA, Samsung Securities

**Samsung E&A: Forecasts of pre-tax profit contributions, by segment (2025, 2028E, 2030E)**

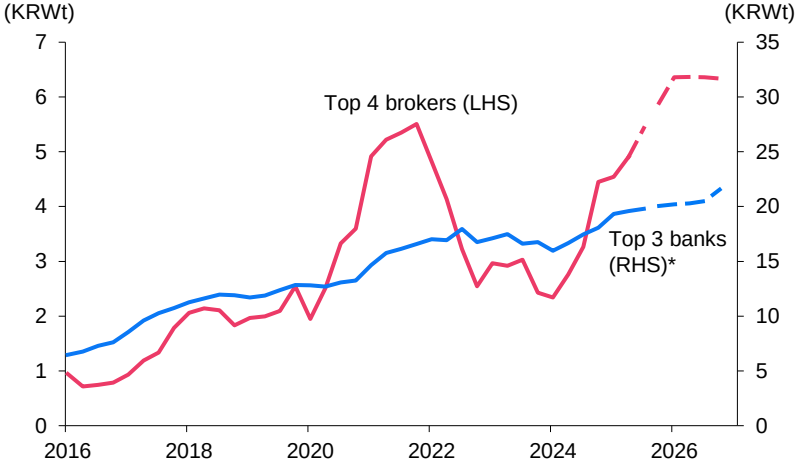



Source: Samsung E&A, Samsung Securities

# Financials: Securities sector stands to benefit from rise in global liquidity

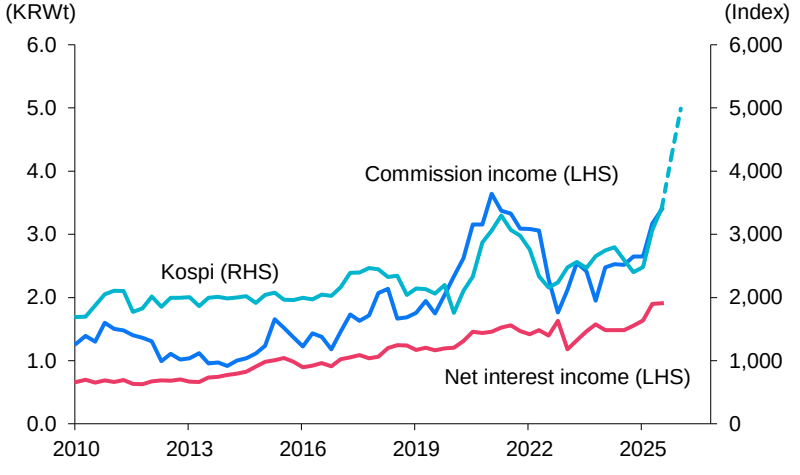
- There is a strong correlation between the growth of global liquidity and the expansion of AI.
  - The global financial sector is expected to see its profit grow around 20% in 2026. Within the Korean financial sector, the securities segment has the greatest potential to outperform.
- The stability of securities firms' earnings is also improving compared to that seen in the past.
  - Although fee income still has upside, expanding interest income and its increasing contribution to total earnings is encouraging.
  - In 2Q25 and 3Q25, interest income grew by an average of 28.4% y-y.

**Pre-tax profit in financial sector**




Note: *based on the rolling sum of the previous four quarters, Banks are based on KB Financial Group, Shinhan Financial Group, and Hana Financial Group. Brokers are based on Samsung Securities, Mirae Asset Securities, Kiwoom Securities, and NH Investment Securities
Source: QuantiWise, Samsung Securities

**Korean securities firms: Quarterly earnings, by segment**

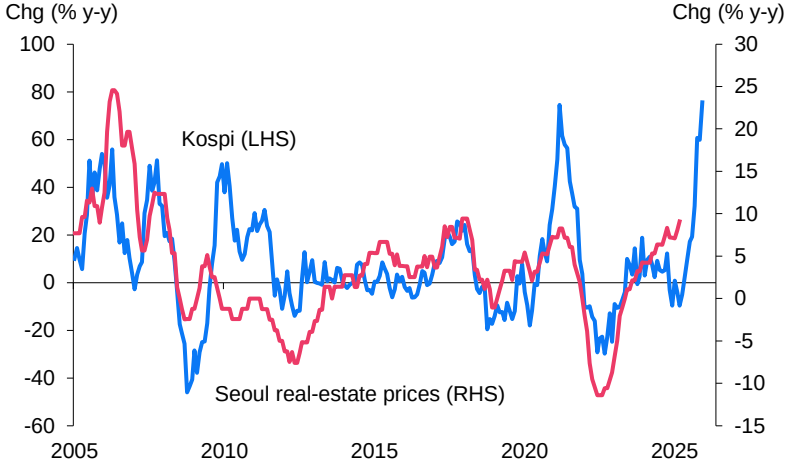



Note: Dotted lines represent already confirmed share prices
Source: Financial Supervisory Service, Samsung Securities

# Financials: Asset prices rise on increase in liquidity

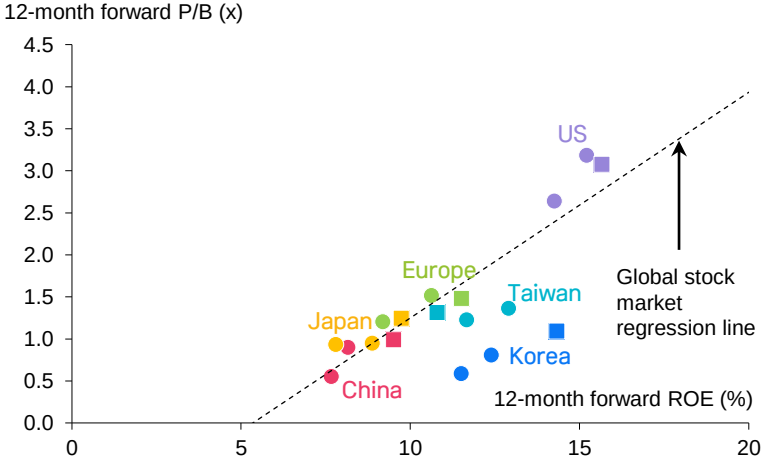
- We remain upbeat towards the financial sector.
  - Segment preference within the financial sector may shift according to the development of government policies.
- We favor the securities industry.
  - It remains undervalued despite the recent share-price increases.

**Seoul real estate prices vs Kospi**




Note: Seoul real estate prices are shown to lag behind the KOSPI by 9 months
Source: LSEG Workspace, Samsung Securities

**MSCI Securities Brokers: P/B vs ROE**

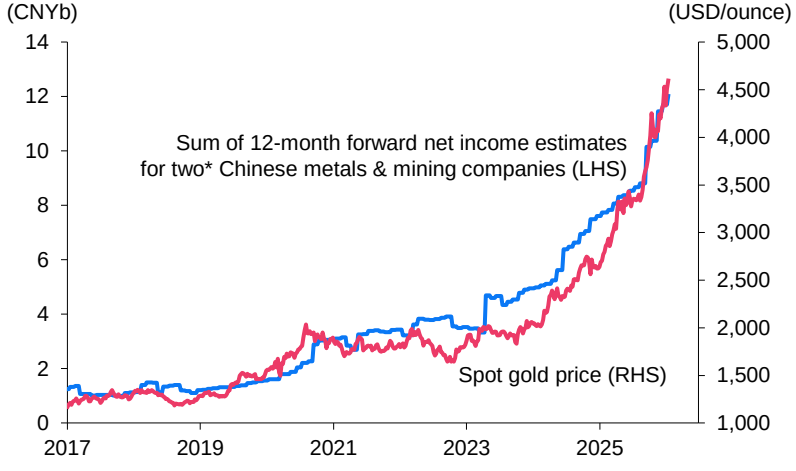



Note: Squares are Jan 27, 2026; circles are Jan 27, 2024 and Jan 27, 2025
Source: LSEG Workspace, Samsung Securities

# Materials: To benefit from rising metal prices and industry restructuring

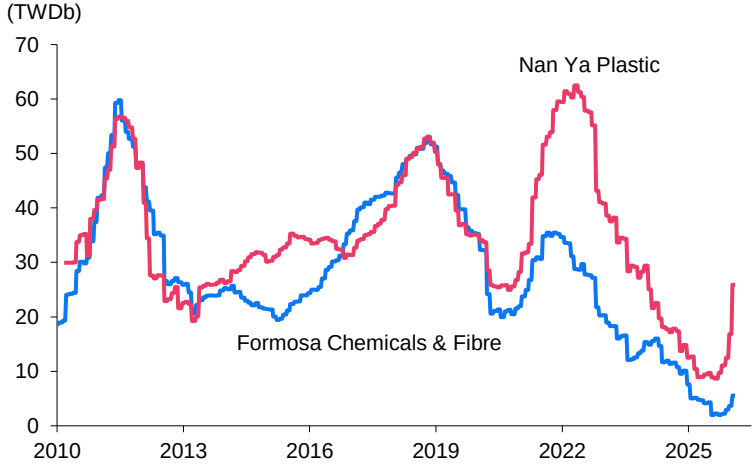
- Precious metals (*eg*, gold and silver) have surged as of late.
  - Chinese companies in this sector are enjoying robust hikes to their earnings forecasts, as product prices rise without a corresponding increase in fixed costs.
- Taiwanese chemical companies possess strong earnings momentum.
  - Nan Ya Plastic is benefiting from increased demand for copper foil and fiber glass, materials that are used to make PCBs.
  - Business conditions at Formosa Chemicals & Fibre are set to improve, with the industry downturn likely having bottomed thanks to supply-side reforms in China.

**Gold price vs China's metal and mineral companies' net profit forecasts***




Note: *Zhongjin Gold, Shanjin International Gold
Source: Bloomberg, LSEG Workspace, Samsung Securities

**Taiwanese chemical companies: 12-month forward net profit**

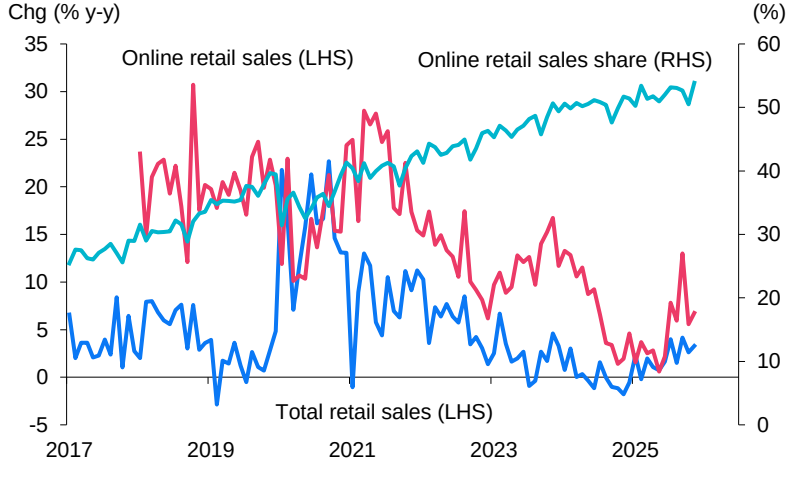



Source: LSEG Workspace, Samsung Securities

# Retail/internet: Korean online retail sales market to see change in competitive landscape

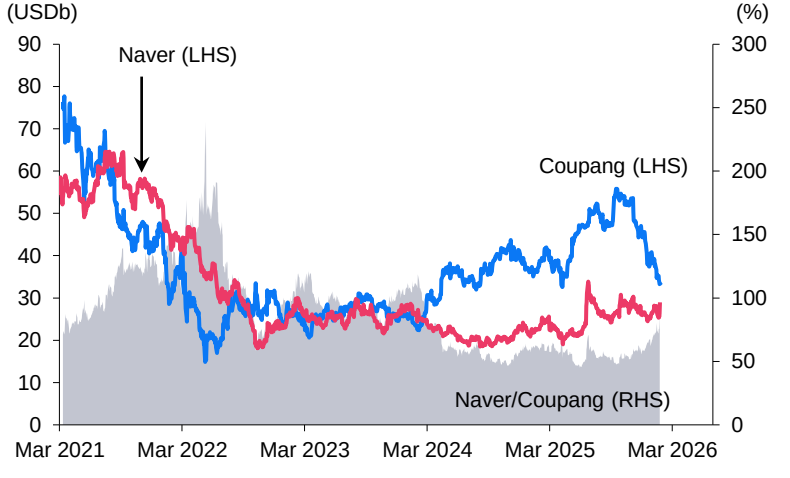
- Online retail sales are still growing in Korea.
- It has not always been the case that Naver's market cap has been smaller than Coupang's.

**Retail sales growth rate and online retail sales share**




Source: National Data Agency, Samsung Securities

**Market cap: Naver vs Coupang**

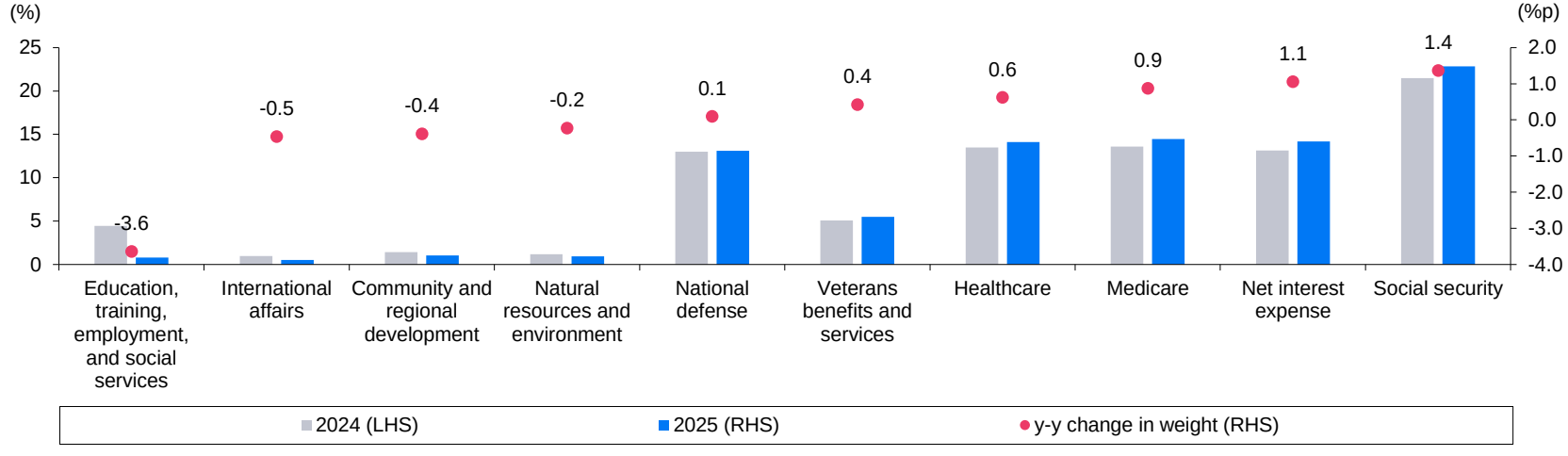



Source: LSEG Workspace, Samsung Securities

# Defense: US government to reduce the share of its budget allocated to defense

- The Trump administration is likely to reduce the share of its budget allocated to defense.
  - A key feature of the 2025 fiscal budget was the significant reduction in smaller budget items (*eg*, social services and international affairs). These areas may be difficult to cut further.
  - Defense spending is seen as an area where the government can make meaningful cuts without negatively affecting its mid-term election prospects.
- If the US withdraws from its role in maintaining global security, geopolitical risks should increase on multiple fronts worldwide.
  - Heightened geopolitical tensions can lead to stronger stock performances for defense players (*eg*, weapons makers) compared to that for general defensive stocks (*eg*, F&B firms). It is prudent to include a portion of defense stocks in long-term portfolios.

**US government spending: Composition and changes, by sector**




Source: Bloomberg, Samsung Securities

# Feb 2026: Top-10 picks

| Sector | Company | Ticker | Price (KRW) | | Market cap | Valuations (%) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Now | Target | (KRWt) | P/E (x) | P/B (x) | EPS growth | ROE | Div yield |
| IT | Samsung Electronics | 005930 KS | 162,400 | 200,000 | 961.3 | 10.3 | 2.0 | 162.8 | 19.7 | 1.0 |
| | SK Hynix | 000660 KS | 841,000 | 950,000 | 612.2 | 7.3 | 2.8 | 108.3 | 39.0 | 0.3 |
| Consumer Discretionary | Hyundai Motor | 005380 KS | 492,500 | 850,000 | 100.8 | 11.2 | 1.0 | 7.9 | 9.2 | 2.5 |
| Financials | Korea Investment Holdings | 071050 KS | 202,500 | 230,000 | 11.3 | 6.5 | 0.9 | -5.8 | 14.1 | 3.8 |
| Industrials | Hanwha Aerospace | 012450 KS | 1,288,000 | 1,300,000 | 66.4 | 27.2 | 5.7 | 45.4 | 21.1 | 0.4 |
| | Hyosung Heavy Industries | 298040 KS | 2,518,000 | 2,660,000 | 23.5 | 32.6 | 7.8 | 48.1 | 23.8 | 0.4 |
| | Samsung E&A | 028050 KS | 32,150 | 39,000 | 6.3 | 9.0 | 1.2 | 12.9 | 13.2 | 2.4 |
| Materials | Poongsan | 103140 KS | 124,600 | 180,000 | 3.5 | 14.0 | 1.4 | 21.1 | 9.7 | 2.2 |
| | SK Chemicals | 285130 KS | 68,900 | 96,000 | 1.2 | 11.4 | 0.6 | 35.1 | 4.9 | 2.2 |
| Communication | Naver | 035420 KS | 277,500 | 330,000 | 43.5 | 19.2 | 1.4 | 5.6 | 7.2 | 0.5 |

Note: As of Jan 28, 2026
Source: QuantiWise, Samsung Securities

# Feb 2026 sector-by-sector overview ①

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Positive | **Semiconductors** | Jongwook Lee | As hyperscalers raise their AI-related capex plans, concerns over a near-term peak in AI investment have eased. Robust HBM demand and tight supply should persist through 2026, underpinned by memory chipmakers' conservative capacity expansion and customers' low inventory levels.<br>Major memory producers are prioritizing HBM output, constraining capacity for commodity DRAM. As a result, the uptrend in DRAM prices should extend well into 1H26.<br>Meanwhile, AI-driven demand is spreading to storage, and NAND price hikes—particularly for enterprise SSDs—should continue through 1H26, potentially adding further upside to memory manufacturers' 2H26 earnings. Overall, all memory chipmakers are benefiting from rising prices, but Samsung Electronics is uniquely positioned to capture volume growth given its ability to ramp commodity memory capacity quickly. The company should gain market share in both HBM and commodity DRAM this year. | Samsung Electronics |
| | **Semiconductor materials, parts, and equipment** | Richard Moon | With memory market conditions remaining favorable, discussion of additional capacity expansion is gaining momentum. We therefore prefer equipment suppliers. While valuations look stretched, earnings visibility remains the key support. Semiconductor MPE makers should enjoy rapid revenue growth, backed by simultaneous capacity additions at Samsung Electronics' P4 fab and SK Hynix's M15X facilities. The long-term earnings outlook also remains constructive, supported by Samsung Electronics' P5 fab and SK Hynix's Yongin cluster expansion, scheduled for 2027. | Wonik IPS |
| | **Tech/ IT components** | Jongwook Lee | Global set demand has been stagnant for an extended period. While signs of a modest y-y recovery in shipments are emerging, the rebound appears limited in scale. The earnings gap between firms with and without AI exposure continues to widen. With MLCC demand remaining strong in high-end segments such as AI servers and automotive components, MLCC utilization could approach 90-100% in 2026 (assuming supply remains tight). Growing AI GPU demand—supported by OpenAI's new accelerator supply contracts with Nvidia, AMD, and Broadcom—should lift ASPs, led by multilayer FC-BGA. Samsung Electro-Mechanics is positioned to benefit from higher utilization in both MLCC and FC-BGA, and plans to begin full-scale FC-BGA production in 2H26 while evaluating additional capacity expansion. Meanwhile, as China imposes broader restrictions on rare earth exports to Japan, Japanese MLCC manufacturers face rising supply-chain uncertainty. This has increased Samsung Electro-Mechanics' appeal as an alternative supplier, potentially supporting further gains. | Samsung Electro-mechanics |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ②

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Positive | **Bio/ Healthcare** | Keunhee Seo | The pharma and biotech sector has entered a phase in which uncertainty around US healthcare policy under President Trump (*eg*, tariffs and drug pricing) is starting to ease. With global pharmaceutical companies and blockbuster drugs approaching patent expirations, the industry is seeing an acceleration in M&A activity and deal-making. Global themes such as oncology therapeutics, obesity treatments, and AI-driven drug discovery (*eg*, Nvidia-Eli Lilly) should remain in focus into 2026. Companies that stand to benefit from anticipated rate cuts—and are likely to announce contract wins or positive clinical-trial results, with key data readouts expected at major 2Q conferences—deserve close attention. | ST Pharm, Hanmi Pharma-ceuticals |
| | **Healthcare equipment** | Donghee Jeong | We remain positive on the medical aesthetics segment, which continues to deliver solid earnings growth. With more Korean firms entering major overseas markets, growth expectations are rising. Key drivers include: 1) market share gains supported by price competitiveness and differentiated product offerings; and 2) disciplined cost control. Despite a slow recovery in advanced economies, medical aesthetics firms are sustaining growth by diversifying export destinations. Recently, stocks have rerated, supported by rising expectations for the global skin booster market, although maintaining stable profitability remains a challenge. Over the longer term, companies should focus on expanding overseas sales and increasing repeat visits from foreign patients who previously underwent aesthetic procedures in Korea. With competition intensifying, we favor firms that can broaden their product portfolios (via product launches or M&A) and/or expand into new markets. | Pharma Research, Classys |
| | **Rechargeable batteries** | Junghoon Chang | Investor sentiment may turn negative in February following the release of January US EV sales data. However, momentum could improve as the month progresses, supported by: 1) the announcement of preferred bidders for a central ESS contract (KRW1t); and 2) the upcoming InterBattery event in March, which could generate meaningful media coverage and promotional activity, potentially improving investor confidence. Investors should remain mindful of potential share-price volatility during this period. | Samsung SDI |
| | **Autos** | Esther Yim | At CES 2026 in early January, Hyundai Motor Group unveiled its AI robotics strategy. The group's robotics roadmap has increased investor interest in both its automakers and the domestic value chain. As the peer group shifts from legacy global automakers to "physical AI" players, a valuation rerating is under way.<br>The key bottleneck in the physical AI era is real-world action data. As global Big Tech companies (*eg*, Google) expand into the physical world, they need partners that can deploy devices at scale and accumulate action data through them. Hyundai Motor/Kia's factories not only manufacture cars, but also serve as: 1) a data hub that generates action data for robots; 2) a testbed for training and validating robot models; and 3) a mass-production base for robots. | Hyundai Motor, Hyundai Mobis |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ③

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Positive | **Machinery/ Defense** | Youngsoo Han | Domestic defense companies should see structural growth in profitability, driven mainly by export projects. Even if the Russia-Ukraine war ends, global defense spending should remain on an upward trajectory, supported by Europe's rearmament policies and higher US defense outlays.<br>In power equipment, the supplier-driven market should persist. In North America—where structural power shortages are emerging amid rising EV penetration and accelerating data-center construction—demand for replacement of aging grid infrastructure is increasing. US tariff policies are also providing Korean companies with justification for ASP hikes. Among Korean players, HD Hyundai Electric is capitalizing on premium pricing for transformers to achieve significantly higher profitability than its competitors. Moreover, the firm believes additional price hikes are feasible. Moreover, the execution of capacity expansions ahead of competitors should support strong sales growth into 2027. In our view, concerns around seemingly weak guidance are manageable considering the company's history of providing conservative targets, and such concerns should ease as actual results are reported. | HD Hyundai Electric |
| | **Shipbuilding** | Youngsoo Han | Korean shipbuilders should fully work through low-margin orders by 2026, supported by stable order backlogs and a rapid pace of low-margin order depletion. In parallel, productivity gains from repeat builds are driving upward revisions to 2027 earnings forecasts. The expected resumption of LNG carrier orders from next year should provide an additional catalyst. With LNG development projects restarting recently, the industry may ultimately require 600+ additional LNG carriers—more than double the current order backlog.<br>Against this supportive backdrop, we recommend HD Hyundai Heavy Industries, given its strong profitability and growing momentum in marine defense. We also expect synergy from its merger with HD Hyundai Mipo, particularly in defense-related shipbuilding. The stock is trading at a less demanding valuation than peers. | HD Hyundai Heavy Industries |
| | **Holding companies** | Sewoong Park | In 2026, the key for holding company shares should be: 1) delivering stable earnings from subsidiaries and standalone operations; and 2) executing disciplined capital allocation underpinned by those earnings. In this context, we prefer CJ Corp, which should see improving profitability driven by global expansion at subsidiary CJ Olive Young and is likely to announce a new medium-term shareholder return policy.<br>Meanwhile, investors are increasingly focused on potential legislative reforms, including mandatory share buybacks. Ahead of the 2026 shareholder meetings, companies may take preemptive steps to align with these reforms. Names that adopt shareholder-friendly actions are more likely to see these developments translate into a rerating catalyst. | CJ |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ④

| Outlook | Sector/Industry | Analyst | Key ideas | Top Picks |
|---|---|---|---|---|
| Positive | **Chemicals** | Hyunryul Cho | The chemicals sector has benefited this year from weaker oil prices. However, global demand growth continues to soften amid a US-led tariff war, while capacity additions—particularly in commodity products—are likely to accelerate next year. As a result, we expect downstream players' profitability to be relatively more resilient. A return to bullish conditions seen in 2018 and 2021 would likely require global ethylene capacity cuts of 22m-33m tonnes (vs the 2.5m tonnes pa of cuts currently under way). Our top picks are LG Chem, KCC, and SK Chemicals, with a relative preference for companies boasting shareholder value catalysts: 1) LG Chem for the value of its stake in LG Energy Solution; 2) KCC for its investment assets and high treasury share ratio; and 3) SK Chemicals for the potential narrowing of the holding-company discount applied to its stake in a subsidiary. | LG Chem, KCC, SK Chemicals |
| | **Oil refining** | Hyunryul Cho | In refining, net capacity additions should prove limited as plant closures accelerate across developed markets. In addition, the EU's tighter sanctions on Russia (effective Jan 2026) should support Asian refined product exports. Shifts in US EV policy could also cause global transport fuel demand to peak later than previously expected (2029 rather than 2027). Our top pick is S-Oil, as a recovery in profitability on petrochemicals should add to its core refining earnings. | S-Oil |
| | **Food & Beverage** | Kayoung Lee | We recommend focusing on food companies with proven overseas expansion. Within K-food, K-spicy stir-fried noodles are emerging as a new category in the US, Europe, and China, still in the early stages of global growth. We highlight Samyang Foods, the pioneer in this segment, which continues to benefit from a durable first-mover advantage. The stock has recently pulled back due to concerns about declining profitability from its increased sales exposure tomargin dilution as China accounts for a larger share of sales. We view this as an attractive entry point because: 1) China sales are more profitable than domestic sales (where the operating margin is around 0%); and 2) the company should enjoy greater economies of scale as overall volumes rise. We expect 2026 earnings to remain solid even if the China portion of its sales mix increases. | Samyang Food |
| | **Cosmetics** | Kayoung Lee | K-beauty is set to expand its offline presence this year, supported by a rebound in US exports, accelerating shipments to Europe, and the opening up of the Middle East. The key beneficiaries should be APR (the leading brand) and Silicon2 (an export-focused distributor that curates and sells only top-tier brands). We forecast that Silicon2's operating profit will grow 43% y-y in 2026, driven by: 1) an increase in Europe-bound SKUs, which are still only about one-quarter of its US level; 2) a sharp ramp-up in shipments to major US retailers; and 3) the start of operations at a new logistics warehouse in the Middle East. Even after the recent rally, its valuation remains attractive. At 13x forward P/E, the stock should be a preferred pick when sector-wide buying momentum returns. APR, on the other hand, stands out for its superior ability to identify trends in real time and translate them into new products quickly. Rather than relying on a single hero product, it repeatedly turns new items into bestsellers, underpinning sustained top-line growth. We expect operating profit to rise 59% y-y in 2026, which makes its valuation (23x forward P/E) look compelling.. | Silicon2, APR |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ⑤

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Positive | **Securities brokers** | Mingi Jeong | Korean equities have trended strongly higher in 2026, with average daily trading value exceeding KRW50t in January (up 35% q-q). The government is also stepping up capital market activation measures, including a third revision of the *Commercial Act* (*eg*, mandating treasury share cancellation) and a stated Kosdaq target of 3,000. The key sector risk for 2026 earnings was a potential decline driven by the high base from investment asset valuation gains in 2025; however, this concern has eased as the domestic market continues to strengthen, improving visibility for further valuation gains. We expect broadly favorable share-price performances across the sector. Our preferred picks are Korea Investment Holdings and Kiwoom Securities, as their capital utilization and brokerage business should be the primary beneficiaries, respectively (with Kiwoom particularly leveraged to the government's Kosdaq-boosting initiatives). | Korea Financial Holdings, Kiwoom Securities |
| | **REITs** | Kyungja Lee | Following the decline in market yields, listed REITs' average borrowing costs have started to fall after peaking in 2024. With dividend increases applied retroactively, listed REITs offer the clearest dividend growth visibility in 2026. Key listed REITs either have no rights offering plans for 2026 or have withdrawn previously announced plans. Excluding a handful of REITs with overseas assets, most are shifting toward leveraged acquisitions (vs recapitalization via rights offerings). That said, listed infrastructure funds appear better positioned than REITs in 2026, supported by policy momentum (*eg*, proposed revisions to the *Act on Public-Private Partnerships in Infrastructure*) and heightened concerns about an economic slowdown. A key provision would raise the debt ceiling for listed infrastructure funds from 30% to 100% of capital, effectively eliminating the need for rights offerings. The National Growth Fund—expected to launch in 2026—also looks supportive, as it should provide investment opportunities for infrastructure funds.<br>KB Balhae Infrastructure offers a dividend yield of around 6.9%. Following full repayment of senior bonds tied to its core asset—the New Daegu-Busan Expressway—the fund should accumulate distributable cash flow at a faster pace. As a result, dividend visibility and potential upside through 2030 (when the operating rights for the core asset expire) look attractive. The fund is also securing new growth engines through investments in the Boryung LNG terminal and the Jangseong Fine Datacenter. | KB Balhae Infra-structure Fund |
| | **Construction** | Jaejun Heo | The key driver for construction stocks remains the ability to expand order pipelines. Recent rallies in Samsung E&A, Hyundai E&C, and Daewoo E&C can be viewed through this lens: Samsung E&A is benefiting from expectations for energy-transition projects, Hyundai E&C from nuclear plant opportunities, and Daewoo E&C from data centers and nuclear projects. Investors should therefore focus on constructors that are well-positioned in high-growth end markets. Samsung E&A recently announced the creation of a New Energy business unit, which should target LNG, clean energy (*eg*, hydrogen, CCUS, SAF, blue ammonia), water treatment, and logistics. Related momentum should win investor attention in 2026. | Samsung E&A |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ⑥

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Positive | **Media/ Entertainment** | Minha Choi | Investor sentiment toward entertainment agencies has improved materially, supported by: 1) BTS and Blackpink returning as full groups in spring; and 2) BTS's world tour schedule, which is well ahead of market expectations. More rookie groups, alongside top-tier artists, are also embarking on global tours, which should also lift earnings contributions. Large concerts tend to drive growth in merchandise and licensing revenue, amplifying operating leverage. In media, content production is rebounding as TV channels are reinstating some drama slots and overseas co-production projects are expanding. This should lead to a clear earnings turnaround in 2026. Tving and other domestic OTT platforms are also likely to see earnings improvement, supported by strategic partnerships with domestic and global platforms and more-disciplined content investment. | HYBE |
| | **Internet/ Software** | Donghwan Oh | In 2026, the internet/software sector should gain momentum on expectations for progress on the Digital Asset Basic Act. While the Financial Services Commission's proposal has been delayed due to coordination with the Bank of Korea, the Democratic Party plans to finalize its stance in February and submit a bill to the National Assembly. If the party's more aggressive version passes, it could provide greater clarity on the issuance of KRW-pegged stablecoins, potentially supporting valuations for companies such as Naver and Kakao, which have exposure to this theme. In addition, the government's investigation and regulatory scrutiny of Coupang is likely to be prolonged, which could benefit competitors (*eg*, Naver Shopping) and provide further support for their share performance. | NAVER, Kakao |
| | **Banking** | Jaewoo Kim | Banks' earnings season kicks off in early February. 4Q results are likely to be somewhat subdued due to one-off costs, but they should improve visibility on a 2026 earnings recovery, which the market is likely to take positively. In addition, 2025 year-end dividends and the potential for further shareholder return enhancements in 2026 should support a rerating.<br>We remain positive on the sector. Bank stocks continue to trade at attractive valuations, and we expect cyclical earnings improvement, alongside sustained momentum in shareholder return enhancement, to support valuation normalization. | KB Financial Group, Hana Financial Group |
| | **Telecom** | Minha Choi | The telecom services sector underperformed in 2025 due to fallout from cyberattacks and the recognition of one-off costs. However, conditions have normalized. Most hacking-related costs were likely reflected last year, and earnings should return to y-y growth in 2026, supporting higher shareholder returns (*eg*, dividend increases and incremental share buybacks/cancellations). Telcos are also pursuing strategic partnerships with Big Tech and investing in related businesses to secure longer-term growth drivers (*eg*, AI, B2B, and cloud services). This year should therefore be an important checkpoint for assessing execution and the value of their equity holdings. | SK Telecom |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ⑦

| Outlook | Sector/Industry | Analyst | Key ideas | Top Picks |
|---|---|---|---|---|
| Positive | **Games** | Donghwan Oh | Since the Democratic Party's "Kospi 5000 Special Committee" proposed measures to revitalize the Kosdaq, expectations have risen for a rerating of Kosdaq-listed game companies such as Pearl Abyss, Kakao Games, Com2us, and Netmarble. Pearl Abyss, in particular, could see its share price overshoot ahead of the March launch of *Crimson Desert*. However, with a broader game-market recovery still not clearly in place, any run-up may prove short-lived. We recommend a short-term trading approach. | Com2uS, NHN |
| | **Payments** | Jaewoo Kim | Payment companies are likely to show improving profitability metrics in 2026. The sector's multi-year margin compression began to reverse in 2025, and several positive factors could carry into 2026 (*eg*, rate cuts, and sales growth benefiting from a low base).<br>That said, the dominant swing factor remains stablecoin-related momentum, which is likely to increase near-term share-price volatility. Caution is warranted given the lack of formal policy guidance to date. Authorities recently indicated plans to submit related legislation within the year, and investors should monitor regulatory developments closely. | Kakao Pay, NHN KCP |
| | **Apparel** | Hyein Lee | **Brands:** Domestic brand companies should see faster growth in 2026, supported by overseas expansion. Among them, F&F and Gamsung Corporation should improve their China performance through the Discovery and Snow Peak brands, respectively. Gamsung Corporation also warrants attention given not only improving overseas visibility, but also its continued steady domestic growth.<br>**OEMs:** OEM order growth should pick up in 2026, supported by resilience in the US apparel retail market. With retail sales growth remaining robust—particularly among higher-income consumers—performance should further differentiate by company, depending on client mix. Youngone Corporation remains our top pick, given its exposure to premium-brand customers. | Youngone Corporation |
| | **Retail** | Jaeseung Baek | With a low consumption base and recent increases in financial asset values, consumer spending should improve in 1H. Department stores look relatively more attractive, and large discount stores should benefit from reduced competition. Shinsegae should extend its department store recovery in 2026, supported by stronger spending thanks to a rise in asset values and an expanding share of foreign customer sales. Duty-free profitability should also improve from 2Q, following the closure of its Incheon Airport DF2 store. | Shinsegae |

Source: Samsung Securities

# Feb 2026 sector-by-sector overview ⑧

| Outlook | Sector/Industry | Analyst | Key ideas | Top picks |
|---|---|---|---|---|
| Neutral | **Transportation** | Youngho Kim | **Shipping (Hyundai Glovis):** Container freight rates should remain soft near term, reflecting seasonal weakness across both major shipping indices. Longer term, the industry faces oversupply risk as containership and bulk carrier deliveries outpace demand growth.<br>Hyundai Glovis's PCTC business likely sustained earnings improvement, driven by: 1) rising orders from non-captive clients; 2) easing congestion at major ports; and 3) more-efficient fleet management, with fewer short-term chartered vessels. CKD sales should continue to gain momentum following the consolidation of group volumes from Sep 2025. The company should also benefit from favorable forex movements and improving margins in both distribution and CKD. Consensus has its shareholders' equity reaching KRW12.93t in 2027; to achieve management's 15% ROE target, net profit would need to reach KRW1.94t. Given the difficulty of delivering this solely through earnings growth, the company may increase its dividend payout. Separately, the recent revaluation of Boston Dynamics has driven a sharp rally in Hyundai Motor Group (HMG) stocks; Hyundai Glovis holds an 11% stake in Boston Dynamics, which is the largest equity exposure of any HMG company relative to market cap.<br>**Airlines (Korean Air):** Korean Air has emerged as a mega-carrier following its merger with Asiana Airlines, with a combined 79% share of international passenger traffic when including its low-cost carrier subsidiaries. Over the long term, it is clear that the enlarged carrier will benefit from greater supplier leverage and economies of scale in international routes. Near term, however, Asiana's weak profitability remains a drag, and the key question is the pace at which Korean Air can deliver merger synergies to lift margins. | Korean Air |
| | **Steel/Metals** | Jaeseung Baek | Sector visibility remains low, pending confirmation of the timing, intensity, and pace of restructuring in China's steel industry. With China's property market still weak, steel demand is unlikely to rebound meaningfully near term; we estimate that China's steel demand will rise just 0.2% y-y in 2026. We therefore advise investors to focus on company-specific momentum. In nonferrous metals, prices should remain supported by tight concentrate supply from mines and ongoing consolidation among major global miners. We recommend a trading-buy approach for Poongsan, which is trading at a 47% discount to the domestic defense industry average despite solid medium-term defense earnings visibility and the benefit from strong copper prices. | Poongsan |
| | **Insurance** | Mingi Jeong | The insurance industry continues to face deteriorating business conditions. While premium increases were implemented at the start of the year, a meaningful improvement in loss ratios and profitability likely requires qualitative changes in loss management, including reform of the medical indemnity insurance framework. In addition, the introduction of the basic capital K-ICS ratio system in January adds another layer of capital management complexity, limiting visibility on more-aggressive dividends and broader shareholder returns. We therefore prefer companies that: 1) already have strong capital bases; 2) can expand beyond domestic insurance through overseas investments and new businesses; and 3) maintain stable, consistent shareholder return policies. | Samsung Life |

Source: Samsung Securities

Samsung Securities

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