

*Réaction d'Andrew Gillan, Directeur Actions Asie (Hors Japon) d'Henderson Global Investors, concernant les implications potentielles de la victoire de Trump sur les marchés boursiers asiatiques à court et moyen terme.*

The obvious kneejerk action is negative for all equity markets and Asia's trading today reflects that as the Trump victory appeared increasingly likely and was then confirmed. Why is Asia affected so much by the US election? The key rhetoric from Donald Trump in his campaigning was that emerging markets have been taking away US jobs and that he is against some of the free trade agreements in place, including the proposed Trans Pacific Partnership. He is therefore likely to be more protectionist in his policies, which will be negative for global trade.

What does it mean for our Asia Growth strategy's positioning? We are not changing our positioning as a result of the election. Our key overweights by geography within Asia are India and Taiwan and, by sector, in Information Technology (IT) and Consumer Staples. We remain comfortable with these positions. In IT, we have a mixture of domestic internet companies, such as Tencent, Baidu and Netease in China, which can all generate decent revenue and profit growth regardless of the broader global growth environment. Within technology we retain clear leaders, such as Taiwan Semiconductor and Samsung Electronics, which we believe have strong attributes and have clearly demonstrated that they can compete with the best globally. Similarly, we have exposure to the Apple supply chain in Asia and, while I would expect weakness in the short term, these companies are not competing simply on lower wages but on innovation and intellectual property.

In both Taiwan and India, we have a large proportion of our exposure to the domestic economies, which is also a reflection of our overweight to consumer staples. I would expect this sector to be more defensive if markets continue to sell off as I do not expect consumption of staples in these markets to come under significant pressure as a result of the US election.

Taking a step back, Asia remains the world's growth engine and while exports to and trade with the US are important drivers of some Asian economies, they are far from the only source of growth and, like the shock event of Brexit, I would not be surprised to see investors refocus on the attractive demographics and consumption story in many of Asia's emerging markets. I would expect markets to trade lower in the short-term as investors reduce risk and equity exposure. Within the region, attention will focus on the Chinese economy and how the Chinese Renminbi will react to any risk of increased trade wars globally.

**Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.**

**The information in this article does not qualify as an investment recommendation.**