

12/22/2021 18:27:38 [BFW] Bloomberg First Word

Vietnam, Kazakhstan Among Resilient Markets: Asia Frontier Fund

By Faseeh Mangi

(Bloomberg) -- With low government debt levels, high foreign exchange reserves, and structurally strong GDP growth, these countries, along with Uzbekistan and Bangladesh, should better withstand any major shifts in global macro-economic trends, Thomas Huggar and Ruchir Desai, co-fund managers for AFC Asia Frontier Fund write in a note.

- "2022 will possibly be a year of transition from liquidity-fueled stock market rallies to potentially higher interest rates and higher inflation. We believe these themes will occupy the minds of investors, at least in the first half of 2022"
- With valuations of Asian frontier markets still cheap, any hiccups in global investor sentiment linked to a path toward monetary policy normalization should be viewed as a buying opportunity as most of the countries are in the midst of a structural and long-term growth phase, according to the report
- Fund poised for best year since 2016, returns +15% YTD till November
- Current country allocation: Mongolia 23%, Vietnam 13%, Uzbekistan 11%

To contact the reporter on this story:

Faseeh Mangi in Karachi at fmangi@bloomberg.net

To contact the editors responsible for this story:

Jeanette Rodrigues at jrodrigues26@bloomberg.net

Anto Antony