Taiwan Market Report 2024

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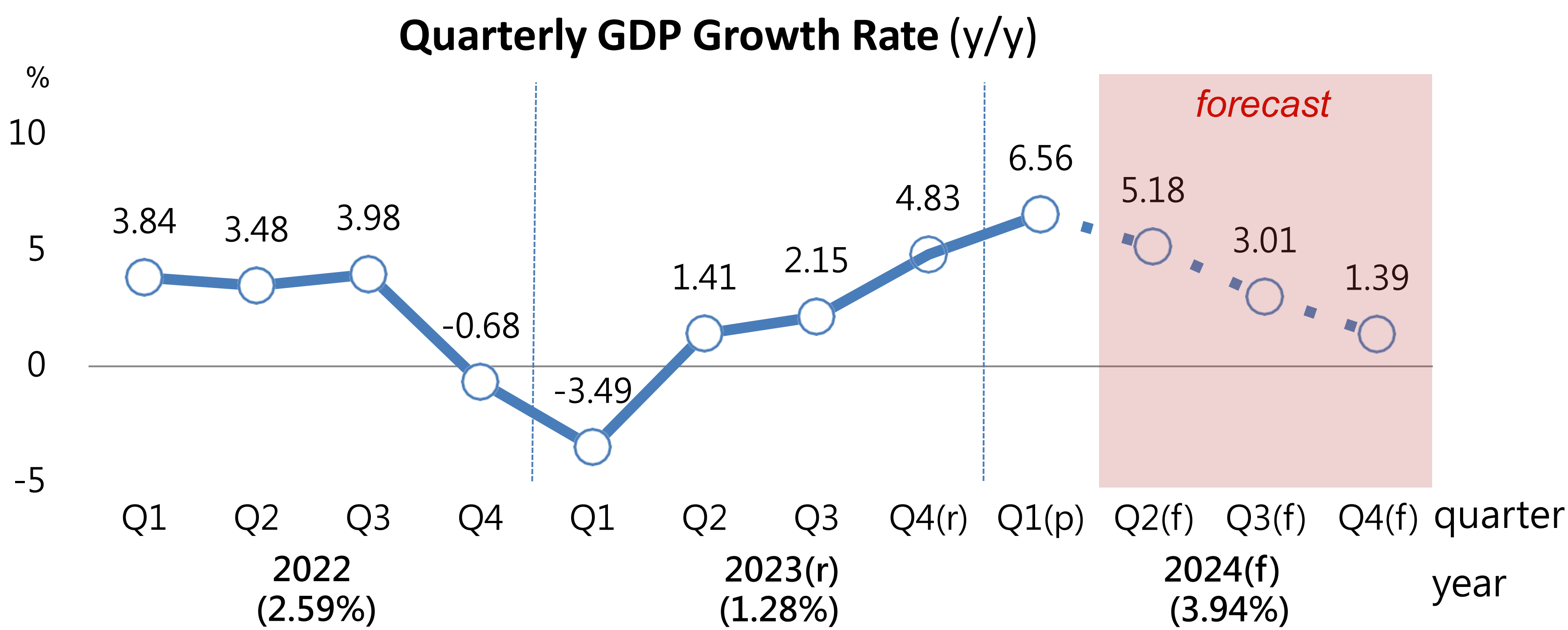
Contents

Economic Overview

- As stock market surges across most countries create wealth effects and drive global economic growth in 2024, S&P Global forecasts a growth rate of 2.66%.
- Taiwan has particularly benefited from the development of AI and other applications. The stock market has reached record highs, and the resulting wealth effect has spurred growth in private consumption.
- Taiwan's economic growth rate is projected to be approximately 3.94% in 2024, up from 1.28% in 2023, reflecting an increase of 2.66 percentage points.
- The financial industry in Taiwan has also gained from the recovery of both domestic and international stock markets. This recovery has enabled securities firms to perform well in areas such as brokerage fee income and financing interest income.

2024 GDP Growth Forecast

- Taiwan's real GDP is projected to grow by 3.94% in 2024, as the global economy grows at a steady pace and world trade volume growth accelerates this year as predicted.



Securities Market

- Taiwan's capital markets have established a multi-tiered capital market structure. As of August 2023, there were 1,795 listed companies in Taiwan with a market capitalization of US$1.8 trillion.
- In 2023, the total trading value of Taiwan's stock market was US$2.5 trillion, with an average daily trading value of US$10.5 billion and a centralized market turnover rate in terms of trading value of 121%.
- As of July 2024, Taiwan's stock market performance has been strong, with a rise of 24%, a total trading value of US$2.2 trillion, an average daily trading value of US$16 billion, and a turnover rate in terms of trading value of 86%.
- The proportion of transactions by general investors is approximately 55%, domestic institutional investors make up around 12%, and foreign institutional investors account for about 33%.

Comparison of Stock Market Indices

The TAIEX (Taiwan Stock Exchange Capitalization Weighted Stock Index) rose 4,346 points, or 24%, from the beginning of 2024 to the end of July.

Date Range: August 2019 - July 2024

Securities Market - ETF

- Taiwan‘s ETF market has experienced rapid growth in recent years. At the end of 2018, the total value of ETFs was just US$23.3 billion, but by the end of July 2024, it had surged to US$166 billion.
- Over the past five years, the overall size of the ETF market has increased more than sixfold, with domestic stock ETFs growing by as much as 2,000%.
- As the ETF market expands, its share of Taiwan's total stock market value has risen gradually from 0.3% at the end of 2018 to 3% by the end of July 2024.
- Both the size of ETFs and the number of participating investors have grown rapidly, and their impact on Taiwan's stock market is expected to continue increasing in the future.

Bond Market

- Inflation has slowed down in most economies, which is likely to be seen as bullish for bond markets.
- In 2023, Taiwan‘s total bond issuance reached US$321 billion, with a total bond trading value of US$936.3 billion and an average daily trading value of US$3.9 billion.
- As of July 2024, Taiwan's total bond issuance had reached US$330 billion, and the total bond trading value was US$565 billion, with an average daily trading value of US$4 billion.
- Since 2017, social, sustainability-linked, and green bonds have been developed, and the issuance of these bonds has grown rapidly at a rate of 50% to 60% per year, with the current outstanding issuance balance at 17.5 billion US dollars.

After a generally challenging year in 2024, will the economy improve next year？

Conclusion

- From the beginning of 2024 through July, Taiwan's stock market saw significant gains, repeatedly reaching record highs.
- TSMC spearheaded the surge in AI investments and played a crucial role in supporting Taiwan's stock market value, drawing a large influx of investors and leading to a steady increase in new account openings.
- Looking forward, the global economy faces several uncertainties, including the upcoming U.S. presidential election and the sustainability of the AI boom.
- These factors will significantly affect both the global and Taiwanese economies, potentially presenting greater challenges to future economic prospects. Close monitoring of these risks is essential.


Thank You