

Market Views: Can markets ride Year of the Horse to new heights?

Heather Ng

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After a volatile Year of the Snake, investors enter the new year with fresh optimism as experts spotlight key opportunities ahead.



After a turbulent Year of the Snake — marked by geopolitical tensions, inflationary pressures and sharp swings across equities, commodities and currencies — investors are looking ahead with

renewed optimism as the Year of the Horse approaches.

Investors are embracing the Lunar New Year as a chance for a fresh start, inspired by the Horse's symbolism of energy, ambition and forward momentum — qualities they hope will translate into bumper global markets.

To capture the mood, AsianInvestor spoke with industry experts to uncover three key opportunities they see shaping the investment landscape in the Year of the Horse.

For a deeper look at the risks that could temper this optimism, read our companion piece: [Three biggest risks for investors in the Year of the Horse](#).

Tai Hui, APAC chief market strategist

JP Morgan Asset Management



Tai Hui

We see compelling opportunities in Asian equities, particularly Taiwan and South Korea given their dominance in memory chips and semiconductors. These countries are well-positioned to benefit from the global AI development, regardless of

which US AI hyperscalers emerge as leaders.

China's ambitious push in AI could also create significant business opportunities for its technology

giants. Furthermore, ongoing corporate governance reforms continue to enhance the attractiveness of equities in Japan and South Korea, while a weaker US dollar may draw additional capital into Asian markets.

Beyond Asia, actively managed international equities are gaining traction. While Asian investors have historically focused on US and Asian equities, there are abundant opportunities in international markets such as Europe, the UK, Canada and Australia. These opportunities require more research and a deeper understanding of corporate fundamentals. For example, European banks and industrial companies have performed strongly, and with more proactive fiscal policies, particularly those focusing on defence, there is potential for continued robust performance.

In addition to traditional equities, alternative assets offer a broad range of solutions to address structural concerns. Shipping and transportation assets provide a hedge against increasingly fragmented global trade and more complex supply chains, while infrastructure investments, especially in electricity, are poised to meet the growing power demands from data centres. The revival of IPO activities is also helping private equity firms return cash to investors, making this asset class increasingly attractive.

**Hersh Oberoi, global research department
director**

Balfour Capital

One of the most durable opportunities remains the global energy and resource security cycle. A decade of structural underinvestment in upstream oil and gas, combined with resilient demand growth and limited spare capacity, underpins a constructive medium-term outlook for oil and LNG markets. Energy producers with disciplined capital allocation and balance-sheet strength are well positioned to generate sustained free cash flow and deliver attractive shareholder returns.



Hersh Oberoi

Second, the global defence spending upcycle is increasingly taking on the characteristics of a long-duration structural trend rather than a traditional cyclical expansion. Rising defence budgets across North America, Europe, the Middle East and the Indo-Pacific are providing multi-year visibility for procurement across aerospace, cyber defence and advanced systems, supporting strong earnings durability and backlog growth.

Finally, the expansion of AI-driven digital infrastructure represents one of the defining capital investment cycles of the decade. Accelerating

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investment across semiconductors, data centres, power infrastructure and high-performance computing, alongside AI-enabled innovation in healthcare, including diagnostics and drug discovery, continues to create compelling long-term growth opportunities across global markets.

David Choa, head of Greater China equities

BNP Paribas Asset Management



David Choa

For equity investors, it's time to look beyond headline GDP and zero in on the real engines of China's market: innovation, industrial upgrades, lifestyle change and sector consolidation. These structural themes are set to drive durable earnings growth, reinforced by

a revival in domestic retail participation and early signs of renewed interest from global investors.

Innovation and industrial upgrades remain the standout opportunities, backed by decisive policy support and China's rising global competitiveness across advanced tech and high-end manufacturing.

Lifestyle change is unlocking a new wave of consumption — services, experiences and sports are becoming powerful growth channels for companies aligned with these evolving preferences.

Consolidation is emerging as a critical force, accelerating the exit of weaker players and enabling quality leaders to expand market share and pricing power.

Together, these forces signal a more resilient, more balanced market backdrop — one that is increasingly supported by improving fundamentals and strengthening investor confidence.

Yi Ping Liao, portfolio manager
Templeton Global Investments

After 15 years of underperformance versus developed markets, Asia Ex-Japan — and EM more broadly — outperformed in 2025. We see scope for this to continue in 2026, driven by earnings acceleration, a softer US dollar and sustained demand for diversification.



Yi Ping Liao

Structural reforms are also playing a role, with Korea's Value Up initiative and a stronger focus on total shareholder returns across Asia, including in Singapore and China, helping to narrow valuation discounts and enhance long-term returns.

Meanwhile, as AI-driven gains become more selective, investor attention is shifting toward structural enablers such as memory (Samsung, SK