

## FSC confirms cross-strait talks on finance sector

By JOHN LIU  
The China Post

Financial Supervisory Commission (FSC) Chairman Tseng Ming-chung (曾銘宗) confirmed yesterday that cross-strait meetings will be held by the end of the year to deliberate collaboration in the banking, insurance and securities industries.

Share prices in the finance sector rebounded in response to the positive news, including Cathay Financial Holdings (國泰金), Fubon Financial Holding (富邦金), First Financial (第一金), Mercuries Life Insurance Co (三壽壽) and China Life Insurance Co (中壽).

Nevertheless, players in the finance industry are conservative in predicting what the cross-strait meetings will accomplish, as the Cross-Strait Trade in Goods Agree-

ment is still under review in the Legislature. Also, the government is cautious about dealing with politically sensitive issues during the election season.

Cross-strait meetings on banking, insurance and securities collaboration were initially scheduled to take place in January, April and October, but they were postponed as Beijing grew suspicious after the implementation of the cross-strait service trade pact was delayed.

Tseng also said yesterday that the government will hand over NT\$30 billion of the Labor Pension Fund to a third party next week, which will invest in stocks that make up the Taiwan High Compensation 100 Index. Analysts believe it will have a positive impact on finance related stocks, for they account for 30

percent of the index.

### Lack of Confidence Contributed to Low Turnover

Trading volumes in Taiwan's stock market have declined substantially over the past two days, in response to the adverse news that South Korea and mainland China have inked a free trade agreement (FTA).

While shares closed up 61.72 points, or 0.69 percent, at 8,980.67 yesterday, the index still fell below the five-day average and failed to reach the 9,000-point mark.

FSC Chairman Tseng is more upbeat, maintaining that foreign capital continues to flow into Taiwan. Among the many factors that affect the local stock market, the lack of confidence is the biggest contributor to yesterday's low

turnover of US\$2.25 billion, said financial analysts.

According to Tachan Securities (大展投顧) analyst Lee Cheng-yen (李政諺), besides the adverse news about the FTA, the forecast that the ruling Kuomintang party is losing popular support in the coming 9-in-1 elections is another factor that caused investors to sell off their holdings. However, they are only expected to have a short-term impact, Lee said.

In addition, securities dealers have also become more conservative in their trading lately as they moved into the defense mode to protect their earnings made so far this year, Lee said. As Western nations' holiday season starts in December, trading may further decline, Lee cautioned.

Cathy Futures analyst Boryi

Chien (簡伯儀) pointed out that foreign investors shifted from the "buy" to the "sell" position on Nov. 12. The fourth quarter is traditionally considered the boom season in the local stock market. However, firms have reported higher earnings earlier this year, Chien said, adding that the sales might have reached its peak in October. Chien predicted that the gross in the fourth quarter may be actually lower compared to those in past years

Financial Supervisory Commission Chairman Tseng Ming-chung (曾銘宗), left, speaks with central bank governor Perng Fai-nan (彭淮南) in the Legislature, yesterday. Tseng said that cross-strait meetings will be held this year to discuss collaboration in the banking, insurance and securities industries.



### Ready for boating

This picture shows Taiwan's third yacht harbor in Anping Harbor (安平港), Tainan. In a bid to boost tourism, the third yacht harbor in Taiwan is scheduled to begin operations on Saturday, according to officials from the Council of Agriculture (農委會). Currently, the two existing marinas in Taiwan are located in Bisha Port in Keelung and Wushih fishing port in Eastern Taiwan's Yilan County.

## Financial regulators approve issuance of Level-1 ADR by Taiwanese companies

By KATHRYN CHIU  
The China Post

Local financial regulators recently authorized Taiwan-listed companies to participate in the issuance of non-capital-raising depository receipts (Level-1 ADR) that are traded in over-the-counter markets overseas.

The Financial Supervisory Commission (FSC, 金融監督管理委員會) and the Taiwan Stock Exchange (TWSE, 台灣證券交易所) said they have revised certain articles of the "Regulations Governing the Offering and Issuance of Overseas Securities by Issuers" and added the "Procedures of Taiwan Stock Exchange Corporation for the Review of the Issuance of Overseas Depository Receipts Traded at Over-the-Counter Markets Overseas."

By doing so, TWSE said, regulators expect to accomplish the following purposes: Improve the international

name recognition of Taiwanese publicly traded companies, improve shareholder structures of these companies, improve the liquidity of their stocks and fulfill international investors' demand in investing in Taiwanese publicly traded companies.

The "non-capital-raising depository receipts traded in over-the-counter markets overseas" refers to the depository receipts issued by companies with no need to raise funds with the securities that are already publicly traded.

After the issuance of such depository receipts, the underlying shares are held in custody in trust accounts. Such depository receipts can only be traded in over-the-counter markets overseas. The redemption and issuance within their issuance limits still have to be sold and bought in the domestic market.

In terms of issuance qualifications, the companies making such applications

must meet the following conditions: These companies must be components of the Financial Times Stock Exchange (FTSE) TWSE Taiwan 50 Index or FTSE TWSE Taiwan Mid-Cap 100 Index; the number of shares expected to be used as underlying securities of overseas depository receipts in the application cannot exceed 10 percent of total shares of the company making the application; and the companies must be in compliance with rules that prevent the issuance of shares held by company insiders, their spouses, their children under the age of majority, and shares held in the names of other parties.

Additionally, in terms of the application process, the companies qualified to issue such securities that are making the application must first receive letters of approval from the TWSE before they can apply for the issuance of depository receipts to the FSC.

## CTBC Fin expects good days to continue into 2015

By KATHRYN CHIU  
The Supplement Writer

CTBC Financial Holding recently posted earnings per share (EPS) of NT\$2.44 for the year to September, saying that it is optimistic about Taiwan's economy in 2015 and its own prospects.

CTBC Financial Holding (CTBC Financial, 中國信託金控) is Taiwan's third-largest "financial department store" by market capitalization after Cathay Financial Holdings (國泰金控) and Fubon Financial Holding (富邦金控). The comprehensive financial services provider offers everything from banking and insurance to brokerage services.

For the year to September, CTBC Financial's combined pretax profits saw nearly NT\$41.42 billion and NT\$37.29 billion after tax, translating into earn-

ings per share (EPS) of NT\$2.44. During the same period of time, CTBC Financial generated return on equity of 23.9 percent and return on asset of 1.67 percent.

In a statement, the company said that its outstanding performance during the Jan-September period reflected strong growth in loans and commission fees from its wealth management products.

Concurrently, CTBC Financial began to factor Tokyo Star into its results in the second quarter, when it recognized a bargain purchase gain of NT\$14.8 billion on the acquisition. Tokyo Star caters to small and mid-sized Japanese businesses, many of them in the real estate, health care and entertainment sectors.

CTBC Financial President Daniel Wu (吳一揆) expected the good times to continue.

Earlier this week, Wu told local media that his company holds an upbeat view about the market conditions and revealed that CTBC is likely to grow as much as this year in the first half of next year.

Buoyed by a mild recovery in the U.S., a likelihood that the eurozone will manage to avoid deflation and ongoing quantitative easing in Japan, Taiwan's economy is likely to grow at least 3.5 percent next year, Wu told local media.

Wu also said China's economy is likely to grow between 7-7.3 percent next year, with virtually no chance of a hard landing. Following the successful acquisition of Japan's Tokyo Star Bank in June, CTBC Financial will continue to look for other targets in China and Southeast Asia, according to Wu.

## 'Rev on' in the digital era

Speeches given by representatives from Facebook, Google, Microsoft and Weibo caused great resonance and inspirations

By ANITA YANG  
Supplement Writer

The second day of DigiAsia (數位亞洲大會) was held with the themes of Digi-Creative and Digi-Brands. During the morning session, representatives of pioneering companies in the technology field gave interesting speeches that conveyed their insights as well as their company strategies; two panel discussions followed suit in the afternoon.

The first speaker, Jayne Leung (梁幼蕙), head of Greater China, Asia-Pacific, Facebook and the second speaker, John Merrifield, chief creative director, Google APAC both talked about the importance of creativity.

The former placed emphasis on asking oneself three questions while being creative: Does it achieve a goal? Is it compelling enough that it could cause resonance? Does it have "thumb-stopping" power? On the other hand, Merrifield encouraged the audience to "rev on" with revolution, to experiment and come up with fresh combinations that make people see the world differently. Because "... these days if you stand still, you are moving backwards," Merrifield said.

The speakers also mentioned how digital devices are gaining power over traditional media and television. As people spend tremendous time on their mobile devices nowadays, marketing



From left, keynote speakers Bryan Cheng, Jayne Leung and Adam Anger pose for a photo after the forum.

strategy and branding have all changed accordingly.

Besides the transformation mentioned, another huge impact is how a range of devices are constantly intruding into our daily lives. Yesterday's third guest speaker, Adam Anger, general manager for Asia-Pacific and Greater China, Microsoft Advertising, specifically pointed out that "brands need multi-screen to build stories."

However, the fact that end-users have multiple devices also means multi-distraction. Thus it is essential to understand digital needs and send out valuable and relevant content to make the most of the moment, so the key message won't get lost in the big sea of technology.

Social media has no doubt become part of most people's lives. Sharing the special moments in your life and reading posts and social media feeds of your friends are already a kind of a routine. Yet connecting with networks is not the only use of social media.

The most representative social media in mainland China is perhaps

Weibo (微博). Bryan Cheng (程昱), general manager of Weibo's Commercial Product and Platform division, stressed that the company is striving to become a social e-commerce hub instead of merely social media. "There is a tremendous market in social media," said Cheng. Besides building intimacy among people, Weibo "is becoming a source and entering points for media professionals." Shopping options are introduced via this platform to hundreds of millions of users.

Forums on the last day will be based on Digi-Innovation and Entrepreneurs; exciting keynote speeches will be given by representatives from Isobar, Digital Market Asia and a streaming music service you probably have on your mobile devices, Spotify.

DigiAsia is organized by the Asian Federation of Advertising Associations (AFAA, 亞洲廣告聯盟) and the Taipei Association of Advertising Agencies (TAAA, 台北市廣告代理商業同業公會). It is running until Nov. 13 at Le Méridien Taipei. ■

For more information about today's program, visit <http://digiasia.org/>

SPECIAL SUPPLEMENT Photos: Dimitri Brynes, The China Post, Courtesy of DigiAsia



John Merrifield gives a speech titled "Making a Dent in the Universe."



### Getting ready to do some business

External Trade Development Council (TAITRA, 中華民國對外貿易發展協會) Executive Vice President Walter Yeh (葉明水), third left, and others pose for photos at the opening ceremony of Power & Electronics Myanmar 2014 at the Myanmar Convention Center in Yangon, yesterday. Yeh expects the fair to attract over 7,000 international buyers, generating US\$25 million worth of business opportunities for Taiwanese exhibitors attending the event.

## Greenback rises to NT\$30.752 on Taipei forex

TAIPEI, CNA

The U.S. dollar rose against the New Taiwan dollar Thursday, gaining NT\$0.002 to close at the day's high of NT\$30.752 as the local central bank continued its intervention to vault the greenback sharply from its earlier losses, dealers said.

Taking cues from the further weakness of the other regional currencies, particularly the Japanese yen and South Korean won, the central bank kept pushing the New Taiwan dollar lower in the late trading session in a bid to protect Taiwan's exports, they said.

The greenback opened at NT\$30.750, and moved to a low of NT\$30.600 before

rebounding. Turnover totaled US\$589 million during the trading session.

The moderate daily trading volume in the local foreign exchange market made it easier for the central bank to intervene, dealers said.

After opening flat, the U.S. dollar fell to negative territory as traders took into account comments made by the central bank's head, Perng Fai-nan (彭淮南), a day earlier, according to dealers.

Perng said the bank would not resort to devaluation of the local currency to offset the impact of the upcoming free trade agreement between China and South Korea.

The U.S. dollar continued an uptrend

in the past two sessions as Perng's comments raised expectations that the central bank would reduce its intervention, they said.

A move by the People's Bank of China (中國人民銀行) to raise the yuan's reference rate against the U.S. dollar also served as one of the drivers to boost the New Taiwan dollar by adding downward pressure on the greenback in the local market, dealers said.

In addition, a net buy of NT\$3.86 billion (US\$126 million) worth local shares by foreign institutional investors on the main board placed more pressure on the U.S. dollar during the session, they said.

## Local market stages rebound, closes at 8,980.67 points

TAIPEI, CNA

Shares in Taiwan bounced back Thursday from a plunge the previous day, as local suppliers to Apple Inc. benefited from bargain hunting, dealers said.

The weighted index on the Taiwan Stock Exchange (台灣證券交易所) closed up 61.72 points, or 0.69 percent, at the day's high of 8,980.67, off an early low of 8,927.09. Turnover totaled NT\$68.74 billion (US\$2.25 billion) during the session.

### Caught in Narrow Range

"I expect the local index to continue to fluctuate between 8,800 and 9,100 points,

and turnover to remain low, until the local government elections are concluded," Concord Securities analyst Kerry Huang said.

Taiwan Semiconductor Manufacturing Co. (TSMC, 台灣積體電路), the world's largest contract chip-maker, also helped drive the gains amid hopes that the company will maintain its lead in the development of advanced technology process, dealers said.

Many of the old economy stocks staged a technical rebound from Wednesday's heavy losses as investors grew less worried that a free trade agreement between China and South Korea would hurt Taiwan's exports, dealers said.

"Looking at today's thin turnover, it seems that many investors were reluctant to chase prices," Huang said.

"Without a significant expansion of the daily trading volume, it would be difficult for the local market to close above 9,000 points any time soon."

Huang said that political uncertainty over the Nov. 29 local government elections is also affecting many investors.

In addition, they are remaining on the sidelines because of a capital gain tax that will be levied from next year on annual transactions of more than NT\$1 billion for any single investor, he said.