KOREA WEEKLY KICKSTART

KOSPI plunged more than 14% amid hotter-than-expected inflation, concerns around AI-related credit and Chinese DRAM maker

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- KOSPI plunged more than 14% amid hotter-than-expected inflation, concerns around AI-related credit and Chinese DRAM maker. The Pharmaceutical, F&B and Leisure sectors outperformed this week, while the Tech, Machinery and Shipbuilding sectors underperformed the most (Exhibit 17).
- Foreign investors continued to sell the KOSPI market, driven by outflows for KOSPI Tech (Exhibit 44).
- KOSPI 12m-forward EPS was revised up by 0.3%. The Construction sector saw the strongest upward earnings revisions, while the Machinery sector was revised down the most this week (Exhibit 31).
- The KRW strengthened 0.9% vs. USD this week. Also, it strengthened 0.4% vs. JPY and 0.2% vs. EUR.
- The latest Korea Equity Risk Barometer (GSSRKERB Index) is at -1.4, staying in a risk-adverse territory.

Charts of the Week: KOSPI Sell-Off Pulse Check

- This week, a series of negative headlines across macro, credit, and memory industry weighed heavily on global chip stocks and Korean equities. As a result, global semiconductor stocks have recorded their longest losing streak on record, declining for eight consecutive sessions. **The KOSPI has also fallen by more than 20% over the past eight trading days, a magnitude of decline previously seen only during the Asian Financial Crisis, the Global Financial Crisis and the COVID-19 outbreak**. The broader sell-off in the semiconductor sector has been closely mirrored by the Korean market. The Philadelphia Semiconductor Index has declined sharply this week, with the KOSPI exhibiting an even greater downside beta given its concentrated exposure to memory stocks. Despite continued earnings upgrades, the sharp correction has pushed the PHLX Semiconductor Index's 12-month forward P/E below the trough reached during the Liberation Day sell-off. **KOSPI valuation has also compressed to 4.2x forward P/E, equivalent to approximately -3.2 standard deviations from its historical average**.
- **Within the Korean market, valuations have become increasingly compelling**. Excluding the two largest memory stocks, the market is now trading below 7x forward P/E, the lowest level in the past decade. This comes despite broad-based earnings upgrades across most sectors during 2H26, with utilities being the primary exception. Market breadth has also

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

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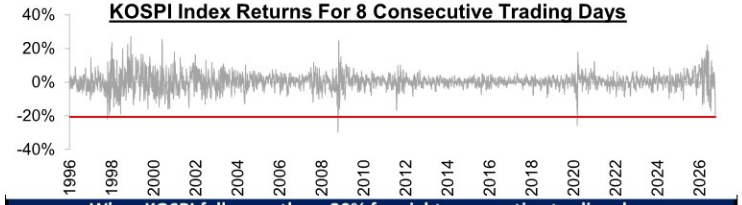
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deteriorated significantly, **with more than 80% of KOSPI constituents down over 20% from their recent highs and more than 40% down over 40%**. As over 70% of KOSPI stocks are now trading below book value, valuation compression has become widespread beyond the semiconductor sector.

- **From a positioning perspective**, corporate buybacks have been the only meaningful source of inflows in recent weeks, while all major investor groups have been net sellers. Foreign investors have led year-to-date outflows, primarily driven by selling in the two largest memory stocks. Consequently, **foreign ownership in the semiconductor sector has fallen to approximately -2.5 standard deviations relative to its historical range**. Foreign ownership in the KOSPI excluding Samsung Electronics and SK Hynix has also declined below its long-term average. **Retail investor positioning remains subdued as well.** Retail ownership continues to track below historical averages following recent outflows. Margin loan balances remain below the June peak, while margin loans as a percentage of market capitalization stand at roughly 0.6%, reflecting the still-elevated market cap base. Meanwhile, leveraged ETF assets under management have fallen to levels last seen during the Iran war-related market drawdown in March. Trading activity in leveraged ETFs has nearly collapsed following the introduction of new regulations in July, further highlighting the lack of speculative positioning in the market.

Charts of the week: KOSPI Sell-Off Pulse Check

Exhibit 1: The KOSPI has also fallen by more than 20% over the past eight trading days, a magnitude of decline previously seen only during the Asian Financial Crisis, the Global Financial Crisis, and the COVID-19 outbreak

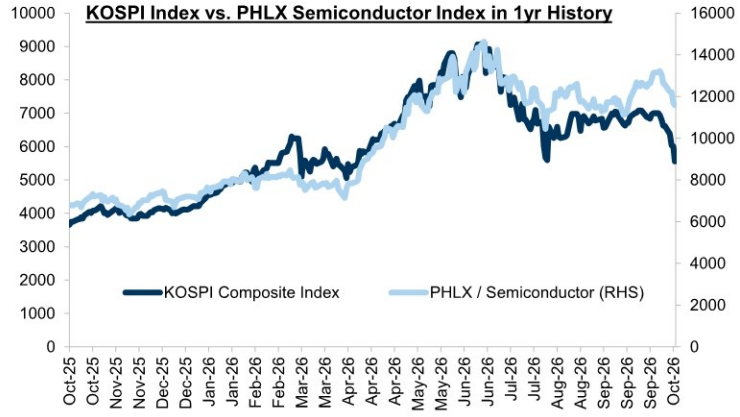


When KOSPI fell more than -20% for eight consecutive trading days

Dates	7d Return	+2wks	+1m	+3m	+6m
10/31/1997	-22%	10%	-20%	15%	-20%
10/23/2008	-23%	10%	1%	13%	33%
10/24/2008	-30%	20%	9%	26%	49%
10/27/2008	-22%	19%	8%	26%	50%
3/19/2020	-26%	23%	33%	48%	61%
Median	-23%	19%	8%	26%	49%

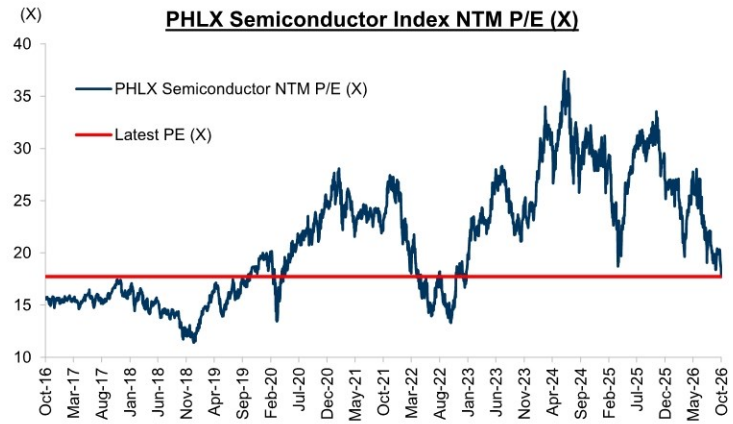
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 2: The Philadelphia Semiconductor Index has declined sharply this week, with the KOSPI exhibiting an even greater downside beta given its concentrated exposure to memory stocks



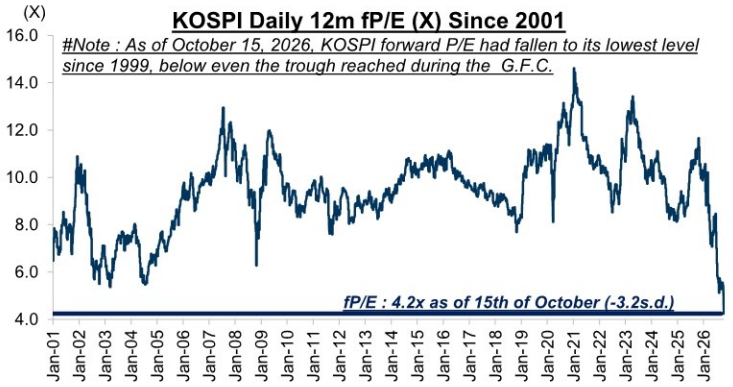
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 3: PHLX Semiconductor Index NTM P/E(X) has fallen below the trough reached during the Liberation Day sell-off



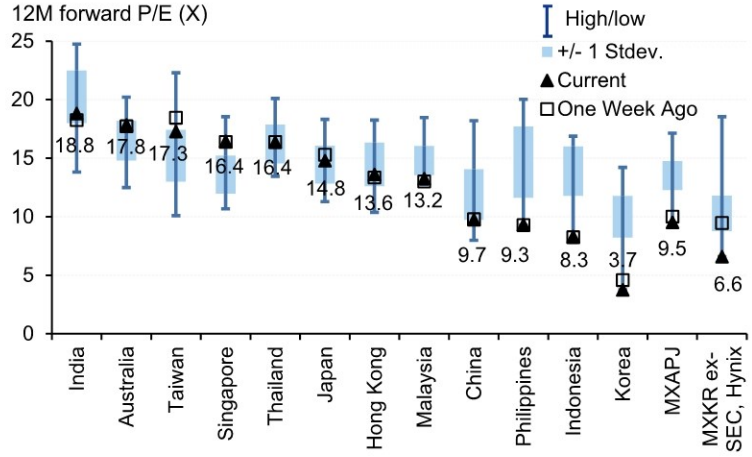
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 4: KOSPI valuation has also compressed to 4.2x forward P/E, equivalent to approximately -3.2 standard deviations from its historical average



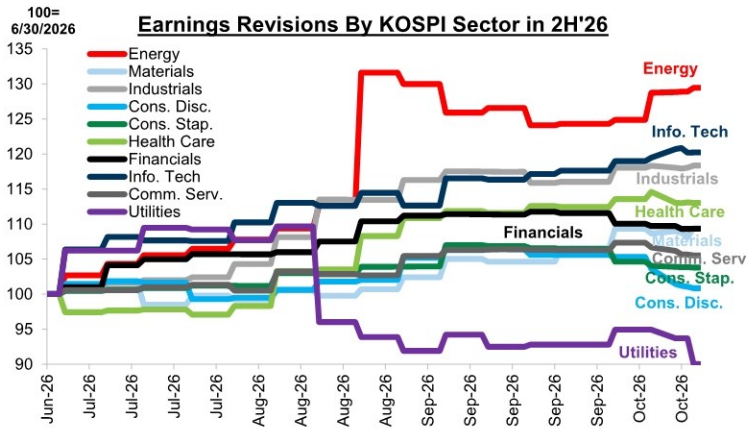
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 5: Excluding the two largest memory stocks, the market is now trading below 7x forward P/E, the lowest level in the past decade



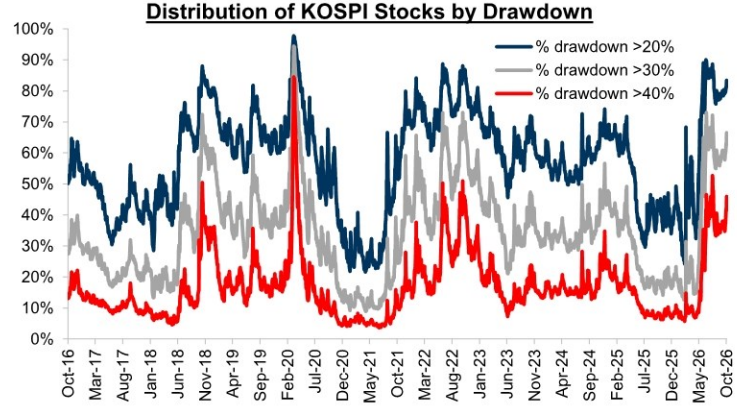
Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 6: Broad-based earnings upgrades across most sectors during 2H26, with utilities being the primary exception



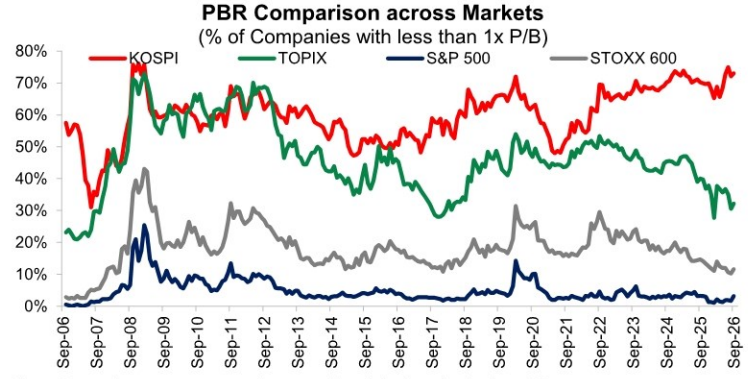
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 7: More than 80% of KOSPI constituents down over 20% from their recent highs and more than 40% down over 40%



Source: FactSet, Goldman Sachs Global Investment Research

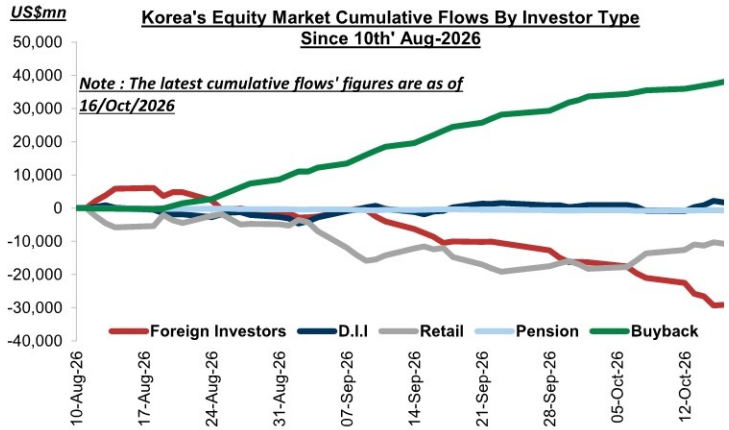
Exhibit 8: As over 70% of KOSPI stocks are now trading below book value, valuation compression has become widespread beyond the semiconductor sector



Note: Based on current constituents; Monthly data in the last 20 years

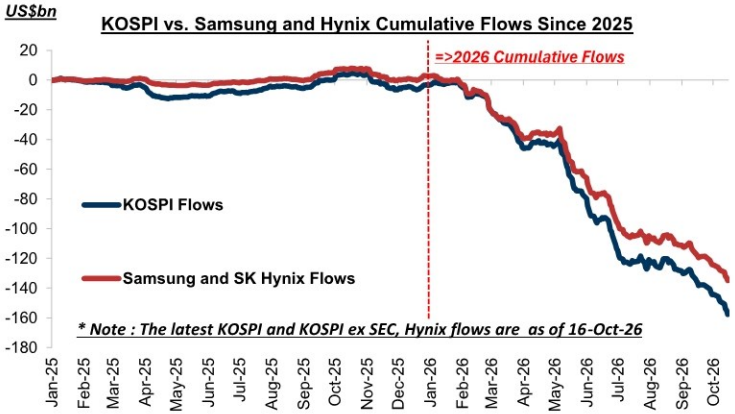
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 9: Corporate buybacks have been the only meaningful source of inflows in recent weeks, while all major investor groups have been net sellers



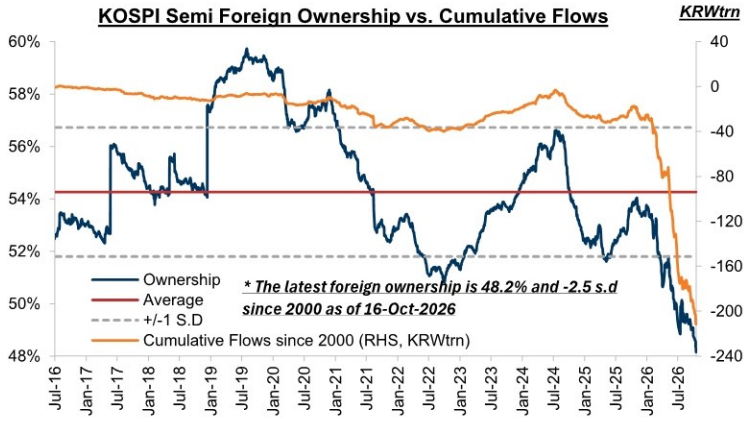
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 10: Foreign investors have led year-to-date outflows, primarily driven by selling in the two largest memory stocks



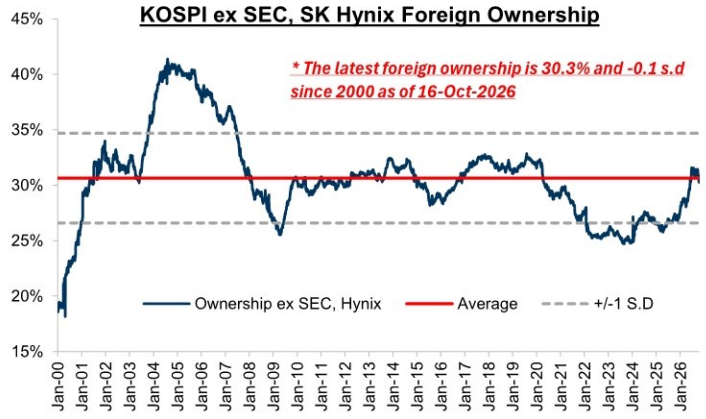
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 11: Consequently, foreign ownership in the semiconductor sector has fallen to approximately -2.5 standard deviations relative to its historical range



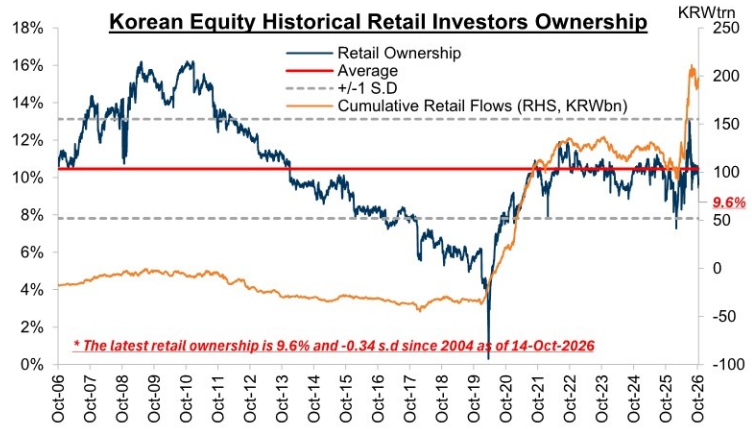
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 12: Foreign ownership in the KOSPI excluding Samsung Electronics and SK Hynix has also declined below its long-term average



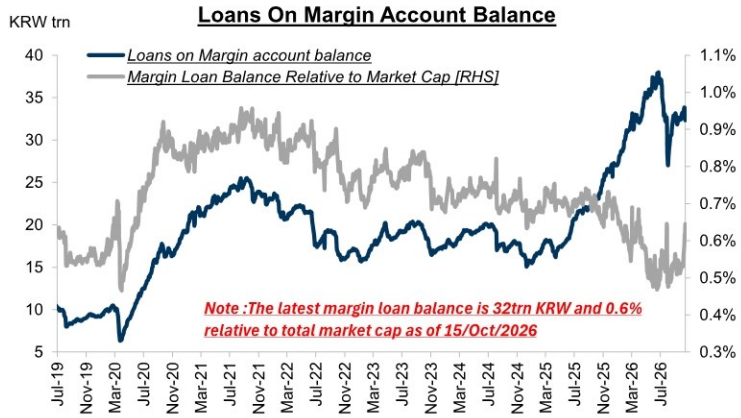
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 13: Retail ownership continues to track below historical averages following recent outflows



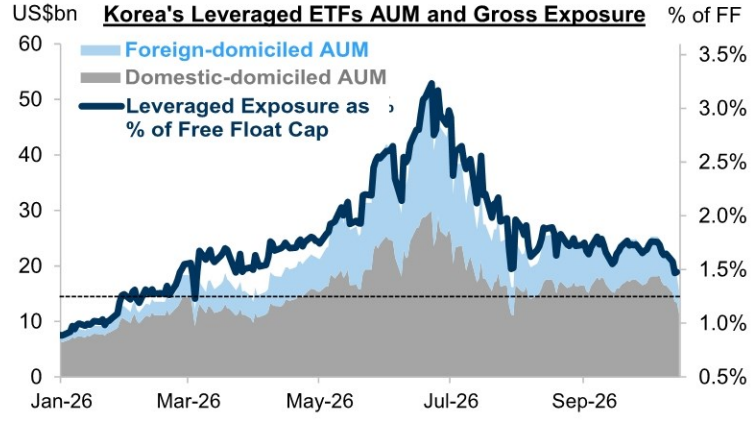
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 14: Margin loan balances remain below the June peak, while margin loans as a percentage of market capitalization stand at roughly 0.6%, reflecting the still-elevated market cap base



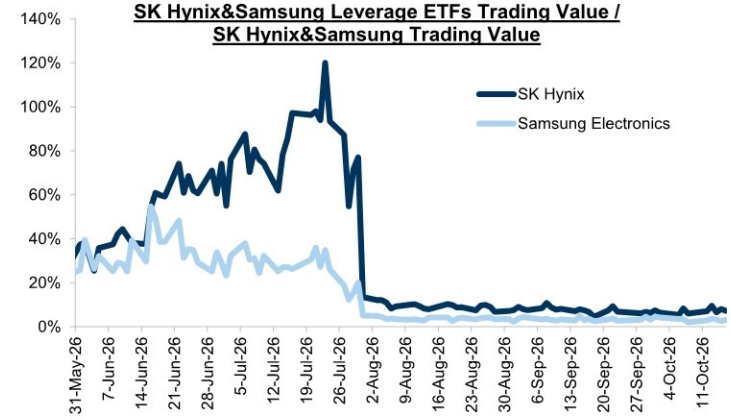
Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 15: leveraged ETF assets under management have fallen to levels last seen during the Iran war-related market drawdown in March



Source: Bloomberg, EPFR, Goldman Sachs Global Investment Research

Exhibit 16: Trading activity in leveraged ETFs has nearly collapsed following the introduction of new regulations in July, further highlighting the lack of speculative positioning in the market



Source: Quantiwise, Goldman Sachs Global Investment Research

Summary

Exhibit 17: Summary of the past week's performance

Equity Market Performance				
	P/E 2026E			1-wk chg
KOSPI	4.0	5,668.05	↓	(14.5)
KOSDAQ	17.1	794.78	↓	(10.9)
MSCI Korea	3.4	2,045.88	↓	(16.4)

KOSPI Performance by sector			
Top 3	wk chg (%)	Bottom 3	1wk chg (%)
Pharmaceuti	4.8	Tech	(19.7)
F&B	4.6	Machinery	(15.6)
Leisure	2.3	Shipbuilding	(12.5)

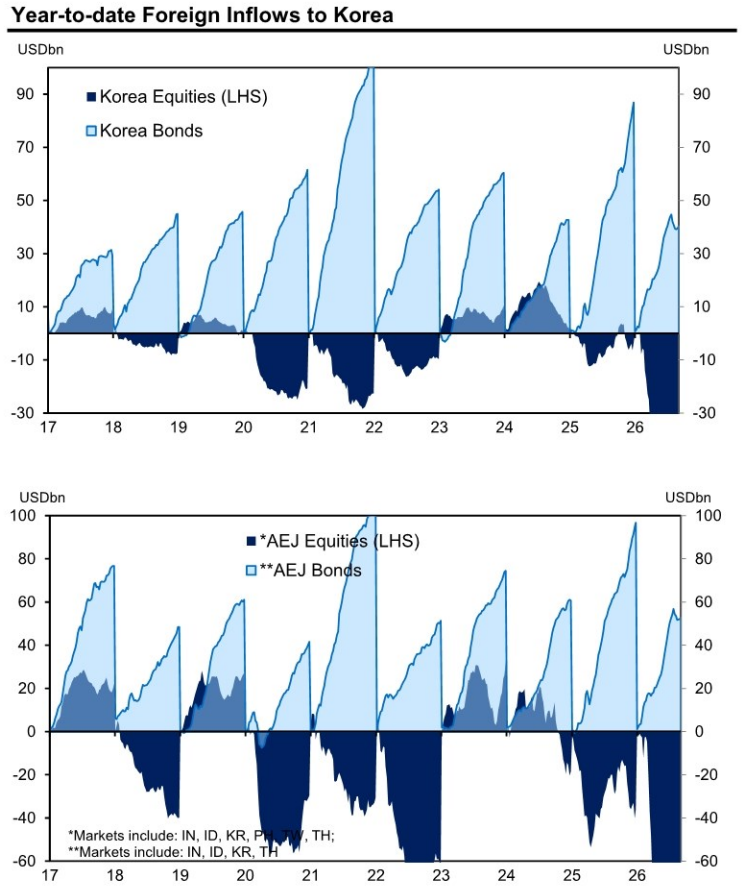
Market Flows				
Equities (KRW bn)		1-wk flow		in std dev*
KOSPI Flows:	Foreigners	(11,193)	↓	*-1.8*
	Institutions	3,377	↑	*1.3*
	Individuals	4,310	↑	*0.7*
	Pensions	79	↑	*0.2*
KOSDAQ Flows:	Foreigners	36	↑	*0.1*
	Institutions	(342)	↓	*-0.2*
	Individuals	261	↑	*0.2*
	Pensions	21	↑	*0.2*

FX/Interest Rate			
	Current		1-wk chg
USDKRW	1,332	↓	(0.9)
JPYKRW	8.43	↓	(0.4)
USDKRW 1M Risk Reversal/ATM v	0.07	↑	2bp
USDKRW 1yr swap basis	(85)	↑	4bp
3-year KTB	3.85	↓	-13bp
10-year KTB	4.18	↓	-21bp

Up (↑) = Up wow vs. the previous week
Asterisk (*) = Expressed in standard deviation of 1-wk change in 1-year

Source: Bloomberg

Exhibit 18: Summary of year-to-date flows

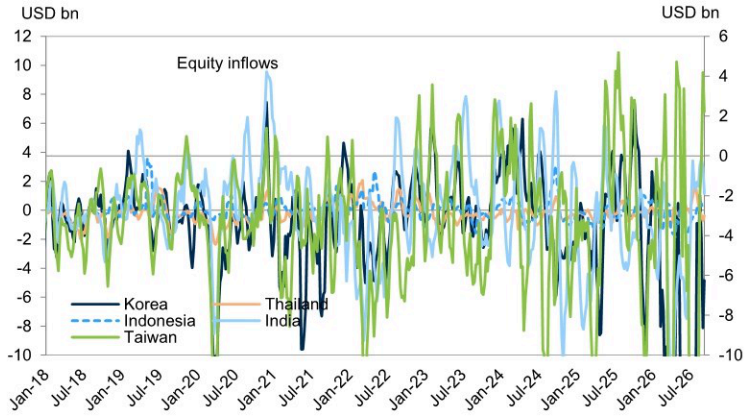


Source: Bloomberg

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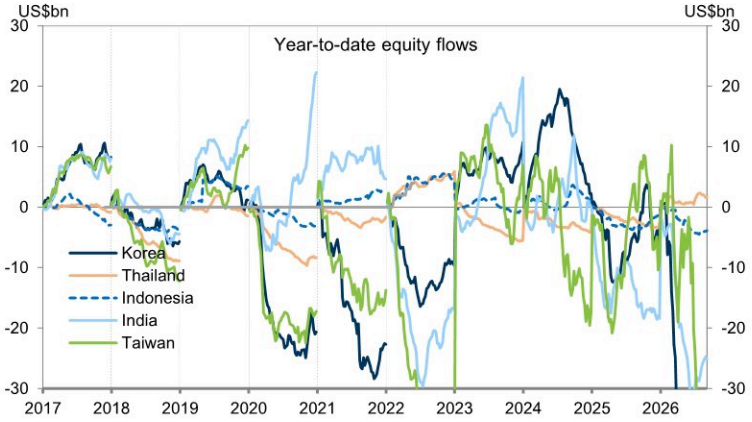
Investment flows

Exhibit 19: Equity inflows to 5 AEJ markets
4-week rolling sum



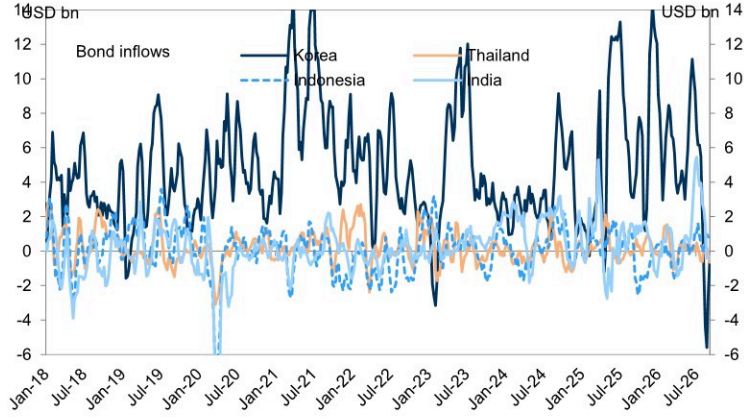
Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 20: Equity inflows to 5 AEJ markets



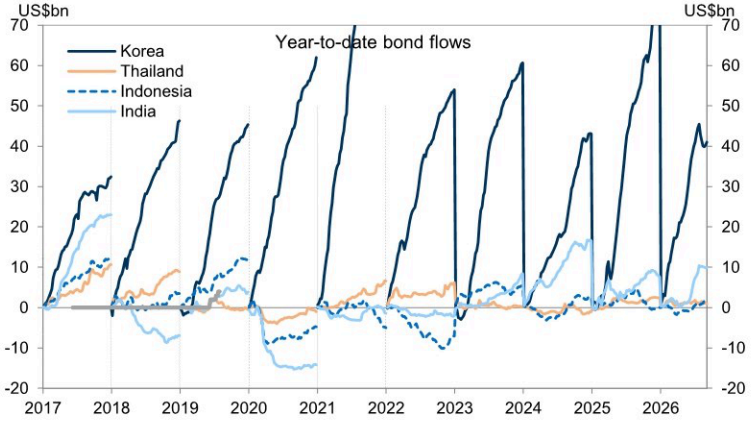
Source: Bloomberg

Exhibit 21: Bond inflows to 4 AEJ markets
4-week rolling sum



Source: Bloomberg, Haver Analytics, Goldman Sachs Global Investment Research

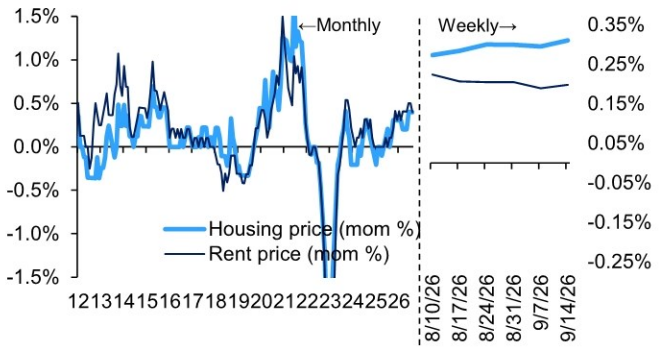
Exhibit 22: Bond inflows to 4 AEJ markets



Source: Bloomberg, Haver Analytics, Goldman Sachs Global Investment Research

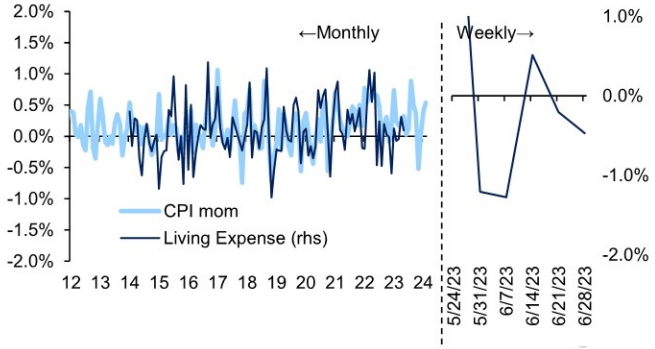
Macro Indicators

Exhibit 23: Housing prices and rental prices
National, monthly and weekly price changes



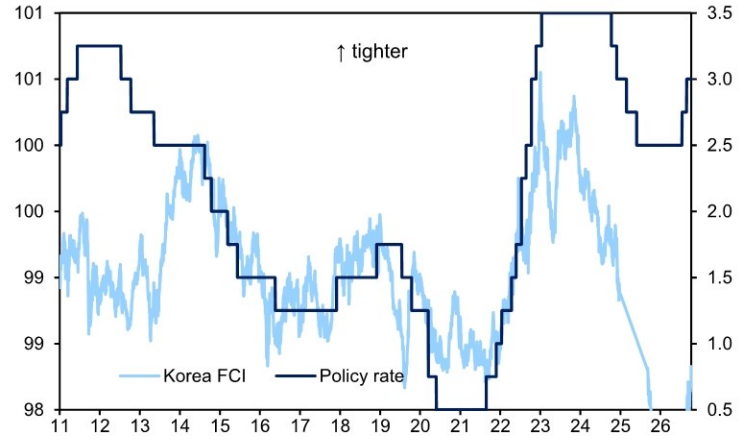
Source: KAB

Exhibit 24: Living expense price changes
Monthly and weekly changes vs. CPI



Source: Bloomberg, Korea Price Research Center, Goldman Sachs Global Investment Research

Exhibit 25: Daily Financial Condition Index
Jan 1, 2013=100



Source: Bloomberg, CEIC, Goldman Sachs Global Investment Research

Exhibit 26: Korea Economic Forecasts

Monthly indicators

Monthly (% yoy)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Exports ex ships	29.0	52.8	47.9	54.4	72.9	64.0	75.2	86.0
Industrial production	-2.3	3.8	1.3	-1.1	6.2	4.0	-2.2	
Employment	0.8	0.7	0.3	-0.1	0.2	0.4	0.6	
CPI	2.0	2.2	2.6	3.1	3.2	2.8	3.1	2.9
BOK Policy Rate	2.50	2.50	2.50	2.50	2.50	2.75	3.00	3.00

Note: Blue-shaded cells denote positive weekly changes and acceleration in monthly changes

Macro and market outlook

Forecasts	2025	2026	2027	1Q26	2Q26	3Q26	4Q26	1Q27
Real GDP	1.1	3.2	2.5	3.8	3.7	2.5	2.9	1.9
Domestic Demand	0.6	2.4	2.9	2.2	2.3	2.1	3.0	2.2
Exports	4.3	8.8	2.6	11.8	9.0	6.6	7.9	2.4
Imports	3.3	7.2	4.8	8.5	6.3	5.5	8.3	5.3
Consumer Prices	2.1	2.6	2.1	2.1	3.0	3.0	2.5	2.5
Current Account - % GDP	6.5	18.1	18.2	14.7	20.8	19.3	17.1	15.8
KOSPI (end / 12mf)	4214	12000*						
Policy rate (end)	2.50	3.00	3.25	2.50	2.50	3.00	3.00	3.25
USDKRW (end)	1,444	1,437	1,363	1,346	1,501	1,419	1,363	1,381

* KOSPI for 2025 is the year-end level and KOSPI for 2026 is 12-month target

Source: Bloomberg, Goldman Sachs Global Investment Research

Performance

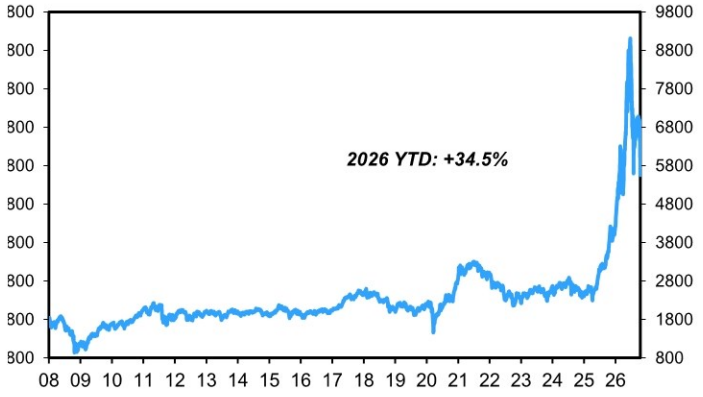
Exhibit 27: Performance of Korean and regional equity markets

		Index	Price return (%)					% vs average	
			Local Crncy		USD				
Korea	**Crn**	**16-Oct**	**1-wk**	**YTD**	**1-wk**	**YTD**	**RSI**	**30D**	**60D**
Kospi	KRW	5,668	(14.5)	34.5	(13.7)	45.4	23	(15)	(15)
Kospi 200	KRW	878	(15.9)	44.9	(15.2)	56.6	24	(17)	(16)
Kosdaq	KRW	795	(10.9)	(14.1)	(10.2)	(7.2)	33	(5)	(2)
MSCI Korea	KRW	2,046	(16.4)	48.3	(15.7)	60.3	20	(17)	(27)
Selected sector indexes									
Auto	KRW	2,468	(2.5)	(2.4)	(1.7)	5.5	29	(6)	(12)
Tech	KRW	88,063	(19.7)	76.9	(19.0)	91.2	26	35	2
Retail	KRW	531	(5.9)	10.7	(5.1)	19.7	21	(11)	(12)
Pharmaceutical	KRW	14,900	4.8	(13.8)	5.7	(6.8)	36	(1)	(4)
Steel	KRW	5,910	(5.6)	(9.6)	(4.8)	(2.3)	28	(10)	(11)
Chemicals	KRW	4,638	(6.6)	13.5	(5.8)	22.7	42	(3)	(0)
F&B	KRW	4,851	4.6	7.3	5.5	15.9	52	2	1
Machinery	KRW	2,565	(15.6)	(5.7)	(14.9)	1.9	24	(16)	(14)
Construction	KRW	135	(10.3)	37.6	(9.6)	48.7	26	(17)	(14)
Shipbuilding	KRW	1,207	(12.5)	(16.7)	(11.7)	(10.0)	26	(15)	(15)
Utilities	KRW	929	(1.6)	(33.4)	(0.8)	(28.0)	33	(6)	(9)
Banking	KRW	1,537	(2.5)	17.9	(1.7)	27.4	30	(8)	(7)
Securities	KRW	4,272	(8.4)	1.9	(7.6)	10.2	19	(12)	(16)
Insurance	KRW	41,260	(7.9)	35.3	(7.1)	46.2	26	(12)	(12)
Telecom	KRW	567	(3.2)	16.1	(2.3)	25.5	32	(6)	(7)
Software	KRW	181	(7.4)	(13.8)	(6.6)	(6.9)	30	(37)	(37)
Leisure	KRW	291	2.3	(42.3)	3.2	(37.7)	46	(54)	(53)
MSCI standard market and regional indexes									
AC Asia Pacific ex Japan	USD	832	(4.9)	15.2	(4.9)	15.2	27	(5)	(5)
USA	USD	7,380	(0.9)	13.0	(0.9)	13.0	51	0	1
EU	EUR	215	1.8	8.9	2.3	4.3	54	1	(0)
China	HKD	71	(1.6)	(14.7)	(2)	(15.4)	36	(3)	(5)
Japan	JPY	2,487	(1.7)	19.0	(1.5)	18.1	37	(1)	(1)
Regional indexes									
America									
S&P 500 (US)	USD	7,744	(0.9)	13.1	(0.9)	13.1	52	0	1
NASDAQ (US)	USD	26,713	(2.4)	14.9	(2.4)	14.9	46	(0)	1
BOVESPA (Brazil)	BRL	204,324	(2.3)	26.8	(4.4)	36.2	69	7	12
Asia									
Hang Seng (Hong Kong)	HKD	24,187	(0.1)	(5.6)	(0.1)	(6.4)	40	(2)	(4)
Hang Seng Ent. (China)	HKD	8,128	(0.2)	(8.8)	(0.2)	(9.6)	43	(1)	(3)
Topix (Japan)	JPY	4,066	(0.9)	19.3	(0.7)	18.4	51	(1)	(0)
TW Weighted (Taiwan)	TWD	47,111	(4.5)	62.7	(5.9)	57.9	44	(1)	2
Straits Times(Singapore)	SGD	5,419	0.3	16.6	0.4	17.2	30	(4)	(4)
S&P CNX Nifty (India)	INR	23,128	2.7	(11.5)	4.6	(16.3)	50	0	(2)
Europe									
DJ EURO STOXX 50 (EU)	EUR	6,202	0.5	7.1	0.9	2.5	42	(1)	(2)
FTSE 100 (UK)	GBP	10,831	2.6	9.1	3.3	7.8	62	2	1

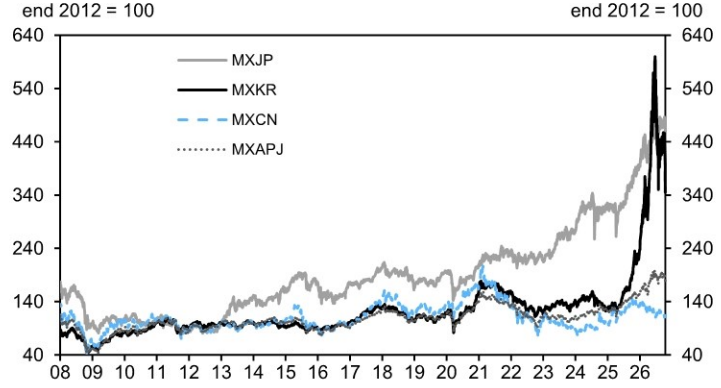
Source: Bloomberg, MSCI

Exhibit 28: KOSPI and MSCI regional index

KOSPI Index price performance (KRW)

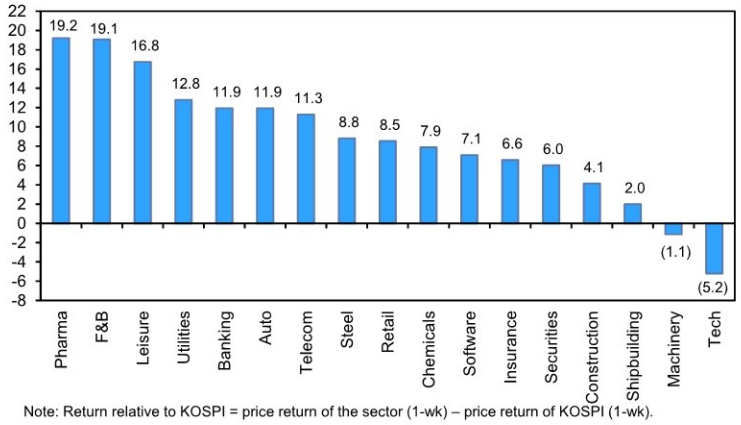


Regional MSCI Index performance



Source: Bloomberg, MSCI

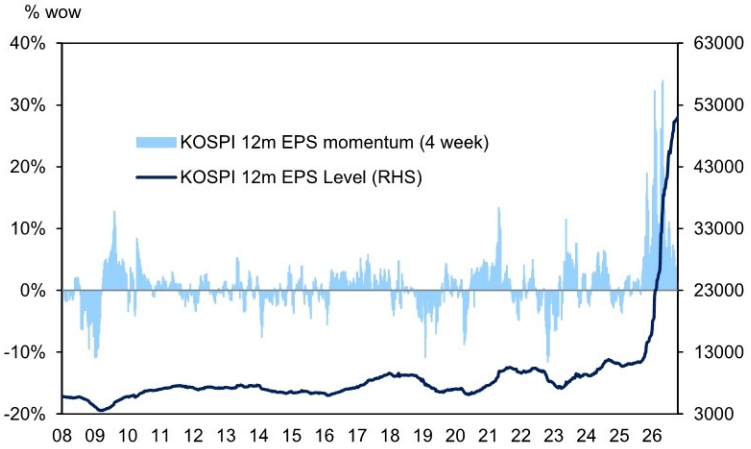
Exhibit 29: Weekly sector performance relative to KOSPI



Note: Return relative to KOSPI = price return of the sector (1-wk) – price return of KOSPI (1-wk).

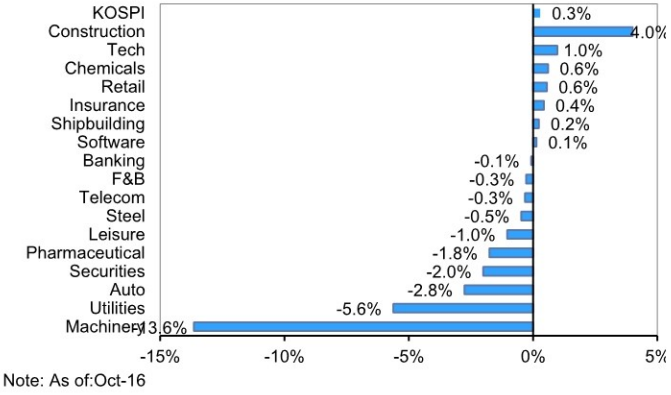
Source: Bloomberg, Quantiwise

Exhibit 30: Historical trend of monthly KOSPI earnings momentum



Source: Quantiwise

Exhibit 31: Weekly earnings momentum for KOSPI and selected sectors



Note: As of:Oct-16

Source: Quantiwise

Exhibit 32: KOSPI earnings revisions by sector

As of: Oct-16		2026E EPS Revision		2027E EPS Revision	
Sector	**Index wgt**	**6M**	**3M**	**6M**	**3M**
Tech	21%	**37%**	**4%**	**58%**	**3%**
Software	6%	-13%	-12%	-9%	-12%
Chemicals	12%	**112%**	**17%**	**29%**	**19%**
Auto	8%	-7%	-7%	-10%	-9%
Steel	4%	-6%	**4%**	-8%	-1%
Machinery	2%	-7%	-6%	-12%	-15%
Shipbuilding	1%	**7%**	**3%**	**6%**	**1%**
Retail	7%	**12%**	**6%**	**15%**	**16%**
F&B	3%	-1%	-4%	-3%	-2%
Pharmaceutical	2%	**2%**	**17%**	-4%	**14%**
Leisure	1%	-20%	-21%	-15%	-23%
Utilities	4%	-49%	-23%	-37%	-24%
Telecom	2%	**2%**	**4%**	**3%**	**2%**
Construction	2%	**23%**	**0%**	**16%**	**0%**
Insurance	5%	**23%**	**24%**	**38%**	**20%**
Banking	5%	-6%	-9%	-6%	-9%
Securities	2%	**32%**	**0%**	**9%**	-8%
KOSPI		**35%**	**7%**	**48%**	**5%**

Source: Quantiwise

Valuations

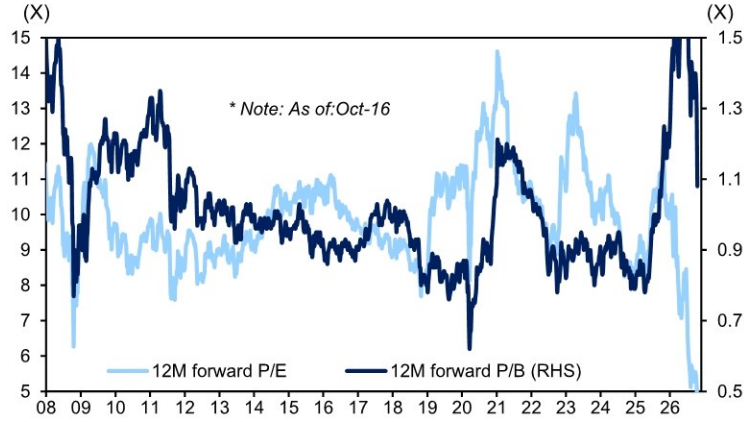
Exhibit 33: Valuation summary for regional equity markets

			Consensus estimates													
	Local Currency	Bloomberg Ticker	P/E (X)		EPS Growth (%)		P/B (X)		D/Y (%)		ROE (%)			EBIT Margin (%)		P/CF (%)
			2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2028E	2026E	2027E	2026E
MSCI markets																
Australia	AUD	MXAU	17.7	17.2	4.6	3.1	2.5	2.4	3.7	3.8	14.2	14.4	14.1	27.6	27.2	10.6
Singapore Free	SGD	SIMSCI	16.2	14.7	11.0	9.8	2.0	1.9	3.9	4.0	12.3	13.0	13.6	24.4	24.8	7.2
Hong Kong	HKD	MXHK	13.5	12.6	4.6	7.4	1.1	1.1	4.2	4.5	8.4	8.4	8.7	14.6	14.5	10.4
India	INR	MXIN	18.3	15.9	15.8	14.7	2.7	2.4	1.6	1.7	14.9	15.6	16.1	18.0	18.7	13.1
Indonesia	IDR	MXID	8.2	7.5	9.1	9.0	1.4	1.1	8.4	8.9	16.5	17.1	16.6	32.1	33.1	4.1
Japan	JPY	MXJP	14.5	12.9	14.5	12.0	1.7	1.6	2.3	2.5	11.8	12.5	13.0	13.1	14.3	10.4
Korea	**KRW**	**MXKR**	**3.6**	**3.4**	**39.1**	**5.2**	**1.2**	**0.9**	**4.0**	**4.9**	**37.9**	**37.3**	**29.6**	**43.9**	**41.5**	**3.1**
Malaysia	MYR	MXMY	13.1	12.2	6.2	7.2	1.4	1.3	4.8	5.1	10.7	10.9	11.2	26.4	27.7	8.4
Pakistan	PKR	MXPK	6.1	5.6	8.0	9.5	1.2	1.3	7.5	8.9	20.3	19.7	22.7	24.6	27.2	21.6
Philippines	PHP	MXPH	9.2	8.4	11.4	9.2	1.3	1.2	3.8	4.0	14.9	15.0	14.8	33.5	31.6	
Taiwan	TWD	MXTW	16.6	12.9	30.9	28.6	4.3	3.5	2.2	2.7	27.5	28.9	30.2	17.1	17.7	8.0
Thailand	THB	MXTH	16.3	15.1	2.3	5.5	1.9	1.8	3.7	4.1	12.6	12.2	12.2	12.6	12.4	12.3
AC Asia Pacific	USD	MXAP	10.3	9.1	27.2	12.7	1.7	1.5	2.8	3.2	16.8	18.3	17.9	22.9	22.7	
AC Asia Pacific ex Japan	USD	MXAPJ	9.2	8.2	30.4	12.0	1.8	1.5	3.0	3.4	19.4	21.1	20.1	27.1	26.2	14.5
AC Asia ex Japan	USD	MXASJ	8.6	7.6	32.7	12.6	1.7	1.4	2.9	3.4	20.0	21.8	20.6	27.1	26.1	8.0
AC Far East ex Japan	USD	MXFEJ	7.9	7.0	34.3	12.5	1.6	1.4	3.1	3.7	20.6	22.3	21.0	27.8	26.7	0.0

Note: As of Oct-15-2026

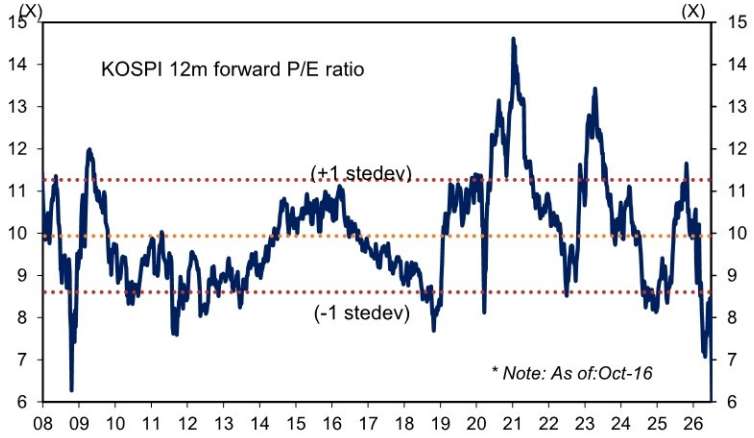
Source: Bloomberg, I/B/E/S, FactSet, Goldman Sachs Global Investment Research

Exhibit 34: 12-month forward P/E and P/B for KOSPI, since Jan 2008



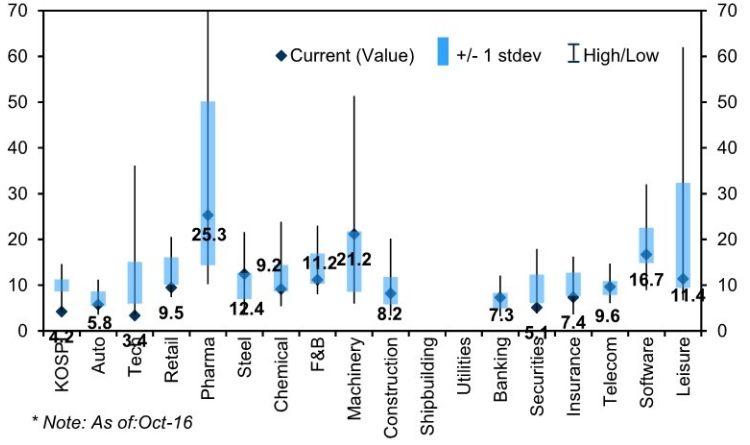
Source: Quantiwise

Exhibit 35: 12-month forward P/E for MSCI Korea, since Jan 2008



Source: Quantiwise

Exhibit 36: Current 12m forward P/E of KOSPI and selected sectors since Jan 2006



Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 37: 12-m forward P/E for KOSPI and selected sectors since Jan 2006

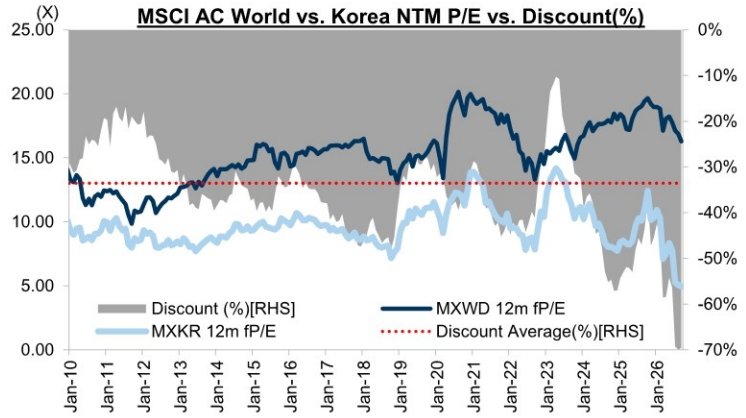
KOSPI sector	Current	Low	-1std.dev	Mean	+1std.dev	High
KOSPI Index	**4.2**	4.2	8.6	9.9	11.3	14.6
Auto	**5.8**	3.5	5.4	7.0	8.6	11.2
Tech	**3.4**	3.4	6.0	10.5	15.1	36.2
Retail	**9.5**	7.4	10.1	13.1	16.1	20.6
Pharmaceuticals	**25.3**	10.2	14.4	32.3	50.2	72.8
Steel	**12.4**	3.8	7.0	9.8	12.6	21.6
Chemical	**9.2**	5.4	8.6	11.5	14.4	23.9
F&B	**11.2**	8.0	10.3	13.6	16.9	23.0
Machinery	**21.2**	6.0	8.5	15.1	21.7	51.3
Construction	**8.2**	3.3	5.8	8.8	11.8	20.2
Shipbuilding	**17.6**			21.5		
Banking	**7.3**	3.2	4.9	6.6	8.3	12.1
Securities	**5.1**	3.8	6.1	9.2	12.3	17.9
Insurance	**7.4**	3.6	7.6	10.2	12.7	16.3
Telecom	**9.6**	6.1	7.8	9.4	10.9	14.7
Software	**16.7**	8.9	14.8	18.7	22.5	32.0
Leisure	**11.4**	6.7	9.4	20.9	32.4	62.0

Note: As of:Oct-16

Source: Quantiwise

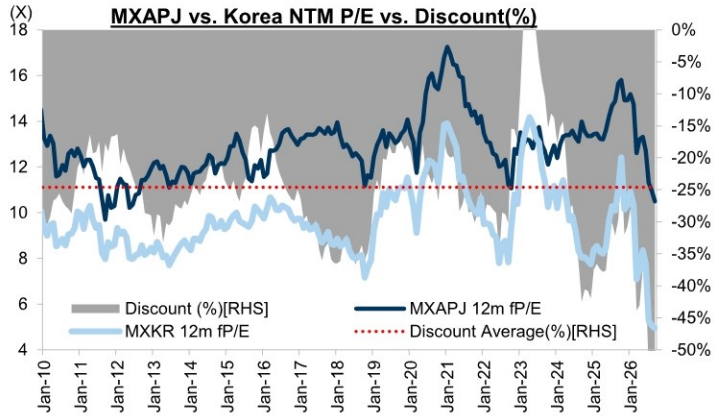
Valuation discount relative to Global and Asia regional peers

Exhibit 38: MXKR valuation discount relative to MSCI AC World NTM P/E



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 39: MXKR valuation discount relative to MXAPJ NTM P/E



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 40: NTM P/E Valuation Discount vs. 10-year History by Sector

NTM P/E Valuation Discount vs. 10-Year History	Current		Z-Score	
	vs. MXWD	vs. MXAPJ	vs. MXWD	vs. MXAPJ
Energy	-39%	-33%	-0.66	-0.53
Materials	-19%	-17%	-0.02	-0.40
Industrials	-63%	-35%	-2.75	-2.45
Consumer Discretionary	-63%	-46%	-0.10	0.92
Consumer Staples	-18%	-16%	0.29	1.15
Health Care	71%	8%	-1.31	-1.22
Financials	-37%	-29%	0.95	1.03
Information Technology	-76%	-52%	-1.21	-0.94
Communication Services	-25%	-1%	-0.97	0.25
Utilities	-	-	-	-
MXKR	**-70%**	**-53%**	**-2.75**	**-2.42**

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

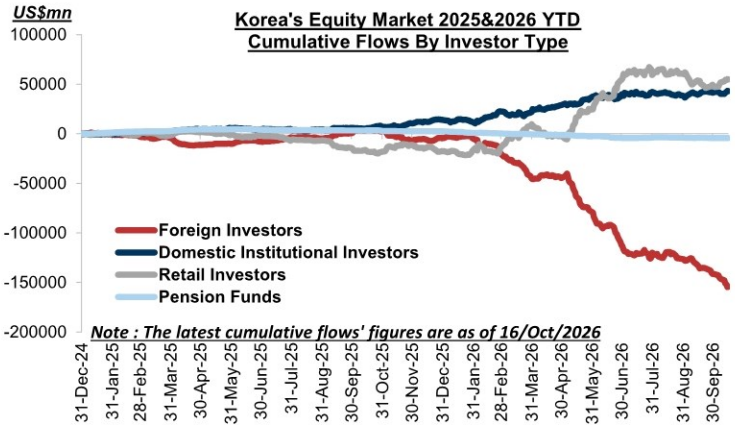
Exhibit 41: P/B Valuation Discount vs. 10-year History by Sector

P/B Valuation Discount vs. 10-Year History	Current		Z-Score	
	vs. MXWD	vs. MXAPJ	vs. MXWD	vs. MXAPJ
Energy	-46%	-4%	-0.30	1.38
Materials	-82%	-80%	-2.32	-2.35
Industrials	-51%	6%	1.15	1.32
Consumer Discretionary	-80%	-61%	-0.12	0.98
Consumer Staples	-38%	-16%	1.39	1.81
Health Care	-18%	-14%	-1.22	-1.55
Financials	-49%	-32%	0.84	2.51
Information Technology	-65%	-33%	0.94	1.00
Communication Services	-73%	-55%	-1.41	-1.01
Utilities	-80%	-74%	0.19	0.45
MXKR	**-38%**	**-4%**	**1.89**	**2.43**

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Flows

Exhibit 42: 2025 & 2026 year-to-date KOSPI purchase by investor type



Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 43: KOSPI net equity transactions by investor type (KRW bn)

	Weekly			
	Sep 16 - Sep 23	Sep 25 - Oct 02	Oct 01 - Oct 08	Oct 09 - Oct 16
Financial Institutions	1,713	(972)	(2,389)	3,377
- Banks	7	(2)	(2)	(17)
- Securities	1,859	(383)	(2,231)	3,992
- Insurance	7	(13)	(44)	498
- Investment trusts	(202)	(275)	317	(744)
- Pension funds	(264)	(156)	(373)	79
- Other financial institutions	53	78	35	51
- PEF	253	(222)	(91)	(482)
Foreigners	(419)	(8,323)	(6,469)	(11,193)
Individuals	(6,202)	1,902	6,360	4,310
Others	4,933	7,385	2,482	3,474
(YTD)				
Financial Institutions	39,386	38,414	36,025	39,402
- Investment trusts	(6,269)	(6,543)	(6,226)	(6,970)
- Pension funds	(8,814)	(8,970)	(9,343)	(9,264)
Foreigners	(182,447)	(190,770)	(197,239)	(208,432)
Individuals	89,392	91,295	97,654	101,964

Source: Quantiwise, Goldman Sachs Global Investment Research

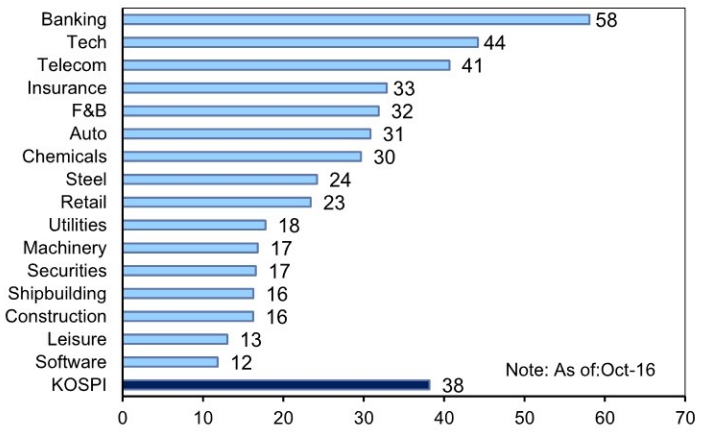
Exhibit 44: Weekly fund flows on sectors by investor type, with relative returns to KOSPI

KOSPI and sector's relative returns and flow data

Sectoral flows by investor type	F&B	Leis	Util	Bank	Auto	Telco	Soft	Steel	Retail	Chem	Ins	Sec	Cons	Ship	Mach	Tech	KOSPI
Rel return to KOSPI (%)	19.1%	16.8%	12.8%	11.9%	11.9%	11.3%	10.3%	8.8%	8.5%	7.9%	6.6%	6.0%	4.1%	2.1%	-1.1%	-5.2%	**-14.5%**
Foreign Flows / Mkt Cap (bp)	-4	9	8	-18	-3	6	20	-5	10	-7	-17	4	25	-11	-17	-38	**-24**
Retail Flows / Mkt Cap (bp)	-37	-37	-22	-2	-19	-16	-29	-10	-20	-4	-4	-8	-11	6	13	23	**9**
Pension Flows / Mkt Cap (bp)	13	4	3	0	3	-3	2	1	5	6	0	-4	-2	1	-3	0	**0**
Inv Trust Flows / Mkt Cap (bp)	11	5	0	-2	4	3	0	2	-2	0	2	4	-6	-2	-9	-3	**-2**
Foreign Flows (KRW bn)	-21	8	19	-357	-54	21	119	-36	97	-117	-176	17	77	-443	-153	-10523	**-11193**
Retail Flows (KRW bn)	-180	-31	-53	-34	-343	-58	-167	-74	-189	-73	-39	-37	-32	256	113	6465	**4310**
Pension Flows (KRW bn)	64	3	8	-6	46	-9	9	11	49	101	-4	-18	-5	31	-28	-93	**79**
Inv Trust Flows (KRW bn)	54	4	1	-38	63	12	0	14	-21	7	21	19	-17	-77	-77	-964	**-744**

Source: Quantiwise, Korea Exchange, Goldman Sachs Global Investment Research

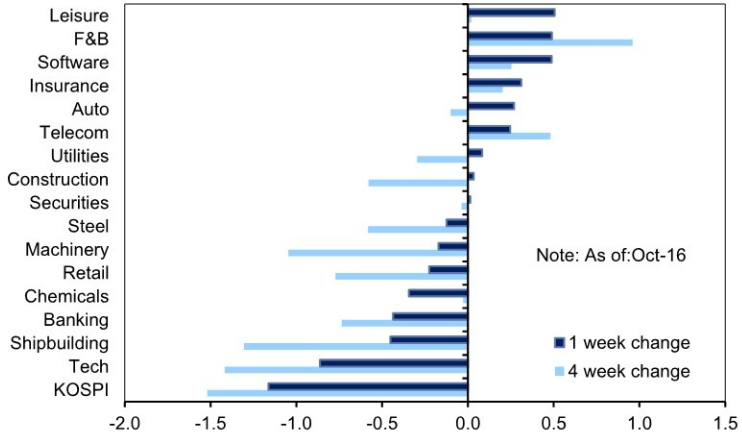
Exhibit 45: KOSPI sectors, ranked by foreign ownership as a % of total market value



Source: Korea Exchange, Quantiwise

Exhibit 46: KOSPI sectors ranked by foreign ownership % change

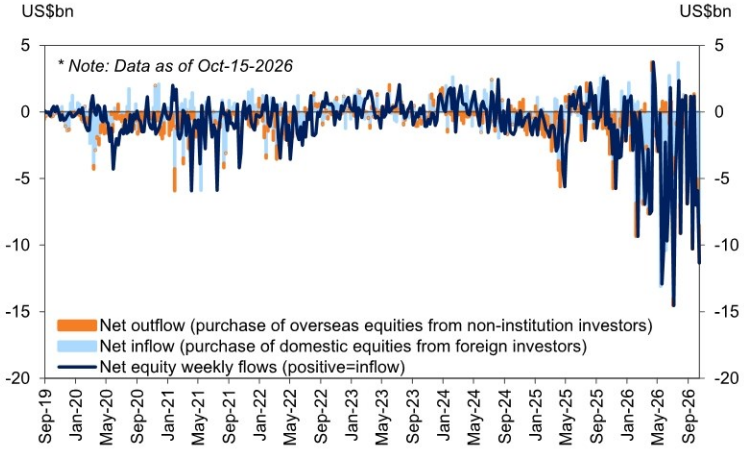
Absolute ownership % (market value) changes



Source: Korea Exchange, Quantiwise

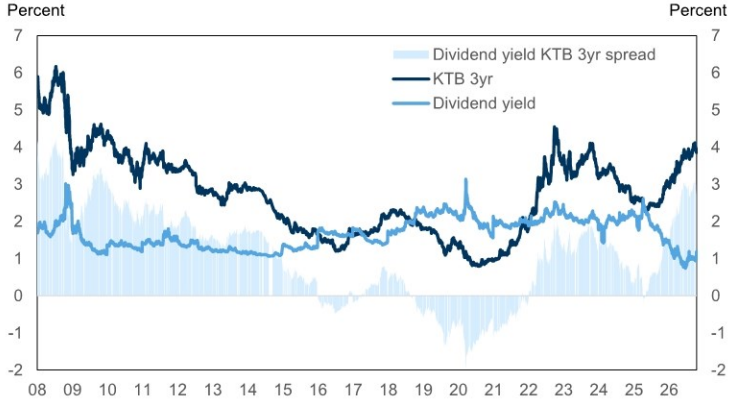
Exhibit 47: Equity net weekly flows

(Week ending on Thursday due to data availability)



Source: KSD, Quantiwise, Haver, Goldman Sachs Global Investment Research

Exhibit 48: 12-month forward D/Y for KOSPI and Korea Treasury bond yield



Source: Bloomberg, Goldman Sachs Global Investment Research

Currency, rates and commodities

Exhibit 49: Currency, rates and commodities

Sectoral flows by investor type

Currency	Bloomberg Ticker	Current	Price Change (%) 1-wk	1-mo	3-mo	YTD
US Dollar/ Korean Won	USDKRW	1,332	(0.9)	(3.2)	(10.0)	(7.5)
US Dollar/ Korean Won - 3M NDF	KWN+3M	1,329	(0.7)	(3.3)	(10.0)	(7.4)
US Dollar/ Korean Won - 6M NDF	KWN+6M	1,326	(0.7)	(3.4)	(10.0)	(7.3)
US Dollar/ Korean Won - 12M NDF	KWN+12M	1,319	(0.7)	(3.5)	(10.1)	(7.4)
Japanese Yen / Korean Won	JPYKRW	8.43	(0.4)	(4.3)	(7.5)	(8.5)
Euro/ Korean Won	EURKRW	1,498	(0.2)	(5.1)	(11.6)	(11.6)
Chinese Yuan/ Korean Won	CNYKRW	199.2	(0.6)	(2.9)	(8.7)	(3.6)
Euro/ US Dollar	EURUSD	1.125	0.4	(1.9)	(1.7)	(4.3)
US Dollar/ Chinese Yuan	USDCNY	6.687	(0.1)	(0.3)	(1.3)	(4.3)
US Dollar/ Japanese Yen	USDJPY	157.94	(0.2)	1.1	(2.7)	0.8

Fixed Income	Bloomberg Ticker	Yield (%) Last Close	-1 wk	-1 mo	-3 mo
Korea 3M CD	KSDACD3M	3.25	3.24	3.21	2.91
Korea Treasury Bond 3yr	KOTB3YR	3.85	3.98	4.05	3.85
Korea Treasury Bond 10yr	KOTB10YR	4.18	4.40	4.55	4.30

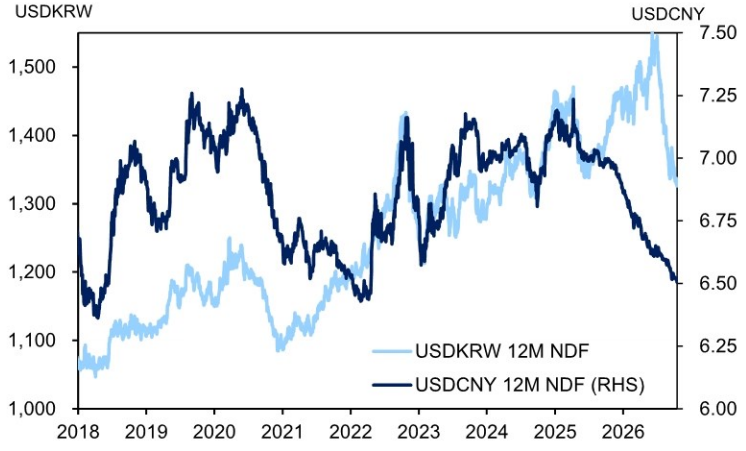
Major Commodity prices

Commodity	Bloomberg Ticker	Unit	Crncy	Last Close	Price Change (%) 1-wk	1-mo	3-mo	YTD
Baltic Dry	BDIY	N/A	USD	2,545	(14.4)	(24.3)	(13.1)	35.6
WTI	CL1	per barrel	USD	97	6.0	(5.0)	23.3	69.5
Coal	XAA	per ton	USD	150	1.9	6.7	25.0	55.7
Gold	GOLDS	per oz.	USD	4,184	(0.2)	(1.9)	5.2	(3.1)
Aluminum	LA1	per ton	USD	2,988	(1.8)	(8.3)	(5.0)	0.3
Copper	LP1	per ton	USD	14,424	0.1	2.6	6.2	15.7
Steel	STEEL	per ton	USD	3,267	1.2	3.8	(3.4)	28.4
Zinc	LMZSDY	per ton	USD	3,692	(2.2)	(6.5)	4.0	19.8
Corn	C1	per bushel	USD	478	(0.3)	(10.5)	8.3	8.6
Wheat	W1	per bushel	USD	666	(0.7)	(8.8)	(1.3)	31.4
Soybean	S1	cent per bushel	USD	1,262	(2.3)	(4.4)	5.6	22.5
DRAM*	ISPPDR29	per chip	USD	12.2	(0.2)	2.7	8.8	226.3
DRAM**	ISPPDR35	per chip	USD	17.8	2.4	11.9	40.8	288.0

Note: We show spot prices for * DDR3 4Gb 512Mx8 1333/1600MHz and ** DDR4 4Gb 542Mx8 2133/2400 MHz

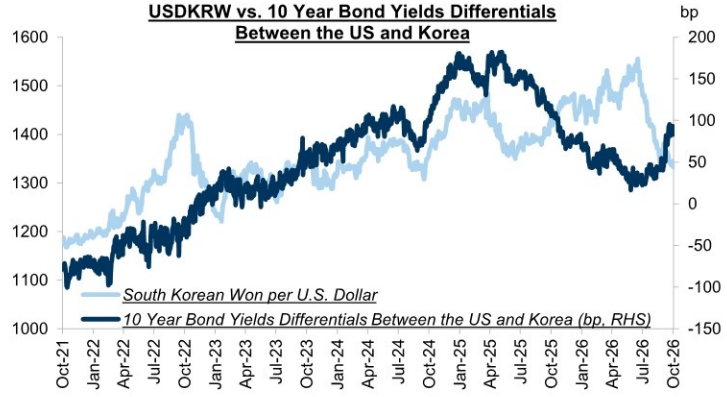
Source: Bloomberg

Exhibit 50: USDKRW and USDCNY rates



Source: Bloomberg

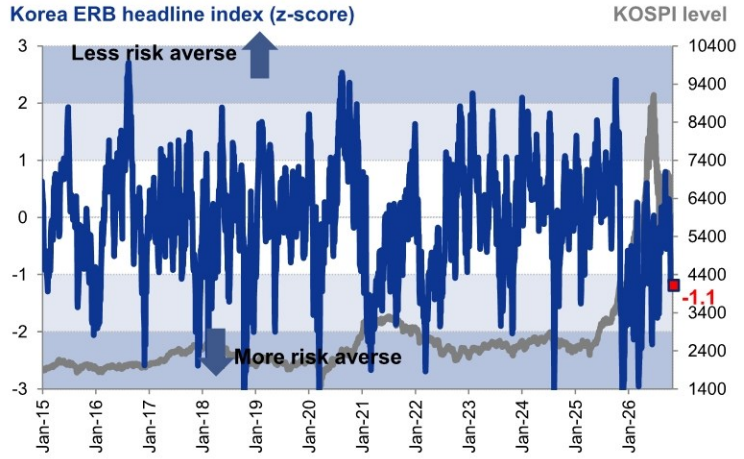
Exhibit 51: USDKRW vs. 10 year bond yields differentials between the US and Korea



Source: FactSet, Goldman Sachs Global Investment Research

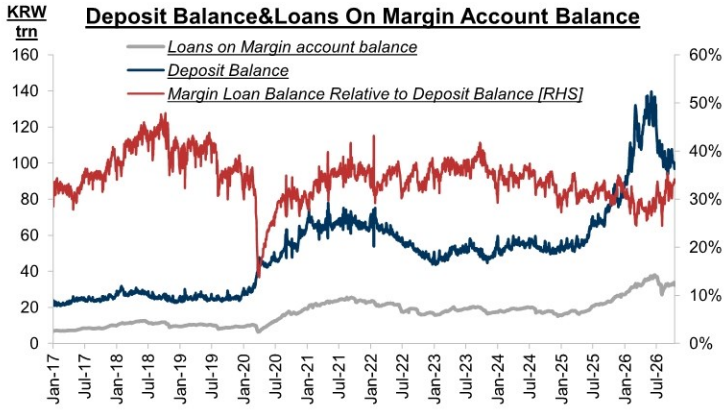
Korea ERB, Credit and Market Technicals

Exhibit 52: Korea Equity Risk Barometer



Source: Goldman Sachs Global Investment Research

Exhibit 53: Deposit Balance & Loans on Margin account balance



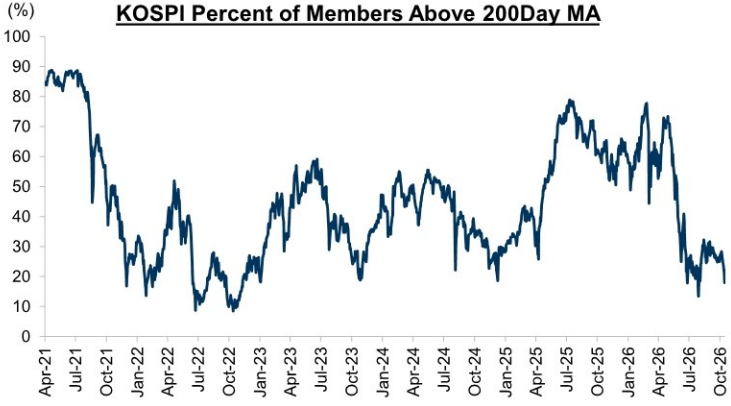
Source: Bloomberg, Korea Financial Investment Association, Goldman Sachs Global Investment Research

Exhibit 54: Korea Volatility Index (VKOSPI)



Source: Quantiwise, Goldman Sachs Global Investment Research

Exhibit 55: KOSPI Percent of Members above 200 day moving average



Source: Bloomberg, Goldman Sachs Global Investment Research

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