

## **Seoul Shares End Higher Led by Techs, Banks**

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SEOUL - Seoul shares ended higher on Tuesday after earlier declines on concerns that Washington's financial sector bailout may not revive the U.S. economy, but active buying by domestic institutions supported Korean shares.

The Korea Composite Stock Price Index closed up 1.44 percent at 1,481.37 points, rebounding from a session low of 1,445.50 points.

'Investors here were increasingly sticking with the view that the U.S. congress cannot afford not to approve the rescue plans,' said Yoo Soo-min, a market analyst at Hyundai Securities.

'While foreigners kept selling, domestic institutions, particularly the long-term investing pension funds, were aggressively getting into the markets on views that U.S. falls had been overdone and the shares will probably pick up tonight,' said Joo Sang-cheol, a market analyst at Kyobo Securities.

'And frankly, South Korean shares have undergone steep losses in recent months, as foreigners sold out on South Korea shares more so than they did on other Asian issues, and domestic institutions seem to have decided that valuations have become very attractive by now,' Joo added.

Foreign investors were net sellers of 292 billion won (\$254 million) worth of stocks, while domestic institutional investors bought a net 360 billion won. Pension funds bought a net 146 billion won.

The main KOSPI index has fallen 22 percent since mid-May.

Technology issues including Samsung Electronics and LG Electronics recovered earlier losses to end in positive territory, with Samsung Electronics, the world's No.1 memory chip maker, ending 0.36 percent higher. LG Electronics ended 0.95 percent higher.

Banks also rose after their latest losses, with Hana Financial Group rising 7.0 percent and Woori Finance Holding gaining 6.91 percent.

But shares in consumer-oriented companies continued to suffer after U.S. crude soared more than \$16 to settle near \$121 per barrel on Monday, stoking consumer spending worries.

Lotte Shopping Co Ltd ended 0.53 percent lower and Shinsegae Co Ltd fell 0.38 percent.

Shares in Hyundai Motor ended higher after South Korea's top automaker said it has reached another preliminary wage deal with unionised workers.[ID:nSEO112879]

The deal, which still needs to be approved by union members, includes a 5.61 percent rise in base salary, a one-off payment of 4 million won (\$3,548) and a bonus for 2008 of an extra three months' salary for each employee.

Hyundai Motor climbed 2.51 percent.

Shares in Eugene Investment & Securities jumped on market talk that South Korea's largest commercial lender, Kookmin Bank, was considering buying the small brokerage from Eugene Group.

Kookmin said in its filing to the Korea Exchange that it is considering a number of M&A targets including Eugene Investment, but no decision has been made yet.

Shares in Eugene Investment & Securities surged 14.77 percent.

Meanwhile, shares in Kookmin Bank fell ahead of the stock's scheduled trading suspension on Thursday that will last until its holding company is listed on the Korea Exchange on Oct 10.

Separately, South Korea's top lender said after it was seeking to sell back its 14.9 percent stake in ING Group's <ING.AS> South Korean unit to the Dutch group, the banks said on Tuesday, as the lender converts into a holding company.

Kookmin Bank declined 1.37 percent. Kookmin fell 1.37 percent.

**Source: Reuters**