

FETCO Press Release: FETCO Investor Confidence Index

June 2016

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The Federation of Thai Capital Market Organizations (FETCO) has published the Investor Confidence Index (ICI) covering the next three months. The ICI fell by 9.01% but remained in neutral territory. The factor dampening investor confidence the most was US Federal Reserve (FED) monetary policy. Meanwhile, government policy and domestic economic recovery remained factors that boosted Thai investor confidence. Construction Services (CONS) continued to be the most attractive investment sector.

The FETCO Investor Confidence Index was compiled from a survey of retail investors, local institutional investors, and foreign investors with regard to their opinions and levels of confidence for the next three months. Voravan Tarapoom, FETCO Chairman, commented, "Despite investor confidence dropping, the ICI remained in neutral territory." Details follow.

- The confidence index for the next three months (through August 2016) remained in neutral territory at 93.48, which represents a decrease of 9.01% from last month's 102.74 (the ICI measurement ranges from 0 to 200).
- The ICI showed a decline, especially among foreign investors, whose level of confidence dropped more than 30%.
- Construction Services (CONS) continued to be the industry sector most appealing to investors, while the Banking sector (BANK) was the least attractive.
- Government policy was the positive factor boosting the Thai stock market the most while US Federal Reserve monetary policy had the largest negative impact.

Investors are still concerned about the slow recovery of Thailand's economy, which has been affected by uncertain global economic growth. In particular, the economic slowdown of trading partners such as the US and China require the Thai economy to continue to rely on important government measures to bolster investment such as measures to help farmers, to reduce personal income tax, and to promote investment, all of which are key factors in sustaining the recovery of domestic private sector demand.

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