

FETCO Press Release: FETCO Investor Confidence Index

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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 rose 6.86% while remaining in neutral territory. Government measures and policies were significant factors boosting confidence; however, Thailand's sluggish economic recovery negatively affected investor confidence. Construction Services (CONS) remained the most attractive sector for investors while Steel (STEEL) was again the least attractive.

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. Dr. Kanate Wangpaichitr, FETCO President, commented, "Investor confidence has risen slightly with the ICI remaining in neutral territory." Details of the survey follow.

- The confidence index for the next three months (through July 2016) remained in neutral territory at 102.74, which represents an increase of 6.86% from last month's 96.14 (the ICI measurement ranges from 0 to 200).
- The ICI for all investor groups rose, especially among foreign investors who had the largest increase of 26.98%.
- Construction Services (CONS) continued to be the industry sector most appealing to investors, while the Steel sector (STEEL) remained the least attractive.
- The positive factor most influencing the Thai stock market was government policy, while the factor dragging down the stock market remained the uncertain domestic economic recovery.

Nevertheless, Investors are still concerned about the slow recovery of Thailand's economy, which has been impacted by uncertain global economic conditions, in particular the Chinese economic slowdown. Moreover, the drought in Thailand continues to intensify, adversely affecting agricultural productivity with the Thai export sector being directly impacted. Nevertheless, the tourism sector has experienced a beneficial expansion, and the increased inflow of investment capital will contribute significantly to supporting both the economy and investor confidence.

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