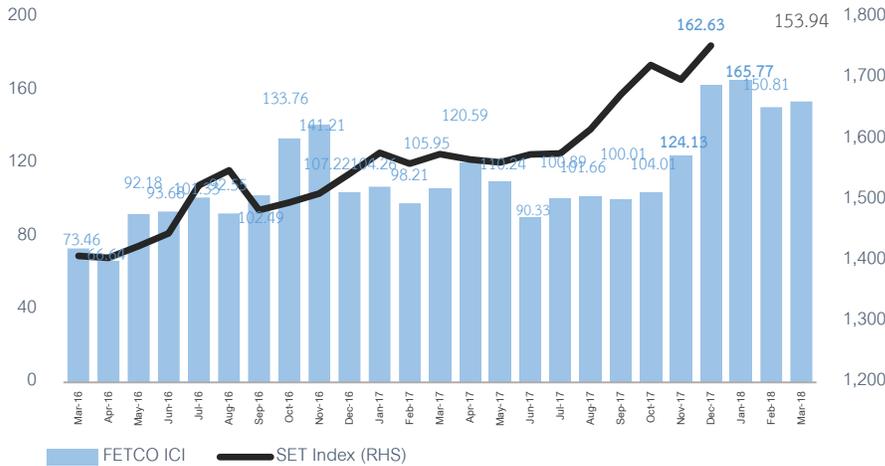


#### FETCO ICI Compared to SET Index



**Note:** Investor Confidence Index surveys four groups of investors— retail investors, local institutional investors, proprietary trading group, and foreign investors— using a diffusion index with a range from 0 to 200. The index readings are divided into five levels: very bullish; bullish; neutral; bearish; and very bearish.

#### Trends in Investor Confidence by Type of Investor



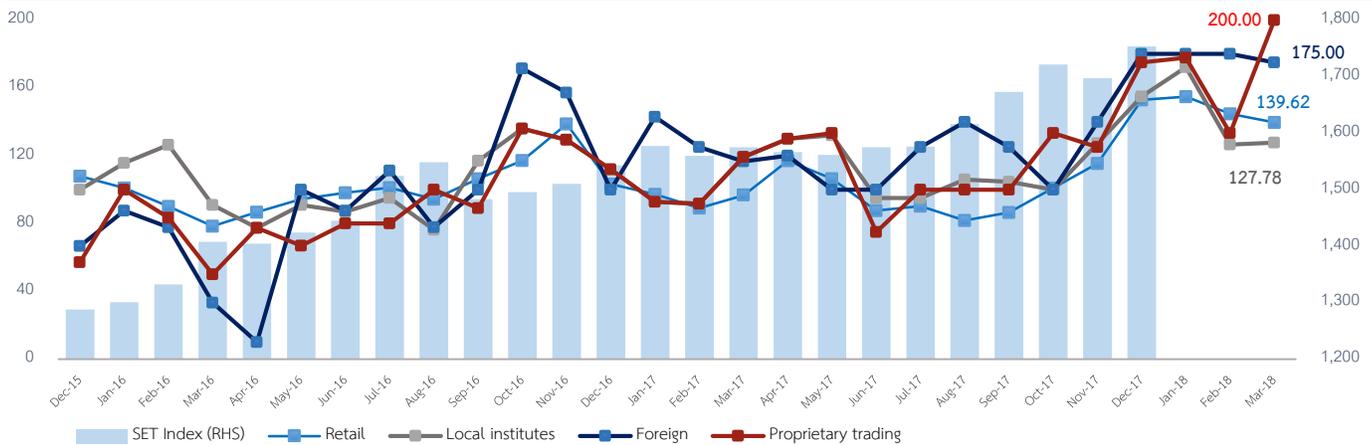
FETCO Investor Confidence Index (ICI) for the next three months increased slightly by 2.08%, remaining in bullish territory as in the previous month. Major factors bolstering investor confidence included domestic economic expansion, capital inflow, and the performance of listed companies. Meanwhile, international conflict and the domestic political situation dampened investor sentiment. Investors see the Thai stock market rising over the next three months due to continuing economic growth and the increasing number of tourists during the New Year. The regional economy is expected to expand as well.

Banking (BANK) was the most attractive sector for investors, while Media & Publishing (MEDIA) drew the least investor interest.

FETCO Investor Confidence Index (ICI) for December was 153.94, up 2.08% from the previous month's level of 150.81, with the ICI remaining in bullish territory. With regard to each investor group, the ICI's for proprietary traders and foreign investors were both very bullish at 200 and 175 respectively, followed by retail investors at 139.62 and local institutional investors at 127.78, both of which were in bullish territory.

Research Contributors

### Investor Confidence Compared to SET INDEX

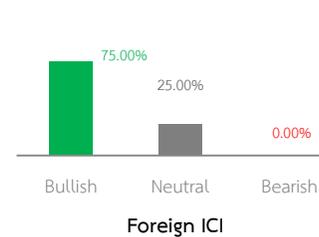
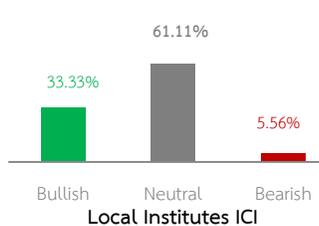
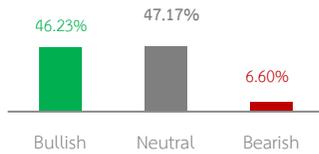


#### FETCO INVESTOR CONFIDENCE INDICES

RETAIL ICI	139.62	↑
PROPRIETARY ICI	200.00	↑↑
LOCAL INSTITUTES ICI	127.78	↑
FOREIGN ICI	175.00	↑↑

#### FETCO ICI Criterion

(161-200)	Very Bullish	↑↑↑
(121-160)	Bullish	↑
(81-120)	Neutral	↔
(41-80)	Bearish	↓
(0-40)	Very Bearish	↓↓↓



Survey results at the end of December showed the ICI rising slightly. The foreign investor ICI remained very bullish, while proprietary traders jumped from bullish into very bullish territory. Local institutional investors and retail investors remained bullish, the same as the previous month.

During December, the Stock Exchange of Thailand (SET) Index moved upward, despite the New Year holiday. The index rose from 1700 points to close at 1753.71, approaching a historically high closing price. GDP growth in 2018 is forecast to be 3.9 – 4.1%, up from 2017's expected growth rate of 3.8 – 3.9%. Foreign factors affecting the Thai economy include the US bourse's continuing steady climb to record highs while US tax reform will take effect in 2018. The key risk factor remains the threat of international conflicts. Investors continue monitoring the fallout from the US decree acknowledging Jerusalem as the capital of Israel while at the same time keeping an eye on the tensions on the Korean Peninsula. Additionally, investors remain wary of upward trends in US interest rate policy in 2018.

For investment trends over the next three months, investors remain confident in domestic economic conditions, while international capital flows and listed company earnings also boost confidence. It is expected the stock market will continue to be bullish. Securities in the Banking, Tourism & Leisure, and Energy & Utilities sectors drew the most investor interest, while investments in the Media & Publishing sector were the least attractive, followed by those in Steel and Fashion.

Note: The domestic institutional group includes asset management companies, government pension fund, insurance companies and life insurance Research Contributors



**Most Influential Factor Driving the Stock**

**Retail Investors**

Most see domestic economic growth as boosting confidence the most, followed by capital inflow/outflow and earnings of listed companies.

**Proprietary Traders**

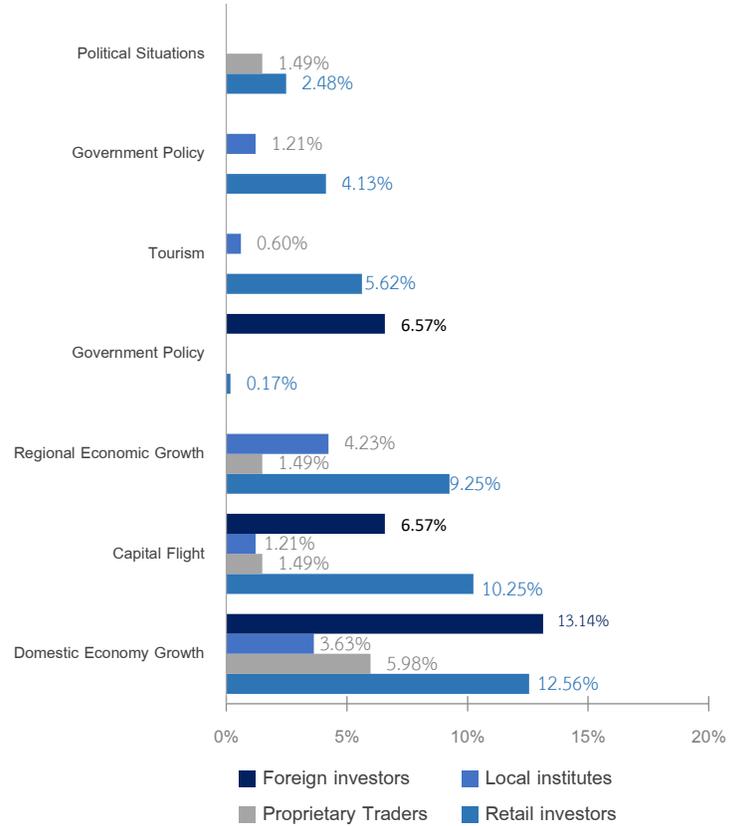
Consider domestic economic growth as the main catalyst behind investor confidence, followed by the performance of listed companies, capital inflow/outflow, and the political situation.

**Local Institutional Investors**

Believe that the performance of listed companies is the most important factor bolstering the market, followed by the domestic economy, capital inflow/outflow, and government policies.

**Foreign Investors**

View domestic economic conditions as the main factor boosting investor confidence, followed by regional economic growth and capital inflow/outflow.



**Most Important Factors Impeding the Market**

**Retail Investors**

Most view capital inflow/outflow as being the biggest drag on market confidence, followed by international conflict and the political situation.

**Proprietary Traders**

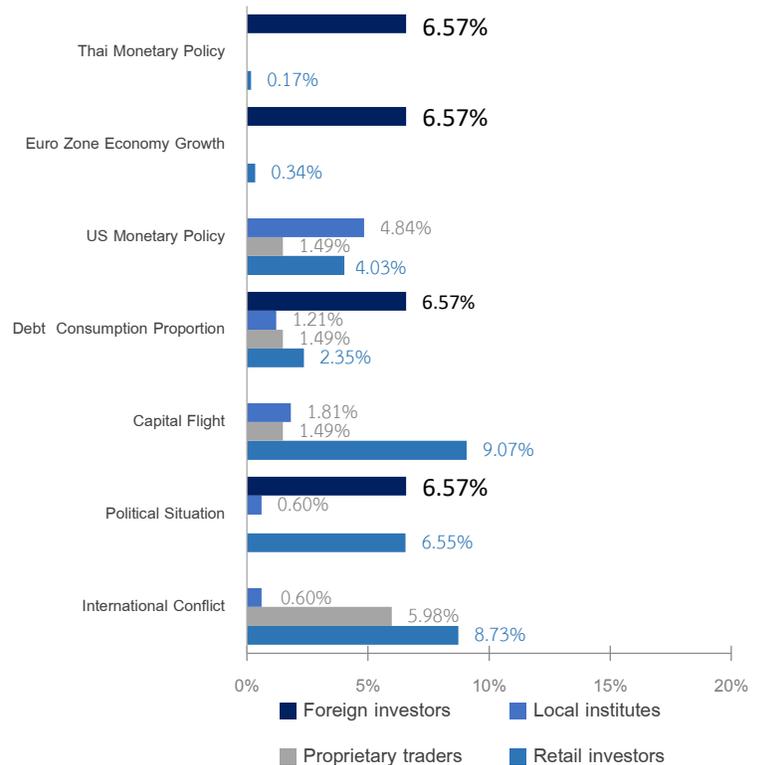
Consider international conflict as having the largest negative impact on investor confidence, followed by capital inflow/outflow, household debt ratio, and US monetary policy.

**Local Institutional Investors**

View US monetary policy as being the biggest drag on investor sentiment, followed by capital inflow/outflow and household debt ratio.

**Foreign Investors**

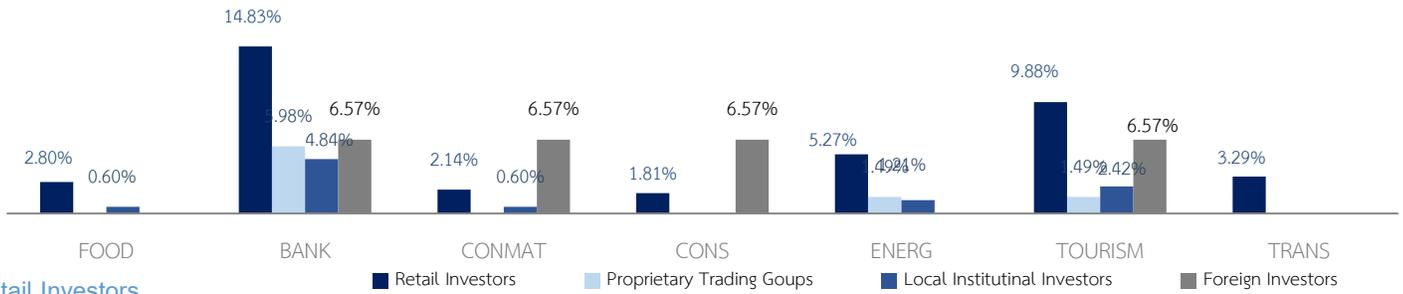
Regard European economic policies, the domestic political situation, household debt, overall inflation rates, and Bank of Thailand Monetary Policy Committee (MPC) actions as all being negative factors affecting the stock market.



Research Contributors



**Industrial Sectors Most Attractive to Investors**



**Retail Investors**

Most view the Banking sector as the most attractive for investments, followed by Tourism & Leisure and Energy & Utilities.

**Proprietary Traders**

Find the Banking sector as the most interesting, followed by Tourism & Leisure and Energy & Utilities.

**Local Institutional Investors**

Believe that the best investments are to be found in the Banking sector, followed by Tourism & Leisure and Energy & Utilities.

**Foreign Investors**

See Banking, Tourism & Leisure, Constructions Materials, and Construction Services as all providing attractive investment opportunities.

**Industrial Sectors Least Attractive to Investors**



**Retail Investors**

Most view the Media & Publishing sector as offering the least interesting investment opportunities, followed by Mining.

**Proprietary Traders**

Consider Media & Publishing and Construction Services as sectors with unattractive investment opportunities.

**Local Institutional Investors**

Show little interest in investing in the Agribusiness sector followed by Media & Publishing.

**Foreign Investors**

View the Fashion, Steel, Media & Publishing, and Information & Communication Technology sectors as unattractive for investments

Federation of Thai Capital Market Organizations (FETCO)

FETCO@set.or.th 02 009 9371-2



Disclaimer

The FETCO Investor Confidence Survey is prepared by the Federation of Thai Capital Market Organizations (FETCO) whose objective is to develop and promote statistics related to the Thai capital market as a tool to analyze the directional trends of the stock market for the next three months in order to allow investors and other interested parties to be able to use such information as a guide reflecting overall economic conditions. Thus, this index is prepared as a forecast of capital market movement by a diverse group of investors with varying opinions. The parties preparing the index do not guarantee the correctness of the information provided and are not responsible for any losses incurred from use of the information. The parties preparing this information retain lawful rights to its content, and if the information provided in this document or any component thereof is referred to or published in any manner whatsoever, whether it be text, images, content, or presentations, or if any party copies, forges, reproduces, modifies, publishes, or takes any other action for commercial exploitation or unlawful use of the information without prior permission, whether in part or in whole, the parties preparing this information reserve the right to take any action as allowed by law.

Research Contributors

