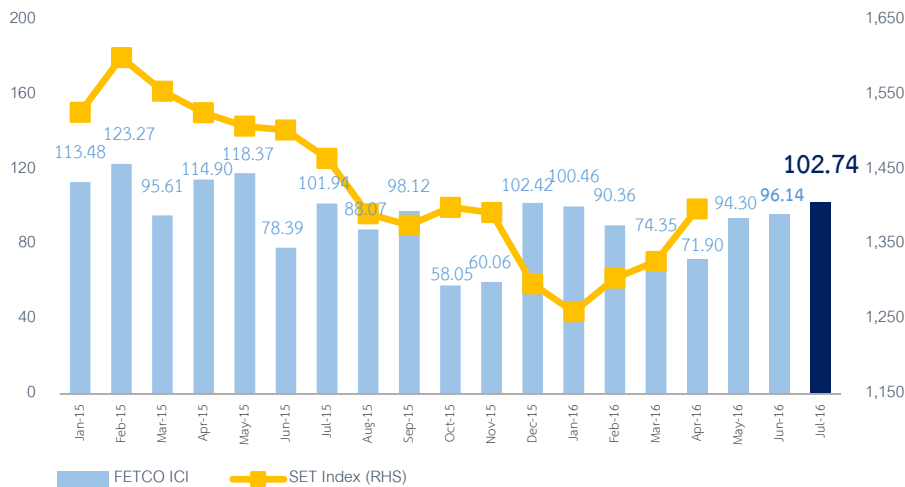


#### FETCO ICI<sup>1</sup> Compared to SET Index



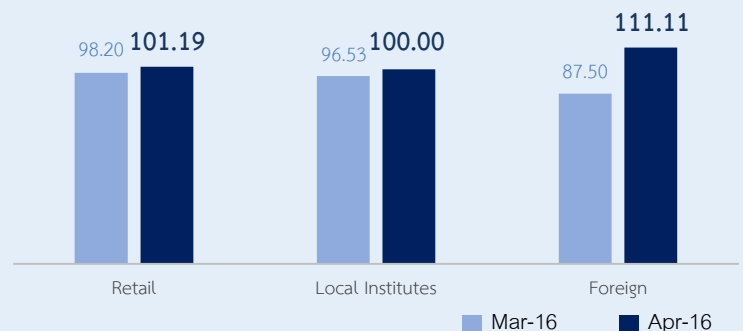
<sup>1</sup>Index values are adjusted for investor type from a weighted index of 4 groups to 3 groups: retail investors, domestic institutional investors, and foreign institutional investors.

FETCO Investor Confidence Index (ICI) for the next three months rose 6.86% but remained 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 ICI for April stood at 102.74 (within the range from 0 to 200), rising 6.86% compared to the previous month's value of 96.14. Despite the modest increase, the ICI remained neutral. With regard to investor groups, the confidence index for foreign institutional investors rose to 111.11 (neutral), followed by retail investors increasing to 101.19 (neutral) and local institutional investors rising to 100.00 (neutral).

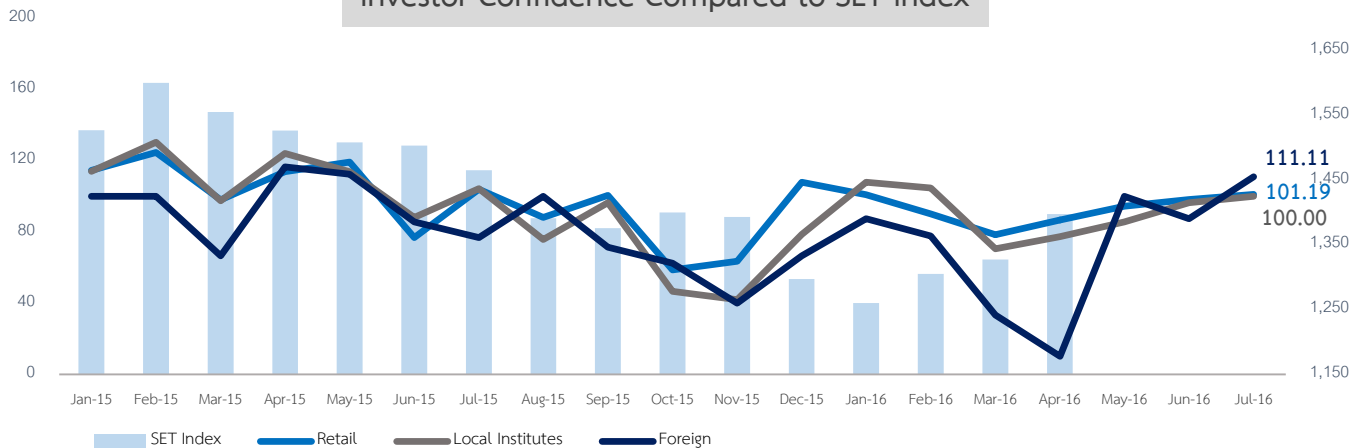
#### Trends in Investor Confidence by Type of Investor



Research Contributors



Investor Confidence Compared to SET Index



FETCO INVESTOR CONFIDENCE INDICES

Retail ICI

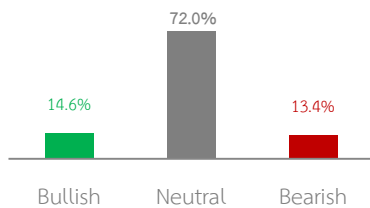
Local Institutional ICI

Foreign ICI

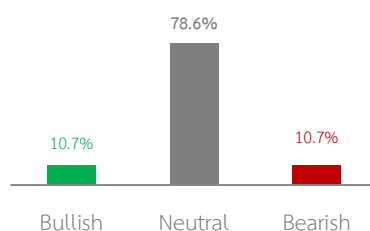


FETCO ICI Criterion

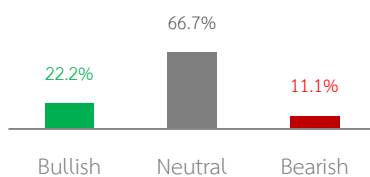
(161-200)	Extremely Bullish	↑↑
(121-160)	Bullish	↑
(81-120)	Neutral	↔
(41-80)	Bearish	↓
(0-40)	Extremely Bearish	↓↓



Retail ICI



Local Institutional ICI



Foreign ICI

► The survey at the end of April found that investors in all groups foresaw the stock market in the coming three months likely remaining in neutral territory, with local institutional and retail investors' confidence reflecting similar changes while the confidence of foreign investors rose higher than 26.86%.

► Since early 2016, there have been signs of improving investor confidence. Market capitalization in quarter 1/2016 reached THB 13.37 trillion<sup>2</sup> (SET and mai), an increase of 6.03% compared to the end of 2015. The strong net buying volume originated from securities companies and foreign accounts and amounted to more than THB 27.6 billion, while strong net sales of more than THB 25.2 billion came mainly from retail investors.

► During the month of April 2016 before the Songkran festival, there was strong net buying by large numbers of retail investors reaching THB 31.6 billion per day<sup>3</sup>. This trading activity ran counter to typical trading behavior of retail investors who normally have net sales before the market's close during the festival. Similarly, there was continued strong buying by local institutional investors especially at the end of April, while foreign investors returned to having net sales of more than THB 195 billion, numbers not very different from the same period last year. In summary, retail and local institutional investor confidence continued moving in tandem, while the confidence of foreign investors remained sensitive to external factors.

<sup>2</sup> As of April 29, 2016

<sup>3</sup> Retail trading value on April 5, 2016

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

## Most Influential Factor Driving the Stock

## ■ Retail Investors

View capital inflow as having the most positive impact on investor confidence, followed by domestic economic growth and government policies.

## ■ Local Institutional Investors

Likewise see capital inflow as the most positive factor, followed by domestic economic growth and government policies.

## ■ Foreign Investors

Believe that government policy is the key factor bolstering the stock market. Also, capital inflow/outflow, tourism, and the monetary policy of the U.S. Federal Reserve (FED) are seen as factors that have a positive impact on the Thai stock market.

## Most Important Factors Impeding the Market

## ■ Retail Investors

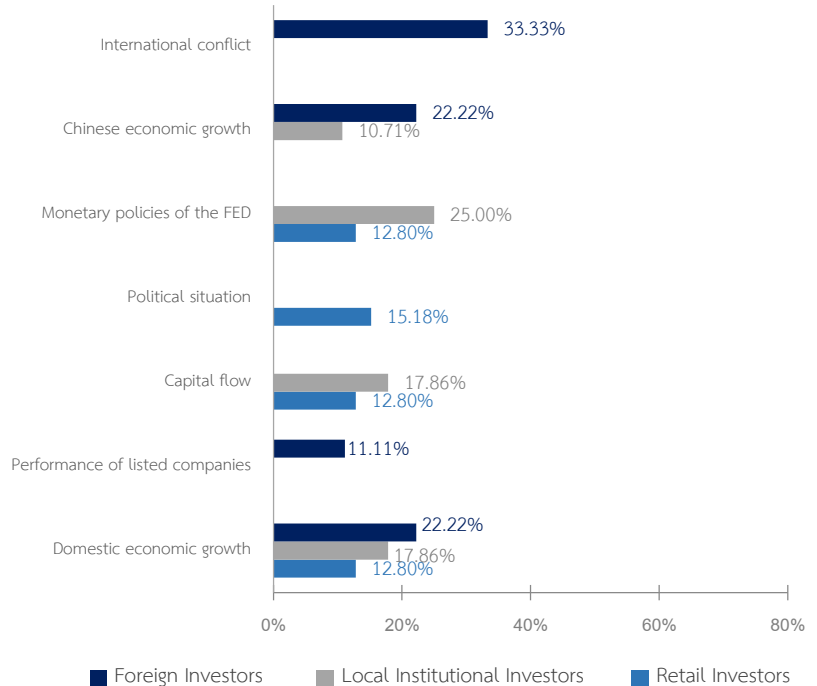
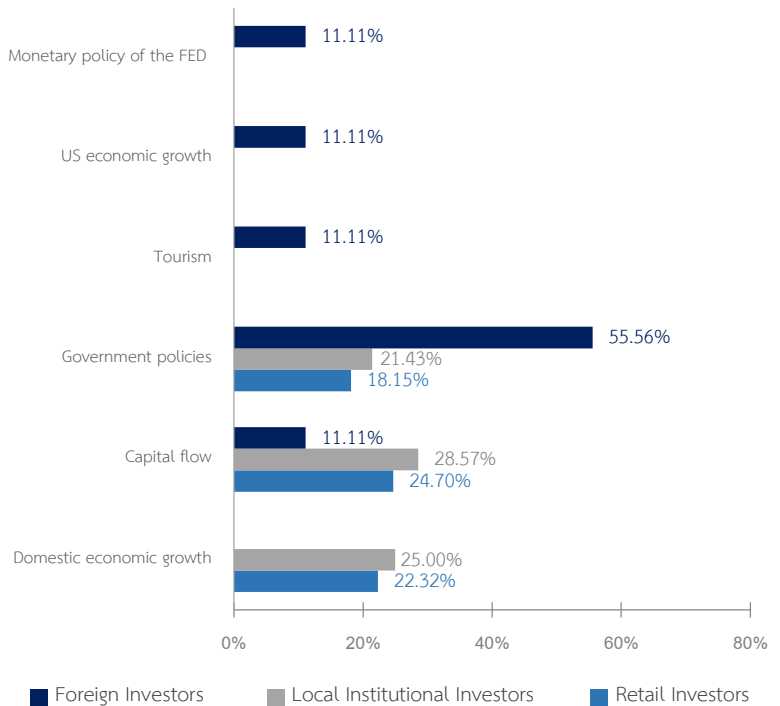
Consider the political situation as having the greatest negative influence on the stock market, followed by capital inflow/outflow, the FED's monetary policy, and domestic economic conditions.

## ■ Local Institutional Investors

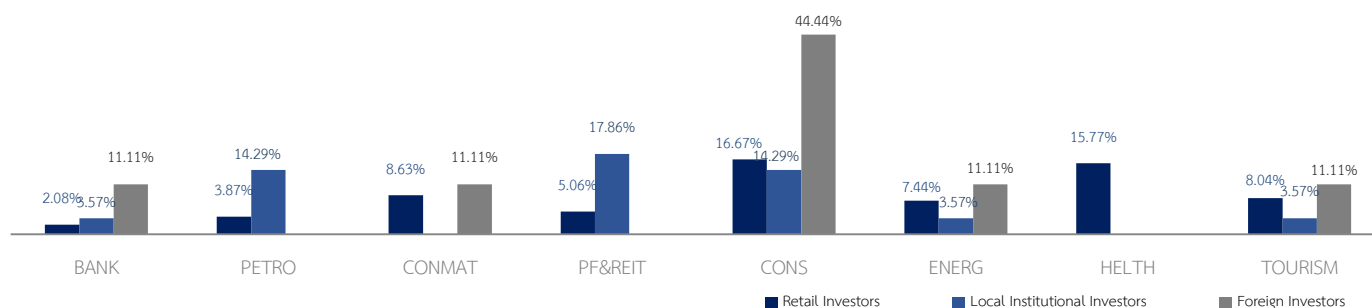
Most agree that the FED's monetary policy is the greatest drag on investor confidence, followed by domestic economic conditions and capital inflow/outflow.

## ■ Foreign Investors

Have a different outlook from other groups in that they believe international conflicts are the biggest damper on investor confidence, followed by Thai economic conditions and the Chinese economic slowdown, which continue to be chronic problems impacting foreign investor confidence.



## Industrial Sectors Most Attractive to Investors



### ■ Retail Investors

See Construction Services as offering the most attractive investment opportunities, followed by Health Care Services and Construction Materials.

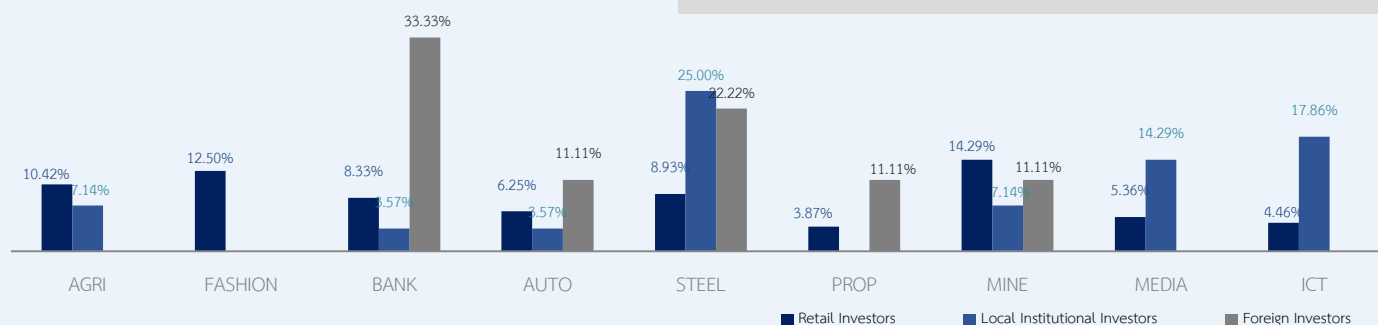
### ■ Local Institutional Investors

Consider the Property Fund & REITs sector to be most attractive, followed equally by Construction Services and Petrochemicals & Chemicals.

### ■ Foreign Investors

Believe that the Construction Services sector provides the most appealing opportunities, and see Banking, Construction Materials, Energy & Utilities, and Tourism & Leisure as interesting as well.

## Industrial Sectors Least Attractive to Investors



### ■ Retail Investors

Consider Mine sector as least attractive, followed by Fashion and Agribusiness sectors.

### ■ Local Institutional Investors

See Steel sectors as the most unattractive sector, followed by Information & Communication Technology.

### ■ Foreign Investors

Banking as not providing least attractive investment opportunities, followed by Steel sector.

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### 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

