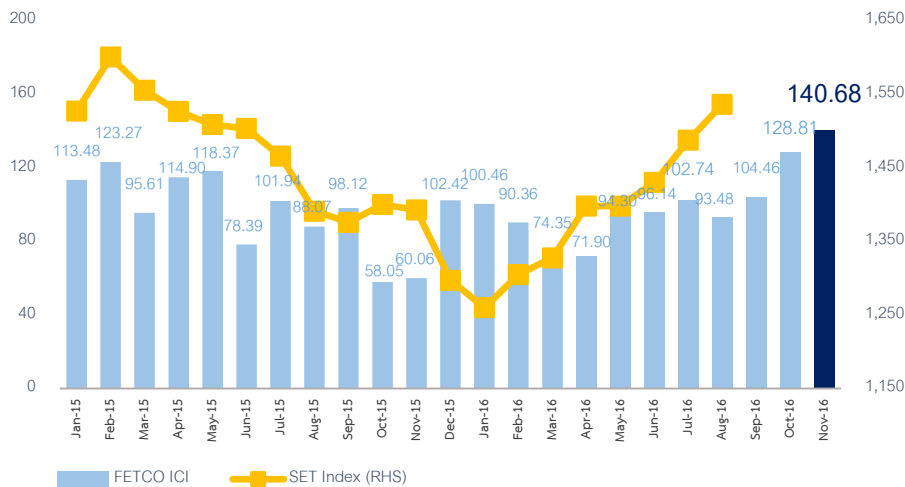


#### FETCO ICI<sup>1</sup> Compared to SET Index



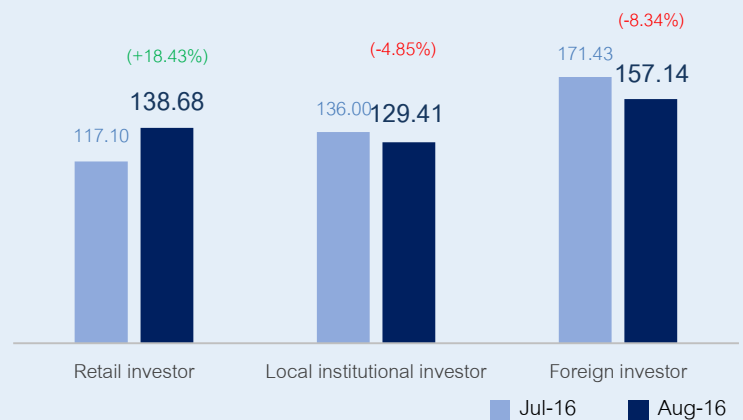
<sup>1</sup>Index values are adjusted for investor type from a weighted index of 4 groups to 3 groups: retail investors, domestic institutional investors, and foreign investors.

► FETCO Investor Confidence Index (ICI) for the next three months rose 9.22%, with the index remaining in bullish territory. While foreign capital inflow buoyed investor confidence, signs of a possible U.S. Federal Reserve Bank (FED) interest rate hike could affect overall capital flows for emerging markets and would likely impact capital inflow in the market.

The Banking sector (BANK) continued to attract the most investments while Energy & Utilities (ENERG) was the least attractive sector for investors.

The ICI for August stood at 140.68 (within the range from 0 to 200), up 9.22% from last month's index which was 128.81. This rise maintained the ICI in bullish territory for the second consecutive month. With regard to the ICI for each group of investors, foreign investor confidence stood at 157.14 (bullish), followed by retail investors at 138.68 (bullish) and local institutional investors at 129.41 (bullish).

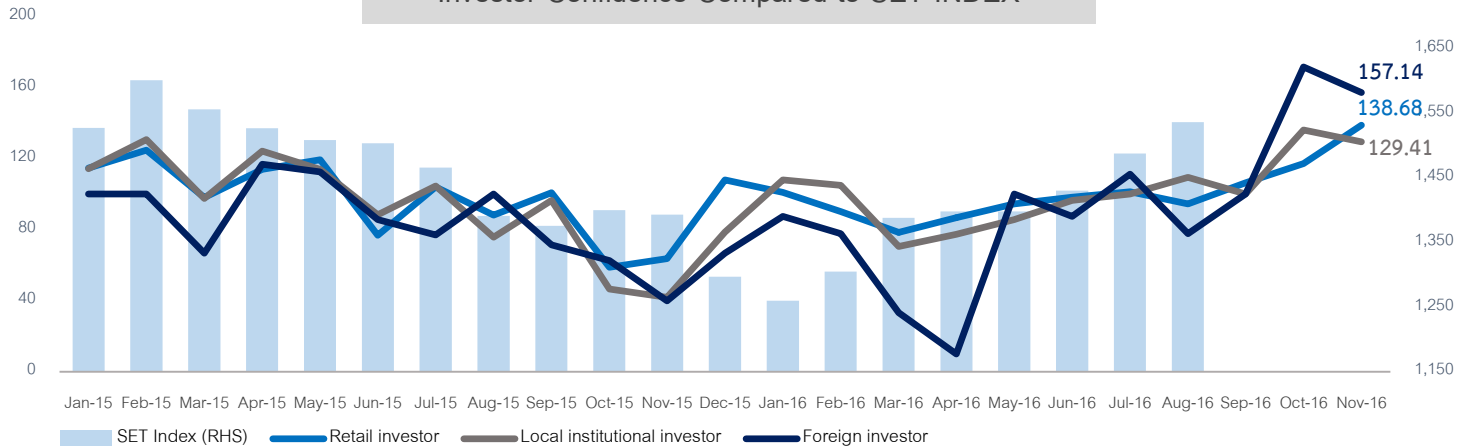
#### Trends in Investor Confidence by Type of Investor



Research Contributors



## Investor Confidence Compared to SET INDEX



## FETCO INVESTOR CONFIDENCE INDICES

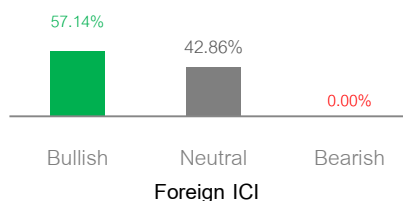
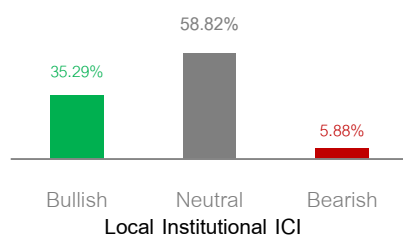
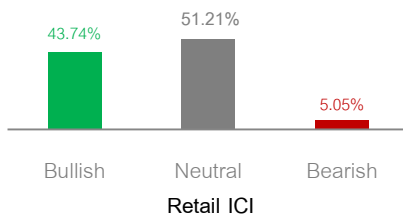
RETAIL ICI	↑	138.68
LOCAL INSTITUTIONAL ICI	↑	129.41
FOREIGN ICI	↑	157.14

## FETCO ICI Criterion

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

The survey at the end of August found that most investors expect the stock market

to continue to rise over the next three months (through November 2016) with investor confidence remaining bullish. For the investor groups, the confidence of foreign investors and local institutional investors dropped slightly, while the ICI for retail investors rose by 18.43%.



Since January 2016, the Stock Exchange of Thailand (SET Index) has garnered the attention of global investors with a growth rate higher than 20.22%. In comparison, the Indonesia Stock Exchange (Jakarta Composite) grew 16.82% and Vietnam's stock market (Vietnam Index) increased 16.23%<sup>2</sup>. SET had foreign capital investments accounting for cumulative net purchases of more than THB114 billion or 25.73%, resulting in an increased market capitalization (as of August 30, 2016) of THB14.94 trillion, up 24.71% from the beginning of 2016<sup>3</sup>.

In summary, investor confidence in the Thai stock market in the latter half of 2016 is likely to improve with continued foreign capital inflow. However, the monetary policies of other nations must be monitored closely, since they impact currency values and capital flows worldwide.

<sup>2</sup> As of 31<sup>st</sup> August 16

<sup>3</sup> YTD Market capitalization

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

Regard capital inflow/outflow, domestic economic growth, and government policy as the factors boosting investor confidence the most.

## ■ Local Institutional Investors

Most agree that capital inflow/outflow is most influential in driving the stock market, followed by growth of the domestic economy.

## ■ Foreign Investors

Believe that capital inflow/outflow and government policy bolster investor confidence the most, along with tourism. Also, financial results of listed companies and the domestic economy will impact the Thai stock market.

## Most Important Factors Impeding the Market

## ■ Retail Investors

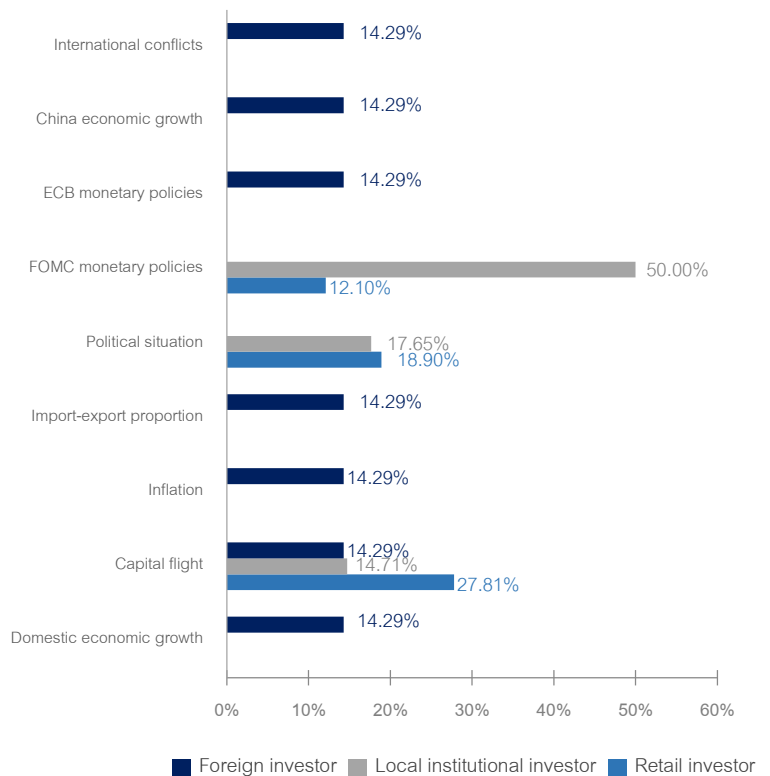
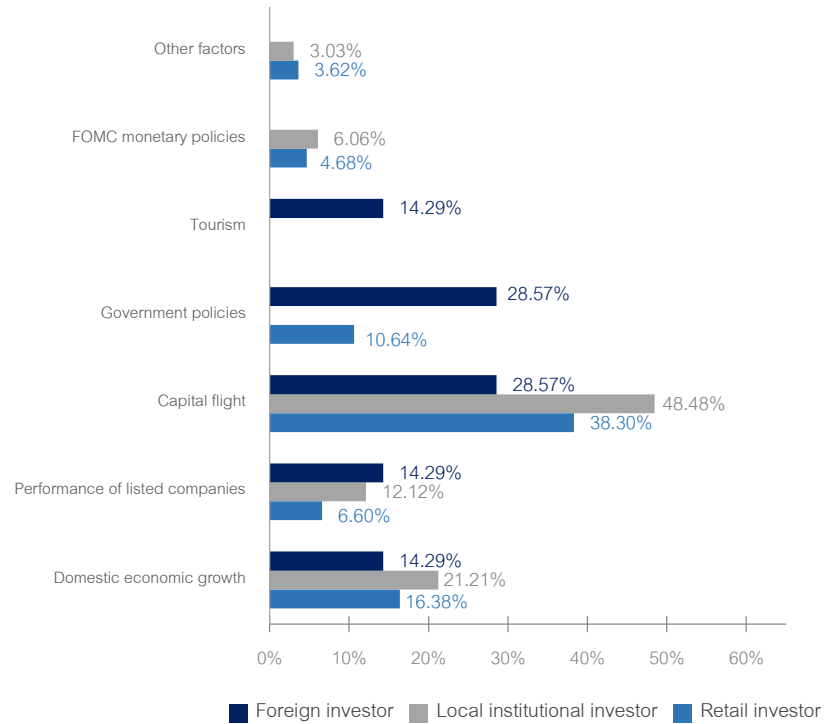
Consider continued capital inflow/outflow as potentially being either a positive or negative influence in creating fluctuations in the stock market. Other factors putting a drag on confidence are the domestic political situation and the FED's monetary policy.

## ■ Local Institutional Investors

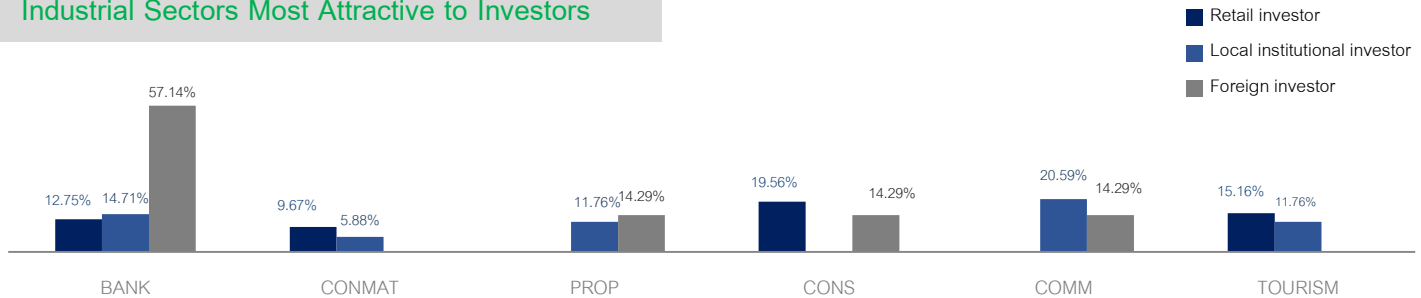
Most see the FED monetary policy as important to watch since it could be a drag on investor confidence; this is followed by concern over the political situation.

## ■ Foreign Investors

Consider any number of major events around the world as having a negative impact on confidence in the Thai stock market, whether it is conflicts between countries, the Chinese economic recovery, or European Central Bank (ECB) policies; in addition local factors such as imports-exports, inflation rate, capital inflow/outflow, and the still-fragile domestic economy could all negatively impact investor confidence.



### Industrial Sectors Most Attractive to Investors



#### ■ Retail Investors

View the Construction Services sector as most attractive for investment, followed by the Tourism & Leisure sector and Banking.

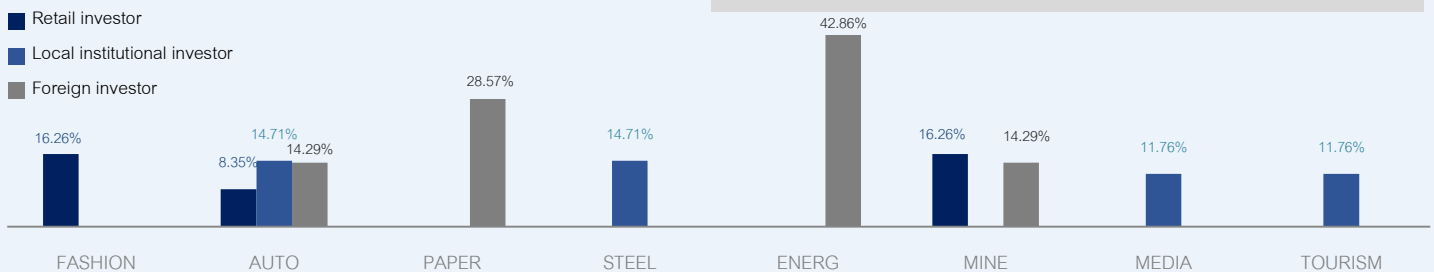
#### ■ Local Institutional Investors

Consider investments in the Commerce sector as most attractive, followed by Banking, Property Development, and Tourism & Leisure.

#### ■ Foreign Investors

More than half the group share the opinion that Banking offers the best investment opportunities, followed by the Property Development, Construction Services, and Commerce.

### Industrial Sectors Least Attractive to Investors



#### ■ Retail Investors

Regard Fashion and Mining sectors as least attractive, followed by the Automotive sector.

#### ■ Local Institutional Investors


Believe the Automotive and Steel sectors are least appealing, followed by Mining and Media & Publishing.

#### ■ Foreign Investors

Most viewed the Energy & Utilities sector as offering the least attractive investments, followed next by Paper & Printing Materials, Automotive, and Mining.

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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

