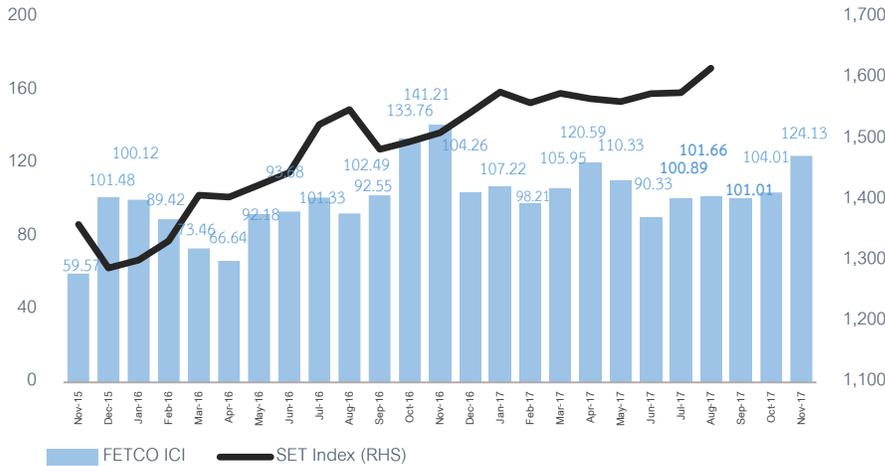


#### FETCO ICI Compared to SET Index



**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



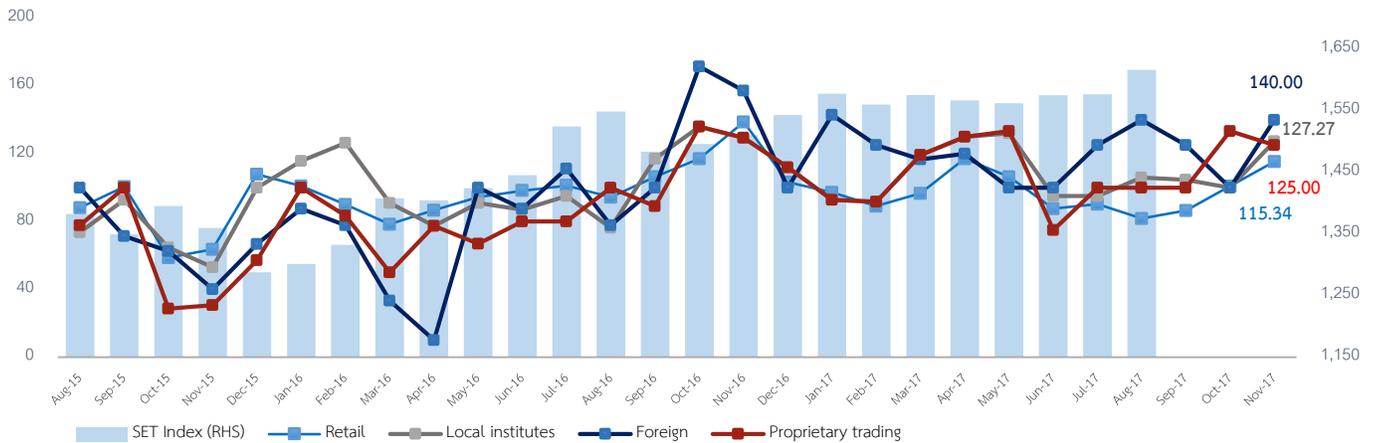
FETCO Investor Confidence Index (ICI) for the next three months **rose 19.34%** leaping into bullish territory for the first time in 7 months. Factors boosting investor confidence included domestic economic growth and capital inflows into the region, while at the same time international conflicts dragged down investor confidence. The ICI survey found that investors see the Thai stock market rising over the next 3 months as investors monitor capital inflows/outflows as well as the conflict on the Korean Peninsula, which has significantly affected investor sentiment.

The Tourism & Leisure sector (TOURISM) was seen as having the most attractive investments, while Agribusiness (AGRI) was the least attractive sector for investors.

FETCO Investor Confidence Index (ICI) for August stood at 124.13, up 19.34% from the previous month's level of 104.01, with the ICI jumping into bullish territory. With regard to each investor group, the foreign investor ICI was at 140 (bullish), followed by the local institutional investors at 127.27 (bullish), and proprietary traders at 125 (bullish); only the retail investor group remained in neutral territory with an ICI of 115.34.

Research Contributors

### Investor Confidence Compared to SET INDEX



#### FETCO INVESTOR CONFIDENCE INDICES

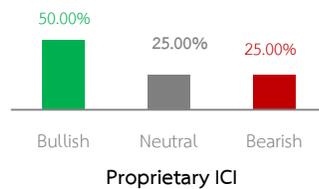
|                      |        |   |
|----------------------|--------|---|
| RETAIL ICI           | 115.34 | ↔ |
| PROPRIETARY ICI      | 125.00 | ↑ |
| LOCAL INSTITUTES ICI | 127.27 | ↔ |
| FOREIGN ICI          | 140.00 | ↔ |

#### FETCO ICI Criterion

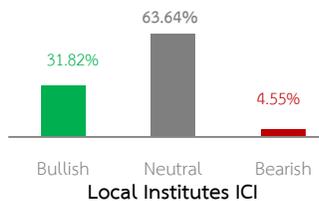
|           |                   |    |
|-----------|-------------------|----|
| (161-200) | Extremely Bullish | ↗↗ |
| (121-160) | Bullish           | ↗  |
| (81-120)  | Neutral           | ↔  |
| (41-80)   | Bearish           | ↘  |
| (0-40)    | Extremely Bearish | ↘↘ |



Survey results at the end of August saw the Investor Confidence Index rising with foreign investors and proprietary traders becoming bullish; and while the ICI for local institutional investors decreased slightly, it was still within the bullish range. Retail investor confidence rose from the previous month but remained in neutral territory.



During August, the Stock Exchange of Thailand (SET) Index rose significantly, especially at the end of the month. Investors continue to pay attention to the Thai economic recovery, especially in the export and tourism sectors. The risk of conflict in Korea has resulted in increased capital inflow into ASEAN markets.



For investment trends over the next 3 months, investors see the market as bullish for the first time in 7 months. The primary factor contributing to this positive outlook is the continued economic recovery in Thailand. However, negative factors putting a drag on confidence include the risks of international conflict, as well as US policy changes regarding reducing the size of the balance sheet and raising interest rates. The Tourism & Leisure sector is still drawing the most investor interest followed by Banking. In contrast, investors show the least interest in investing in the Agribusiness sector—July's agricultural output declined -2.6% (YoY), contracting for the first time in eight months—followed by little interest in Media & Publishing.



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**

View capital inflow/outflow as having the greatest positive impact on investor confidence, followed by the domestic economic recovery and earnings of listed companies.

■ **Proprietary Traders**

See capital inflow/outflow, the political situation, domestic economic growth, and listed company performance as the primary factors bolstering confidence.

■ **Local Institutional Investors**

Consider the domestic economy as the factor supporting confidence the most, followed by listed company earnings and capital inflow/outflow.

■ **Foreign Investors**

Regard the domestic economic condition, tourism, government investment policy, and international conflicts as main factors boosting investor confidence.

**Most Important Factors Impeding the Market**

■ **Retail Investors**

Some view the domestic economic and political situations as dampening investor confidence the most, followed by international conflicts.

■ **Proprietary Traders**

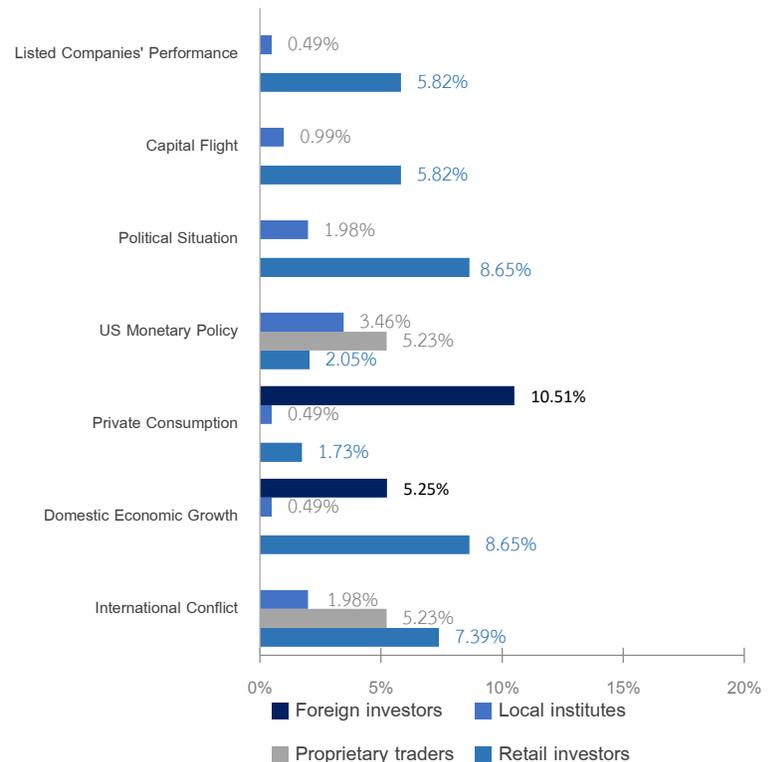
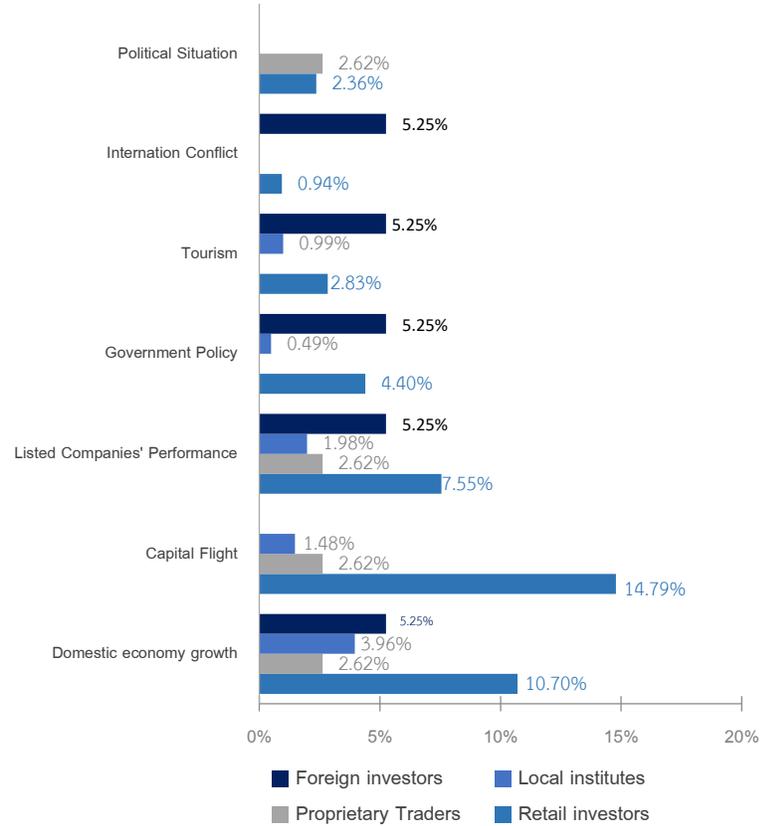
See international conflict and US monetary policy as the biggest drag on investor sentiment.

■ **Local Institutional Investors**

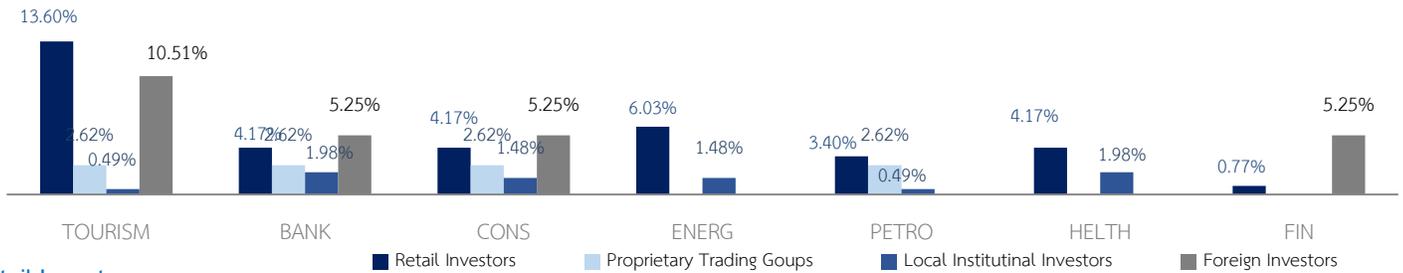
View US monetary policy as undermining investor confidence the most, followed by international conflicts and the political situation.

■ **Foreign Investors**

See household consumption as the biggest negative factor dragging down the stock market, followed by the Eurozone economy, domestic economic conditions, and the Bank of Thailand Monetary Policy Committee (MPC) meeting.



Industrial Sectors Most Attractive to Investors



Retail Investors

Find the Tourism & Leisure sector most attractive for investment, followed by Energy & Utilities.

Proprietary Trade Group

Most believe Tourism & Leisure, Banking, Construction Services, and Petrochemicals & Chemicals sectors provide interesting investment opportunities.

Local Institutional Investors

Find the Banking sector and Health Care Services the most attractive for investing.

Foreign Investors

Consider Tourism & Leisure to be the most interesting sector.

Industrial Sectors Least Attractive to Investors



Retail Investors

Most agree that the Fashion sector provides the least interesting investments, followed by Media & Publishing.

Proprietary Trade Group

Consider Media & Publishing as least attractive for investment, followed by the Mining sector and Information & Communication Technology.

Local Institutional Investors

Find Media & Publishing as offering the least attractive investments, followed by the Fashion sector.

Foreign Investors

See Agribusiness and Banking as sectors unattractive for investing, followed by Steel.

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

