

“November 2018 Investor Confidence Index falls for the first time in five months but remains neutral. Concerns over US trade and monetary policies drag down investor confidence while listed company earnings and domestic economic conditions buoy investor sentiment.”

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FETCO Press Release: Monday November 5, 2018

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the November 2018 FETCO Investor Confidence Index (ICI): "The Investor Confidence Index for the next three months fell into neutral territory as investors worry about the impact of US trade and monetary policies while at the same time investor confidence is buoyed by the performance of listed companies and the domestic economy."

Results of the FETCO Investor Confidence Index for November 2018 are summarized below:

- FETCO Investor Confidence Index (ICI) for the next three months (through January 2019) for all groups of investors fell into the neutral zone (index range 120 – 160), decreasing 7.23% to 113.73.
- Retail investor ICI dropped to neutral from the previous survey's bullish.
- Foreign investor confidence rose slightly and remained in the bullish zone.
- Local institutional investor and proprietary trader ICIs moved only marginally and remained neutral.
- Energy and Utilities (ENERG) was viewed as the sector offering the most interesting investment opportunities.
- The Media & Publishing (MEDIA) sector was deemed unattractive for investing.
- The performance of listed companies was the most influential factor boosting the Thai stock market.
- The US Federal Reserve's monetary policy proved to be the biggest drag on the Thai bourse.

"The SET Index fell in October on the back of a downward trend in the Dow Jones Industrial Average, which dropped 10%. Investors also worried about the impact of the US interest rate hikes and 10-year bond yields rising above 3%. Investors kept a wary eye on the US president's inclination to pursue higher US import tariffs. The Stock Exchange of Thailand (SET) Index fell to a low of 1596 before recovering to 1630–1640 at the end of the month.

"For investment trends over the next three months, the survey indicates that investor confidence is buoyed by listed company performance and Thai economic growth, with the Fiscal Policy Office (FPO) projecting GDP remaining at 4.5%, despite a 5.2% drop in September exports. Meanwhile, investors continue to closely monitor the progress of trade negotiations between the US and China. Another important consideration is the state of China's economy as the Chinese government has gradually released economic stimulus policies such as reducing personal income taxes and implementing measures to support stocks of the Securities Association of China (SAC). Also, with regard to Europe's economy, the European Commission has rejected the draft of the Italian government's budget. Finally, oil prices have fallen despite sanctions imposed on Iran by the US, and this will limit Iran's crude oil exports to the global oil market."

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