

“December 2018 Investor Confidence Index falls for the second month but remains neutral. Investor concern remains over US monetary and trade policies and their impact on global economy while confidence bolstered by Thailand's political situation and economy.”

FETCO Press Release: Monday December 3, 2018

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the December 2018 FETCO Investor Confidence Index (ICI): "The Investor Confidence Index for the next three months fell while remaining in neutral territory. The survey showed investors are worried about the global economic slowdown due to the impact of US monetary and trade policies. Meanwhile, confidence in the domestic political situation and economic conditions buoyed investor confidence."

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

- FETCO Investor Confidence Index (ICI) for the next three months (through February 2019) for all groups of investors fell 13.93% to 97.89 but remained in the neutral zone (index range 80 – 119).
- Retail investor ICI dropped into the bearish zone.
- Foreign investor confidence fell into neutral zone.
- Local institutional investor and proprietary trader ICIs jumped into bullish territory.
- Banking (BANK) was viewed as the sector offering the most interesting investment opportunities.
- The Media & Publishing (MEDIA) sector drew little investor interest.
- The most important factor boosting the Thai stock market was the political situation.
- The biggest drag on the Thai stock market was the US Federal Reserve's monetary policy.

“The SET Index in November trended downward the second half of the month and picked up in the end of the month to close around 1630 points. This reflected the fallout from Chinese and Japanese economic numbers indicating a slowdown in GDP growth due to the

uncertainty surrounding US-China trade negotiations. In addition, Thai exports fell by 0.1% YoY and Q3 GDP dropped to 3.3% YoY. However, net sell trading valuation of foreign investors in SET significant decreased this month.

“For investment trends over the next three months, the survey indicates that investor confidence is buoyed by the domestic political situation and the elections scheduled for early next year, as well as strong Thai economic fundamentals. The SET Index and the baht have stabilized in comparison to other emerging markets. However, investors are keeping a wary eye on the continued gradual increase in US monetary policy and more stringent monetary policies being implemented by central banks around the world, which have resulted in bond yields rising. Another concern to investors is the continued US-China trade war and its expected negative impact on global economic growth. Other points of worry for investors are the Brexit Agreement being signed jointly by the European Union (EU) and the United Kingdom, which must be completed before the UK officially secures exit from the EU on March 29, 2019; the European Commission’s decision not to accept Italy’s draft budget; and the Bank of Thailand Monetary Policy Committee signaling a clear hike in interest rates while keeping the policy rate at 1.5%”

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