

“January 2019 Investor Confidence Index remains neutral as it falls for the third straight month due to concerns over US trade policy, capital flows after US and Thai policy rate increases, and weaker global economic growth forecasts. Nevertheless, investor confidence buoyed by the political situation and performance of listed companies.”

---

FETCO Press Release: Thursday January 10, 2019

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the January 2019 FETCO Investor Confidence Index (ICI): "The Investor Confidence Index for the next three months declined for the third consecutive month while remaining in neutral territory. The survey found that investors are concerned about risks from US trade policies and about capital inflows/outflows being affected by policy rate hikes. Still, investor confidence is bolstered by the domestic political situation and listed company performance."

**Results of the FETCO Investor Confidence Index for January 2019** are summarized below:

- FETCO Investor Confidence Index (ICI) for the next three months (through March 2019) for all groups of investors fell 5.25% to 92.75 but remained in the neutral zone (index range 80 – 119).
- Retail investor confidence index dropped to the bearish zone and its lowest level in 39 months.
- Foreign investor confidence remained unchanged and in the neutral zone.
- Local institutional investor ICI increased slightly and stayed bullish.
- Proprietary trader confidence dropped into neutral territory.
- Banking (BANK) was seen as the most attractive sector for investing.
- Media & Publishing (MEDIA) was deemed undesirable by investors.
- The factor having the greatest positive impact on the Thai stock market was the political situation.
- The factor having the greatest negative impact on the Thai stock market was international conflict.

“During December, the Stock Exchange of Thailand (SET) Index declined throughout the month from a high of 1672 to a low of 1548.37 before closing at 1563.88 points. This negative trend reflected concerns about the lack of progress in trade negotiations between the United States and China; the 0.25% hike in the US interest rate policy to 2.00–2.25%; the European Central Bank (ECB) announcing the end of quantitative easing (QE) measures; the Bank of Thailand's interest rate hike for the first time in seven years; and lowered expectations for Thai and global economic growth rates in 2019. For investment trends over the next three months, the main risk factors impacting investor confidence include the continued rate hikes in US monetary policy, concerns about the US-China trade war, and the impacts from the slowdown in global economic growth. Investors are attracted to investment opportunities in Banking (BANK), Tourism & Leisure (TOURISM), and Commerce (COMM), while Media & Publishing (MEDIA), Steel (STEEL), and Property Development (PROP) draw little investor interest. Additional issues to be considered are the progress in US-Chinese trade negotiations, two forecast reductions in the US long-term interest rate in 2019, the vote on the Brexit agreement by the British parliament in January, and the global economy's signaling a slowdown; other issues affecting investors include Thai interest rate trends after the first policy rate hike in seven years and the upcoming election in early 2019.”

For more information, please contact  
Federation of Thai Capital Market Organizations (FETCO)  
Telephone: 02 009 9371–2 or email: [fetco@set.or.th](mailto:fetco@set.or.th)