

“July 2019 Investor Confidence Index reverses course and rises for the first time in 4 months while staying neutral. Policies of new government and US monetary policy boost investor confidence though investors worry about trade war negotiations and political stability.”

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Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Organizations (FETCO), commented on the July 2019 FETCO Investor Confidence Index (ICI): “The Investor Confidence Index for the next three months rose for the first time in four months while remaining in neutral territory. The survey found that expectations of the new government's policies and the US monetary policy had the greatest positive impact on investor confidence, while investors warily monitored trade war negotiations and domestic political stability, both of which dampened investor confidence.”

Results of the FETCO Investor Confidence Index for July 2019 are summarized as follows:

- FETCO Investor Confidence Index (ICI) for the next three months (through September 2019) for all groups of investors rose 25.50% to 109.44 and stayed within the neutral zone (index range 80–119).
- Foreign investor confidence remained stable in the neutral zone.
- Proprietary trader confidence index jumped up to the very bullish zone.
- Retail investor confidence index rose into the neutral zone.
- Local institutional investor confidence remained neutral.
- The Construction Services (CONS) sector drew the most investor interest.
- Media and Publishing (MEDIA) was the least attractive sector.
- Government policies buoyed the Thai stock market the most.
- Concerns over international conflicts negatively impacted the Thai stock market.

“FETCO Investor Confidence Index (ICI) rose for the first time in four months while staying within the neutral zone for the fourth consecutive month. The proprietary trader ICI experienced a substantial increase from bearish to very bullish. Retail investor ICI increased

from the bearish zone into neutral. Local institutional investor confidence jumped from neutral territory into bullish, while foreign investors remained neutral.

“During June, the Stock Exchange of Thailand (SET) Index increased throughout the month from a low of 1,622 at the beginning of the month, with a rather significant upward trend interspersed with periods of dormancy. The SET Index reached a monthly high of 1,735 points before moving within the range of 1,720–1,730 at month's end. Investment trends for the next three months show the factors buoying investor confidence the most include the anticipation of the new government's policy to stimulate the economy, which will be announced in early July, as well as US monetary policy, despite the US FED's maintaining of the current policy rate but indicating a possible interest rate reduction the second half of 2019. Also, the international movement of capital is a secondary factor boosting investor confidence. Meanwhile, investor concerns over international conflicts continue to drag down confidence. Similarly, the domestic political situation and the new government's stability keep investors wary. International economic factors that investors are closely monitoring include: the global economic slowdown; progress in US-China trade negotiations following the G20 meeting; direction of the European Central Bank's policy rate after its signaling further relaxation of monetary policy by both lowering interest rates and increasing quantitative easing (QE); China's economic stimulus policy in the second half of the year due to increased trade tensions; and oil and gold price increases due to tensions in the Middle East and the Strait of Hormuz.”

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