

“August 2019 Investor Confidence Index rises for the second month, becoming bullish for the first time in five months. International capital inflows and US monetary policies boost investor confidence as investors worry about US–China trade negotiations and performance of listed companies.”

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Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the August 2019 FETCO Investor Confidence Index (ICI): “FETCO Investor Confidence Index (ICI) for the next three months rose for the second consecutive month, becoming bullish for the first time in five months. The survey found foreign capital inflows and US monetary policy had the greatest positive impact on investor confidence, while concerns about ongoing trade war negotiations and the earnings of listed companies dragged down investor confidence.”

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

- FETCO Investor Confidence Index (ICI) for the next three months (through October 2019) for all groups of investors rose 19.89% to 131.21 and jumped into the bullish zone (index range 120–159).
- Proprietary trader confidence index remained very bullish.
- Foreign investor confidence index rose into the bullish zone.
- Retail investor confidence also increased into bullish territory.
- Local institutional investor confidence fell from bullish to neutral.
- The Commerce (COMM) sector drew the most investor interest.
- Media and Publishing (MEDIA) was the least attractive sector for investors.
- International capital flow was the factor boosting the Thai stock market the most.
- Concerns over international conflicts were the biggest drag on the Thai stock market.

“July survey results show the FETCO Investor Confidence Index (ICI) increasing for the second month and reaching bullish territory for the first time in five months. Proprietary trader

ICI remained unchanged in the very bullish zone. Retail investors and foreign investors rose from neutral to bullish, while local institutional investors fell from bullish into the neutral zone.

“During July, the Stock Exchange of Thailand (SET) Index moved sideways throughout the month within the range of 1714–1748 points after hitting its highest level at the beginning of the month. The general downward trend was interspersed with periods of dormancy as the index reached its lowest level of 1706 points near the end of the month. Investment trends for the next three months show the factor bolstering investor confidence the most were capital movements from foreign investors, who were net buyers in the stock market. Secondary factors buoying confidence included US monetary policy as the FED signalled an interest rate cut in the second half of 2019 and the anticipation of government policies after the new government's policy statement to Parliament. Meanwhile, investor confidence continued to be negatively impacted by international conflicts, although the trade negotiations between the United States and China became more relaxed. Similarly, concerns about the performance of listed companies due to the slowing global economy, decreased exports, and the appreciation of the baht kept investors wary. International economic factors that investors are closely monitoring include: how the global economic slowdown will affect monetary policies in developed countries; progress of US–China trade negotiations; US import tariffs on automobiles which will impact Europe and Japan; BREXIT negotiations after the appointment of the new British prime minister, who has announced the UK will withdraw from the EU on October 31, 2019 whether or not an agreement is reached; signs of additional monetary policy easing from the EU as inflation falls below the 2% target; the direction of China's economic stimulus policy after GDP figures of 6.2% for Q2 2019 were the lowest in 30 years; and geopolitical conflicts in the Middle East.”

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