

"September 2019 Investor Confidence Index drops into the neutral zone due to uncertainty over US-China trade policies as well as the domestic economic slowdown while investors place their hopes on US monetary policy and Thai government policy."

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Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the September 2019 FETCO Investor Confidence Index (ICI): "The Investor Confidence Index for the next three months dropped from bullish into neutral territory. The survey found that ongoing international trade conflicts are the biggest drag on investor confidence while hopes of an easing of US monetary policy buoy investor confidence."

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

- FETCO Investor Confidence Index (ICI) for the next three months (through November 2019) for all groups of investors dropped 21.70% to 102.74 falling within the neutral zone (index range 80–119).
- Proprietary trader confidence index dropped into the neutral zone.
- Foreign investor confidence index rose slightly and remained bullish.
- Retail investor confidence fell into bearish territory.
- Local institutional investor confidence fell slightly and remained in the neutral zone.
- The Commerce (COMM) sector drew the most investor interest.
- Petrochemicals and Chemicals (PETRO) drew the least investor interest.
- US Federal Reserve monetary policy had the greatest positive impact on the Thai stock market.
- International conflicts were the biggest drag on the Thai stock market.

"August survey results show the FETCO Investor Confidence Index (ICI) experiencing a rather sharp decline and falling into the neutral zone. Retail investors became bearish, while the proprietary trader ICI fell into the neutral zone. Local institutional investors decreased

slightly and remained neutral, while foreign investor ICI rose slightly and stayed in bullish territory.

“During August, the Stock Exchange of Thailand (SET) Index dropped rather significantly. The highest level of 1700 points—reached at the beginning of the month—was followed by downward movement along with decreasing volatility before hitting a low of 1590 at the middle of the month, after which the SET Index recovered and gradually increased to 1640–1650 points by the end of the month. Investment trends for the next three months show the factor bolstering investor confidence the most is US monetary policy and the expectation of further policy rate cuts in 2019 and 2020. Other positive factors affecting investors include anticipation of government policies and the gradual implementation of stimulus measures as well as domestic economic conditions with the announcement of better-than-expected export numbers. However, investor confidence continues to be dampened by concerns over the escalating international trade conflict between the United States and China and the resultant retaliatory tariffs imposed by each side. Other factors keeping investors wary include apprehension about listed company earnings and the global economic slowdown's impact on the domestic economy. International economic factors that investors are closely monitoring include: US Federal Reserve monetary policy; ECB banks and the likelihood of relaxed financial measures including quantitative easing (QE) due to the global economic slowdown; the direction of US-China trade negotiations; and BREXIT with its October 31st, 2019 deadline.”

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