

“March 2020 Investor Confidence Index remains bearish for second month in a row as investors worry about the domestic economy and tourism while placing their hopes on government policies, listed company earnings, and Thai interest rate policy.”

FETCO Press Release: Tuesday, March 10, 2020

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), made the following comments on the March 2020 FETCO Investor Confidence Index (ICI): “The Investor Confidence Index for the next three months is down in the bearish zone for the second consecutive month. The survey found the domestic economy and tourism dragging down investor confidence as investors pin their hopes on government policy, listed company performance, and the Monetary Policy Committee’s interest rate policy.”

Results of the **FETCO Investor Confidence Index for March 2020** are summarized below:

- FETCO Investor Confidence Index (ICI) for the next three months (through May 2020) for all groups of investors fell 11.48% to 64.40, remaining within the bearish zone (index range 40–79).
- Proprietary trader confidence index dropped slightly residing in the bearish zone.
- Local institutional investor ICI likewise dropped slightly and was bearish.
- Foreign investor confidence index increased slightly within the bearish zone.
- Retail investor confidence decreased in the bearish zone.
- The Food & Beverage (FOOD) sector drew the most investor interest.
- The Tourism & Leisure (TOURISM) sector was the least interesting for investors.
- Government policy was the factor boosting the Thai stock market the most.
- The domestic economy was the biggest drag on the Thai stock market.

“February survey results show the FETCO Investor Confidence Index (ICI) was down into the bearish zone for the second consecutive month. ICIs for all groups of investors were in bearish territory. With regard to the ICIs for each investor group, retail investors dropped from neutral to bearish; proprietary traders and local institutional investors declined slightly and stayed bearish; while foreign investor ICI increased slightly but remained bearish.

“During February, the Stock Exchange of Thailand (SET) Index dropped considerably, especially at the end of the month, due to concerns about the spread of the Covid-19 virus. At the beginning of the month, the SET Index reflected significant volatility within the range of 1500–1540 points. Subsequently, the SET Index dropped considerably due to the spread of the corona virus in China and to countries in Asia, the Middle East, and Europe. The SET Index fell from 1500 points to 1340 points at month's end with volatility continuing through early March. The index dropped to a low of 1317 points before recovering to the range of 1380–1400 points during the first week of March after the government budget disbursement came into effect and the announcement of the US Federal Reserve 0.5% interest rate cut.

“Investment trends for the next three months show anticipation over government policy to be the factor boosting investor confidence the most; other factors buoying investor sentiment include the performance of listed companies and the MPC's monetary policy. However, investors remain most concerned about the domestic economy as well as the tourism situation and listed company earnings. Global economic factors impacting investor confidence include controlling the spread of the Covid-19 virus and its impact on the world economy; monetary policies of central banks around the world; and various governments easing of economic policies. Meanwhile, domestic factors investors are monitoring include the government's policies to stimulate investment, exports, and tourism—which have declined considerably; Thailand's interest rate policy; and capital inflows/outflows.”

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