

“December 2019 Investor Confidence Index rises slightly, staying in neutral zone for fourth consecutive month. Investors pin their hopes on relaxed international trade negotiations and capital inflows while worrying about listed company performance and the domestic economy.”

---

FETCO Press Release: Tuesday, December 3, 2019

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the December 2019 FETCO Investor Confidence Index (ICI): “The Investor Confidence Index for the next three months rose slightly while staying in neutral territory for the fourth month in a row. The survey found investor confidence being boosted by expectations for the successful resolution of international trade negotiations and optimism about capital inflows. But investors have concerns about the performance of listed companies and the domestic economy.”

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

- FETCO Investor Confidence Index (ICI) for the next three months (through February 2020) for all groups of investors was up 1.72% to 87.93, remaining within the neutral zone (index range 80–119).
- Proprietary trader confidence index increased slightly and stayed in the neutral zone.
- Local institutional investor ICI increased slightly and remained neutral.
- Foreign investor confidence index rose and remained in the neutral zone.
- Retail investor confidence fell and dropped into the bearish zone.
- The Tourism & Leisure (TOURISM) sector continued to draw the most investor interest.
- Media & Publishing (MEDIA) was the least attractive sector to investors.
- International conflicts had the greatest positive impact on the Thai stock market.
- The performance of listed companies was the biggest drag on the Thai stock market.

“November survey results show the FETCO Investor Confidence Index (ICI) rising slightly and staying neutral for the fourth consecutive month. Proprietary trader and local institutional investor ICIs were up to a small degree and remained within the neutral zone. Foreign investor ICI stayed neutral while retail investors dropped into the bearish zone from the previous month's neutral.

“During November, the Stock Exchange of Thailand (SET) Index moved within the range of 1590–1641 points. The SET Index rose in the first week of the month to a peak of 1641 points then gradually declined to the range of 1590–1600 during the month despite the U.S. Federal Reserve's and Bank of Thailand's Monetary Policy Committee's (MPC) cutting policy interest rates. Nevertheless, economic growth in Thailand continues to slow. The SET Index recovered in the last week of November to 1610–1620 due to expectations surrounding ongoing international trade negotiations between the United States and China, who are expected to sign a Step 1 trade agreement by the end of this year and to postpone or cancel the scheduled USD 300 billion tariff increase on the second group of Chinese goods on December 15. Investment trends for the next three months show the factors bolstering investor confidence the most are hopeful expectations for U.S.–China trade negotiations followed by capital inflows/outflows. However, investors' main concerns focus on listed company earnings, and this factor is a drag on investor confidence. Investors also worry about the domestic economic slowdown, despite the expansion in the tourism sector. Global economic factors that investors are closely monitoring include: the clarity of the Step 1 U.S.–China Trade Agreement and trends of the Step 2 Trade Agreement negotiations; the direction of central banks' policy interest rates in 2020; trends in the slowdown in global demand; the uncertainty surrounding BREXIT; and the continuing record low levels of global economic confidence indicators in the major developed economies despite their movement toward recovery. Domestic factors which investors are keeping an eye on include the direction of listed company performance, government policies for expedited budget disbursements, and additional economic stimulus measures.”