

“January 2020 Investor Confidence Index drops but stays in neutral zone for fifth consecutive month. Government policies and company earnings boost investor confidence while international conflicts, domestic economic conditions, and political situation cause concern among investors.”

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Paiboon Nalinthangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the January 2020 FETCO Investor Confidence Index (ICI): “The Investor Confidence Index for the next three months fell but remained neutral for the fifth consecutive month. The survey found that investors are pinning their hopes on government policies and listed company performance while at the same time worrying about listed company performance, the domestic economy, and the political situation.”

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

- FETCO Investor Confidence Index (ICI) for the next three months (through March 2020) for all groups of investors was down 8.17% to 80.75, remaining within the neutral zone (index range 80–119).
- Proprietary trader confidence index dropped into the bearish zone.
- Local institutional investor ICI likewise dropped into the bearish zone.
- Foreign investor confidence index remained unchanged in the neutral zone.
- Retail investor confidence increased and remained in the bearish zone.
- The Health Care Services (HEALTH) sector drew the most investor interest.
- Banking (BANK) was the least attractive sector to investors.
- Government policy had the greatest positive impact on the Thai stock market.
- International conflicts were the biggest drag on the Thai stock market.

“December survey results show the FETCO Investor Confidence Index (ICI) falling and staying neutral for the fifth consecutive month. Proprietary trader and local institutional investor ICIs fell from the previous month and dropped into the bearish zone. Foreign investor ICI remained unchanged in the neutral zone while retail investor ICI rose slightly but stayed bearish.

“During December, the Stock Exchange of Thailand (SET) Index moved within the range of 1548–1579 points. The SET Index dropped in the first half of the month to a low of 1548 points then gradually increased to around 1570–1580 at the end of the month. The SET Index was positively impacted by the Phase 1 trade agreement between the United States and China. At the same time, investors are anticipating strong buying of SET Long-Term Equity Funds (LTF) at the end of the year, despite continued slowing of Thai economic forecasts. Investment trends for the next three months show the factors bolstering investor confidence the most are expectations surrounding government policy as well as the performance of listed companies. However, concerns about international conflicts continue to dampen investor confidence. Also, the domestic economy and political situation worry investors. Global economic factors that must be monitored include economic conditions resulting from the Phase 1 trade agreement and negotiation trends going into Phase 2 talks. Another important global issue is the likelihood of England leaving the EU with an agreement and within the timeline after the recent UK elections. Also of interest to investors are the directions of US and EU interest rate policies in 2020. Domestic factors which must be taken into account in 2020 include the government’s budget disbursement, economic stimulation policies, resolution of export problems stemming from the strong baht—which has affected the country’s economic recovery—the domestic political situation, and the Bank of Thailand’s monetary policy.”

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