

“November 2019 Investor Confidence Index drops but remains in neutral zone for third month as investors worry about international trade conflicts and listed company performance. At the same time, investors pin their hopes on a U.S. policy rate cut and feel upbeat the domestic economy.”

FETCO Press Release: Wednesday, November 6, 2019

Paiboon Nalinthrangkurn, Chairman of the Federation of Thai Capital Market Organizations (FETCO), commented on the November 2019 FETCO Investor Confidence Index (ICI): “The Investor Confidence Index for the next three months dropped while staying in neutral territory for the third month. The survey found investor confidence being dragged down by international trade conflicts while investors feel optimistic about a U.S. Federal Reserve policy rate cut and the domestic economy.”

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

- FETCO Investor Confidence Index (ICI) for the next three months (through January 2020) for all groups of investors was down 22.56% to 86.44, remaining within the neutral zone (index range 80–119).
- Proprietary trader confidence index remained unchanged and in the neutral zone.
- Foreign investor confidence index dropped into the neutral zone.
- Retail investor confidence fell but remained in the neutral zone.
- Local institutional investor ICI dropped slightly and stayed neutral.
- The Tourism & Leisure (TOURISM) sector drew the most investor interest.
- Banking (BANK) was the least attractive sector to investors.
- U.S. monetary policy had the greatest positive impact on the Thai stock market.
- International conflicts had the greatest negative impact on the Thai stock market.

“October survey results show the FETCO Investor Confidence Index (ICI) dropping but staying neutral for the third consecutive month. Foreign investors dropped from the previous month's bullish into the neutral zone. Retail investor and local institutional investor ICIs dropped but remained neutral, while proprietary trader ICI stayed unchanged and in the neutral zone.

During October, the Stock Exchange of Thailand (SET) Index experienced stable movement in a slightly downward direction within the range of 1600–1630 points, though the index dropped at the end of the month to 1590–1600 points due to uncertainty about the world economy, concern about international trade negotiations, the risks facing exports, and worries about listed company performance in the third quarter. Investment trends for the next three months show the factors bolstering investor confidence the most are expectations of another 0.25% interest rate cut by the U.S. Federal Reserve, followed by the domestic economy and international capital flows. Meanwhile, investors are closely monitoring international and geopolitical conflicts, and the progress of trade negotiations between the United States and China, although there has been some easing of the trade situation as the United States has suspended tariff increases on some Chinese imports. Other factors negatively impacting investor confidence include listed company earnings and the slowdown in the domestic economy. International economic factors that investors are keeping an eye on include: the risk of recession in the world economy; the trends in U.S. and European monetary policies; progress in U.S.–China trade negotiations; the future of BREXIT with the expected extension to January of next year; and the direction of Chinese loan interest rate cuts and fiscal policy being implemented to ease economic conditions from the ongoing trade war. Meanwhile, domestic issues being closely watched include the performance of listed companies; measures to stabilize the appreciation of the baht, which is impacting both exports and tourism; as well as the effect of the cancellation of some GSP privileges for Thai products exported to the US.”

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