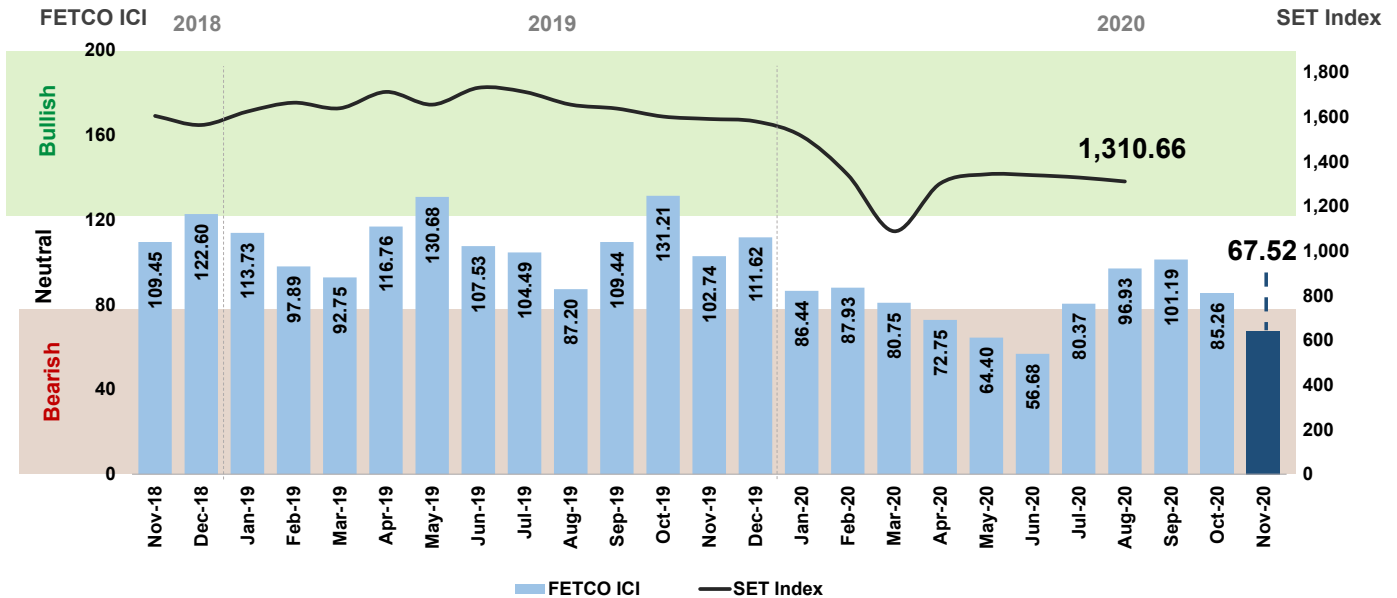


FETCO ICI Compared to SET Index



FETCO Investor Confidence Index (FETCO ICI) for the next three months dropped 21% into bearish territory. The major factor boosting investor confidence was domestic economic growth followed by US monetary policy, capital inflows/outflows, and anticipation of a Covid-19 vaccine. Factors pulling down investor confidence included the domestic political situation, the Thai economic slowdown, and the U.S. and European economic situations.

Investors found that the Food & Beverage (FOOD) be the most attractive sector followed by Energy & Utilities (Energy) sector and Banking (BANK) sector while Banking (BANK) is the least attractive sector, followed by Steel (STEEL) and Tourism & Leisure (TOURISM) sector.

The August survey showed the FETCO ICI for the next three months dropping 21% to 67.52, falling into the bearish zone. While confidence levels for three of the investor groups were neutral, the foreign investor ICI dropped into the very bearish zone.

FETCO INVESTOR CONFIDENCE INDICES

RETAIL ICI	90.63	↔
PROPRIETARY ICI	100.00	↔
LOCAL INSTITUTES ICI	87.50	↔
FOREIGN ICI	25.00	⇩

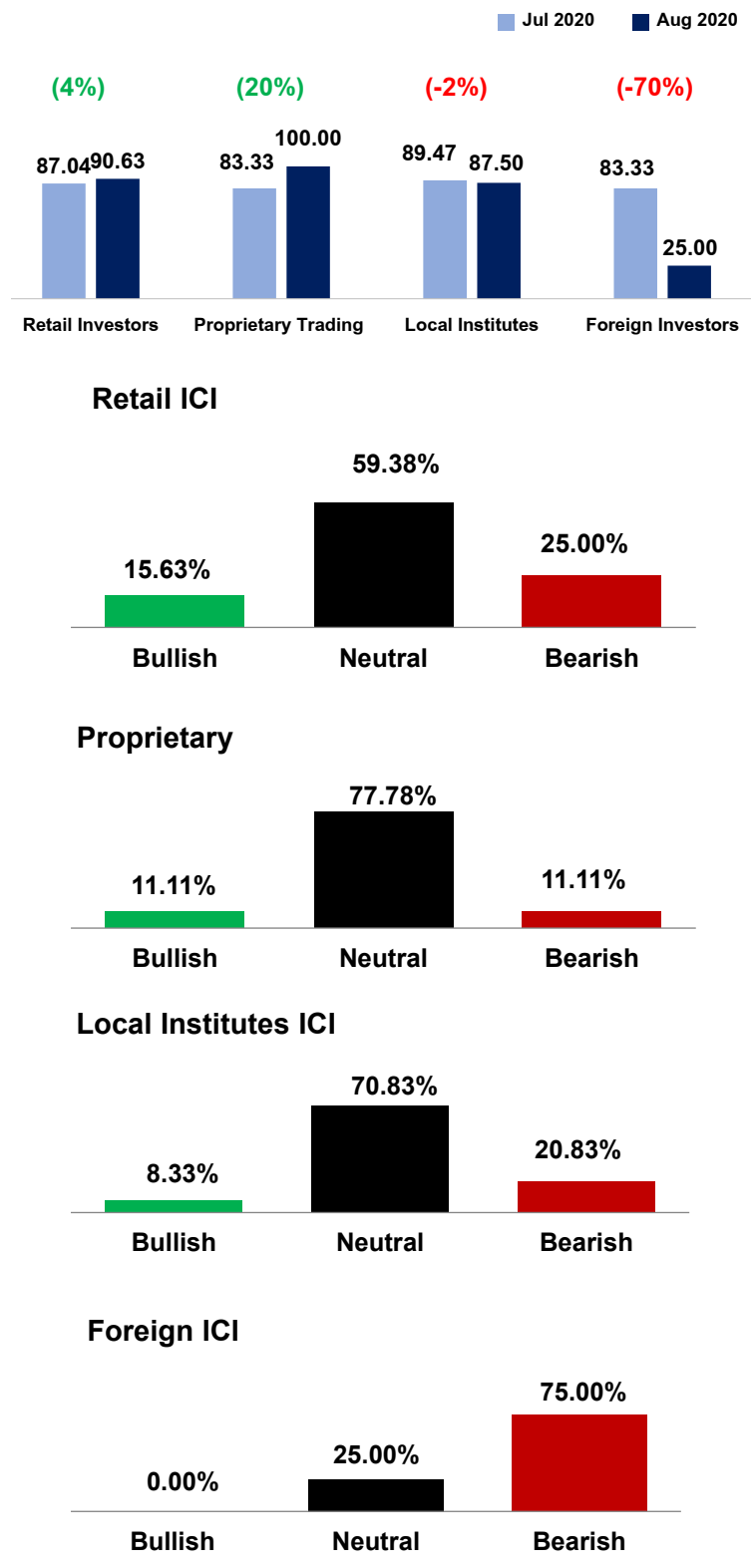
FETCO ICI Criterion

(160 - 200)	Very Bullish	⇩⇩
(120 - 159)	Bullish	⇩
(80 - 119)	Neutral	↔
(40 - 79)	Bearish	⇩
(0 - 39)	Very Bearish	⇩⇩

Note: Investor Confidence Index surveys four groups of investors—retail investors, local institutional investors, proprietary trading group, and foreign investors—using a diffusion index with a range from 0 to 200. The index readings are divided into five levels: very bullish; bullish; neutral; bearish; and very bearish.

Research Contributors

Trends in Investor Confidence by Type of Investor



August 2020 FETCO ICI survey results found foreign investor confidence to be very bearish at 25.00 while the other three investor groups' ICIs were in neutral territory. Retail investor ICI rose slightly to 90.63; proprietary trader ICI was up to 100.00; and the local institutional investor group dropped to 87.50.

In the first half of August 2020, the Stock Exchange of Thailand (SET) Index moved in a narrow range between 1,321.23–1,346.69 points as economic activity pointed towards a gradual recovery. Subsequently, the SET Index fell after the announcement that Q2 2020 GDP contracted -12.2% from the same quarter of last year. Additional negative factors included the domestic political situation after the protests during the third week of the month; concerns about a second wave of Covid-19 in the country; and the poor performance of listed companies for the second quarter of 2020 with their lackluster profits. However, the economy was still supported by government expenditures, both from budgeted disbursements and measures to assist those who are affected by the economic downturn. As of the end of August 2020, the SET Index closed at 1,310.66, slightly decreased from July.

Investor hopes are boosted by domestic economic growth, U.S. monetary policy, capital flows, and anticipation of a Covid-19 vaccine. Factors dragging down investor confidence include domestic politics, the Thai economic slowdown, and the U.S. and European economies.

Global issues that bear monitoring include the second wave of the Covid-19 pandemic in many countries, which will delay the economic recovery, and the U.S. presidential election. Domestic factors that warrant watching include the uncertainty surrounding the renewal of government support measures which are set to expire; the risk of higher rates of unemployment and business closures; and the increasing political unrest.

Note: The domestic institutional group includes asset management companies, government pension fund, insurance companies and life insurance

Most Influential Factor Driving the Stock Market

Retail Investors

- Most view the capital inflow/outflow as the most important factor boosting investor confidence, followed by tourism recovery and domestic economic growth.

Proprietary Traders

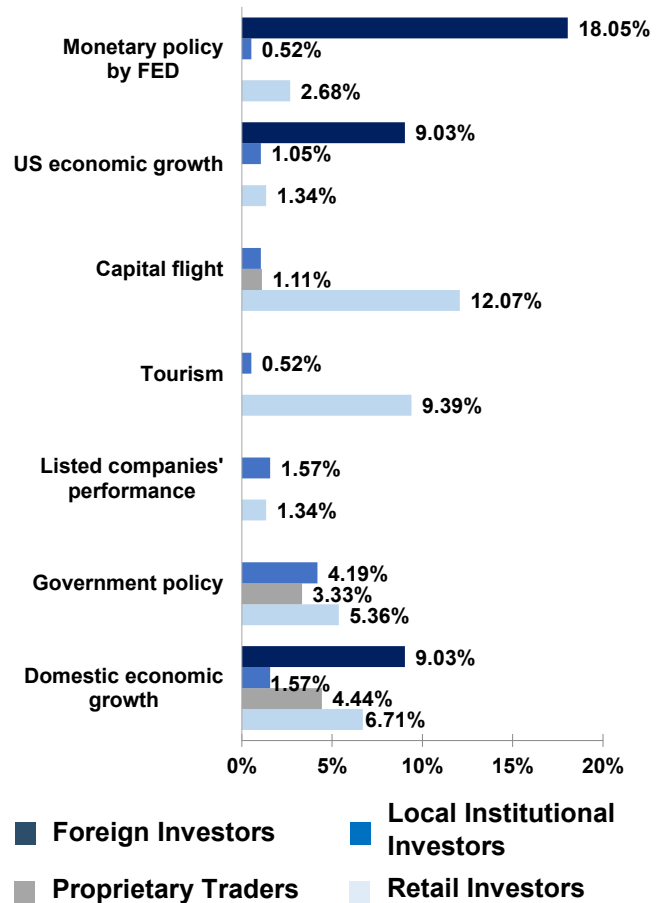
- See domestic economic growth as supporting investor confidence the most, followed by government policy.

Local Institutional Investors

- Consider the government policy as having a positive impact on investor confidence, followed by performance of listed companies and domestic economic growth.

Foreign Investors

- Believe that the monetary policy by FED is factors bolstering investor confidence, followed by US and domestic economic growth.



Most Important Factors Impeding the Stock Market

Retail Investors

- Consider the political situation as the biggest factor dragging down investor confidence, followed by Tourism, domestic economic slowdown and international conflict.

Proprietary Traders

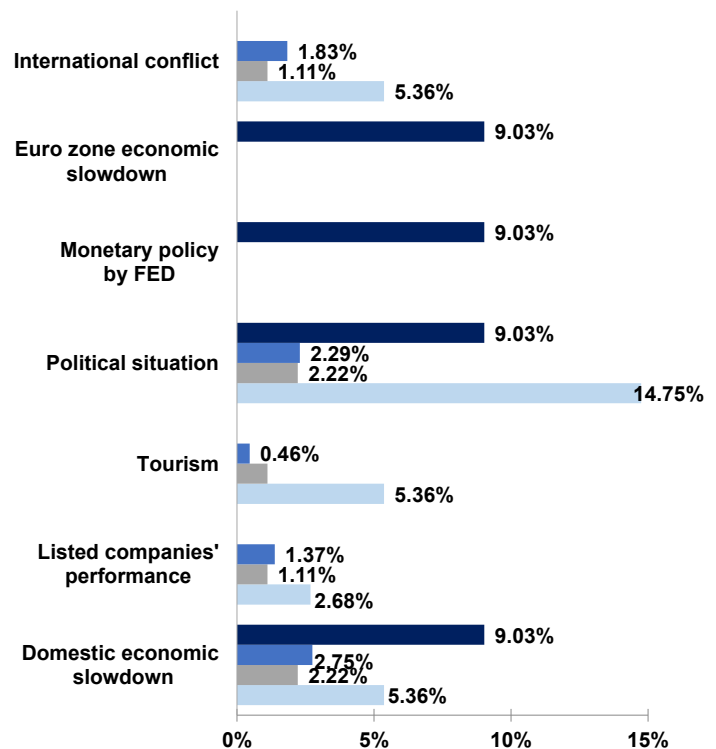
- See the political situation and domestic economic slowdown as the primary factors weighing down investor confidence.

Local Institutional Investors

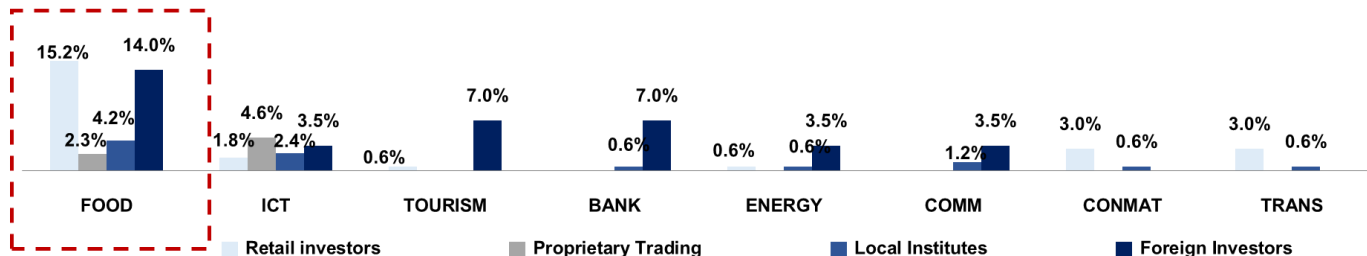
- Believe that the domestic economic slowdown has the greatest negative impact on investor sentiment, followed by political situation and international conflict.

Foreign Investors

- View the political situation, domestic economic slowdown, monetary policy by FED and Eurozone economic situation as all dragging down investor confidence.



Most Attractive Sectors to Investors



Retail Investors

See the Food & Beverage sector as offering the most interesting investment opportunities, followed by Bank and Energy sectors

Proprietary Trading

Believe the Food & Beverage sector is most attractive for investors,

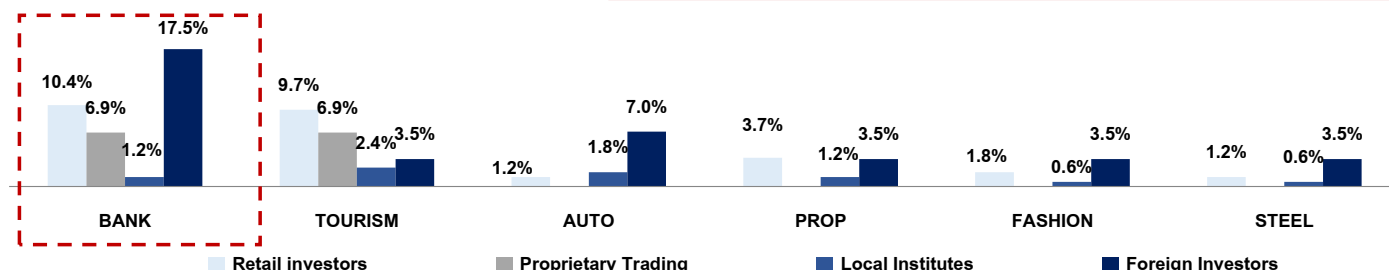
Local Institutes

Consider Food & Beverage sector as having the most attractive investments, followed by Energy sector and Tourism sector.

Foreign Investors

View the Bank, Energy, Packaging and Electronic sectors are as most attractive investments.

Least Attractive Sectors to Investors



Retail Investors

Consider the Banking sector as most unattractive for investing, followed by Tourism and Property Development.

Proprietary Trading

Find the Banking sector as the least interesting for investing.

Local Institutes

Believe that the Tourism sector provide unattractive investment options, followed by the Media & Publishing sector and Bank sector.

Foreign Investors

See the Banking sector and Steel sector as offering few investment opportunities of interest.

Disclaimer

The FETCO Investor Confidence Survey is prepared by the Federation of Thai Capital Market Organizations (FETCO) whose objective is to develop and promote statistics related to the Thai capital market as a tool to analyze the directional trends of the stock market for the next three months in order to allow investors and other interested parties to be able to use such information as a guide reflecting overall economic conditions. Thus, this index is prepared as a forecast of capital market movement by a diverse group of investors with varying opinions. The parties preparing the index do not guarantee the correctness of the information provided and are not responsible for any losses incurred from use of the information. The parties preparing this information retain lawful rights to its content, and If the information provided in this document or any component thereof is referred to or published in any manner whatsoever, whether it be text, images, content, or presentations, or if any party copies, forges, reproduces, modifies, publishes, or takes any other action for commercial exploitation or unlawful use of the information without prior permission, whether in part or in whole, the parties preparing this information reserve the right to take any action as allowed by law.

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