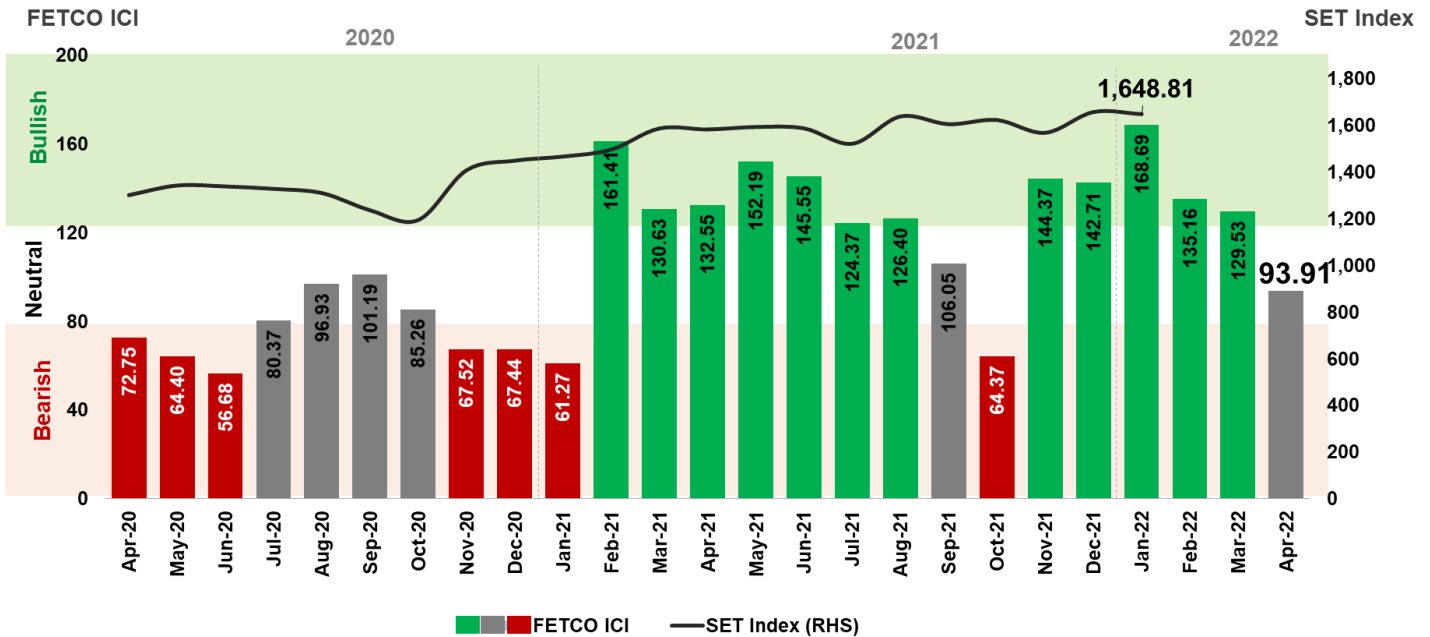


### FETCO ICI Compared to SET Index



FETCO Investor Confidence Index (FETCO ICI) in January, which anticipated the market condition over the next three months, is at 93.91, down 27.5 percent from the previous month and retreated to “neutral” zone. Top three most supportive factors anticipated are, expectation that the U.S. Federal Reserve will maintain its loose monetary policy, local listed companies’ earnings, and COVID-19 vaccine distribution. However, investors are worried about uncertainty over Fed’s interest rate hike direction, followed by local economic retreat and international conflicts.

The most attractive sectors to investors are Banking (BANK), Energy & Utilities (ENERGY), and Tourisms & Leisure (TOURISM), respectively. However, the least attractive ones include Insurance (INSUR), Fashion (FASHION), and Electronic Components (ETRON)

Confidence of retail and local institutional investors is in “bullish” zone while that of proprietary investors and foreign investors is in “neutral” and “bearish” zone, respectively.

#### FETCO INVESTOR CONFIDENCE INIDICES

|                      |        |   |
|----------------------|--------|---|
| RETAIL ICI           | 121.74 | ↑ |
| PROPRIETARY ICI      | 108.33 | ↔ |
| LOCAL INSTITUTES ICI | 125.00 | ↑ |
| FOREIGN ICI          | 50.00  | ↓ |

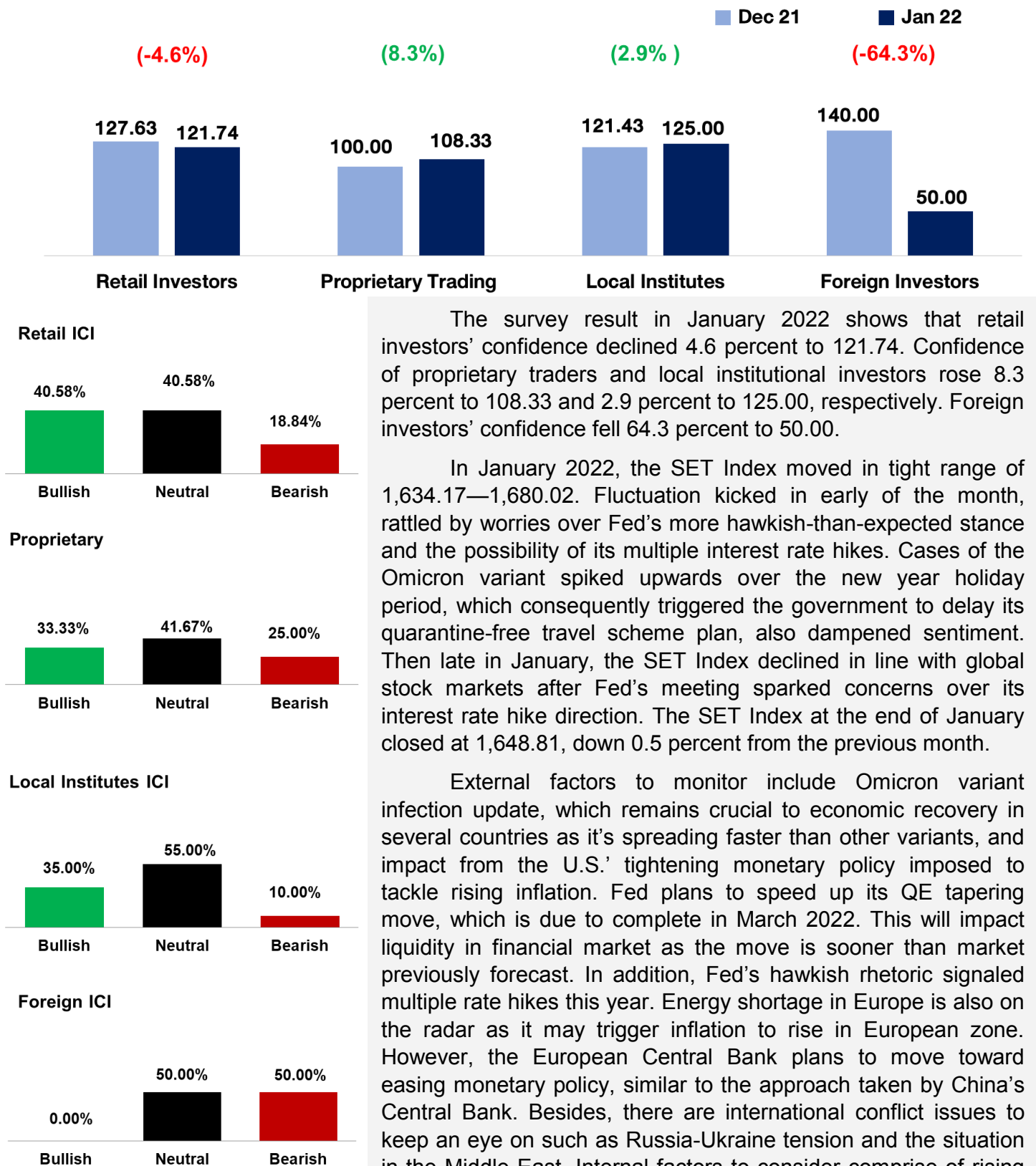
#### FETCO ICI Criterion

|             |              |    |
|-------------|--------------|----|
| (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



The survey result in January 2022 shows that retail investors' confidence declined 4.6 percent to 121.74. Confidence of proprietary traders and local institutional investors rose 8.3 percent to 108.33 and 2.9 percent to 125.00, respectively. Foreign investors' confidence fell 64.3 percent to 50.00.

In January 2022, the SET Index moved in tight range of 1,634.17—1,680.02. Fluctuation kicked in early of the month, rattled by worries over Fed's more hawkish-than-expected stance and the possibility of its multiple interest rate hikes. Cases of the Omicron variant spiked upwards over the new year holiday period, which consequently triggered the government to delay its quarantine-free travel scheme plan, also dampened sentiment. Then late in January, the SET Index declined in line with global stock markets after Fed's meeting sparked concerns over its interest rate hike direction. The SET Index at the end of January closed at 1,648.81, down 0.5 percent from the previous month.

External factors to monitor include Omicron variant infection update, which remains crucial to economic recovery in several countries as it's spreading faster than other variants, and impact from the U.S.' tightening monetary policy imposed to tackle rising inflation. Fed plans to speed up its QE tapering move, which is due to complete in March 2022. This will impact liquidity in financial market as the move is sooner than market previously forecast. In addition, Fed's hawkish rhetoric signaled multiple rate hikes this year. Energy shortage in Europe is also on the radar as it may trigger inflation to rise in European zone. However, the European Central Bank plans to move toward easing monetary policy, similar to the approach taken by China's Central Bank. Besides, there are international conflict issues to keep an eye on such as Russia-Ukraine tension and the situation in the Middle East. Internal factors to consider comprise of rising price of consumer goods as a result of higher production cost, which will impact household spending, the government's plan to ease COVID-19 restriction measures to welcome tourists and uncertainty over domestic political situation.

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 Covid-19 vaccination plan as the important factor boosting investor confidence, followed by the expectation that FED will maintain easy monetary policy and domestic economic recovery.

**Proprietary Traders**

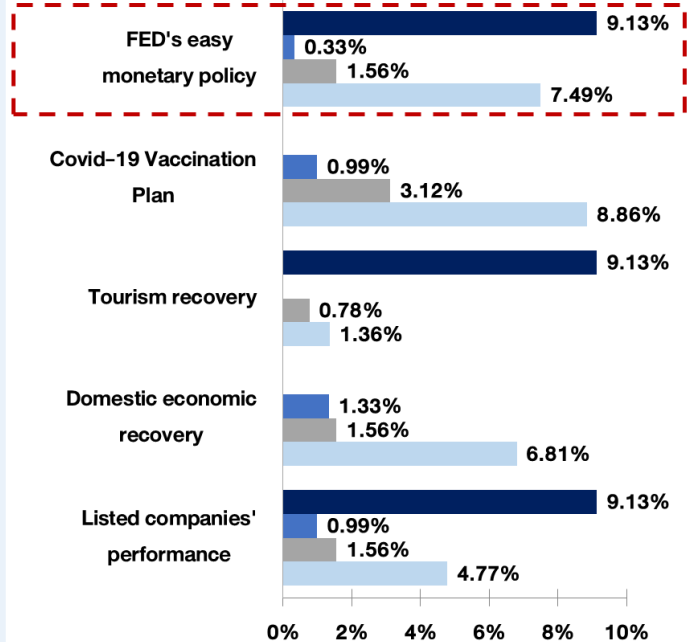
- See Covid-19 vaccination plan as the most supporting investor confidence, followed by the domestic economic recovery, listed companies' performance and the expectation that FED will maintain easy monetary policy.

**Local Institutional Investors**

- Consider the domestic economic recovery as having positive impact on investor confidence, followed by Covid-19 vaccination plan and listed companies' performance.

**Foreign Investors**

- Believe that the expectation that FED will maintain easy monetary policy, listed companies' performance and tourism recovery are the most important factor bolstering investor confidence.



**Most Important Factors Impeding the Stock Market**

**Retail Investors**

- Consider the FED interest rate hike as the biggest factor dragging down investor confidence, followed by domestic economic slowdown and government proposal on financial transaction tax collection.

**Proprietary Traders**

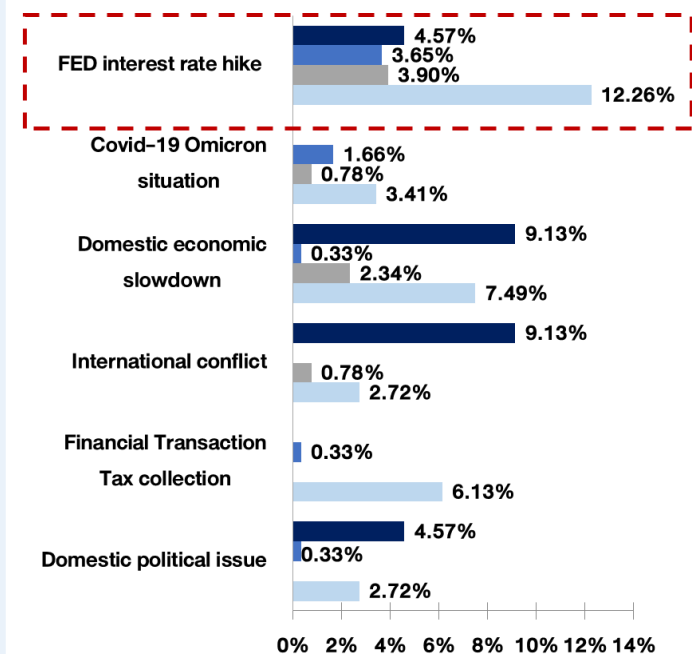
- See the FED interest rate hike as the primary factors weighing down investor confidence, followed by domestic economic slowdown, the Covid-19 Omicron variants and international conflict situation.

**Local Institutional Investors**

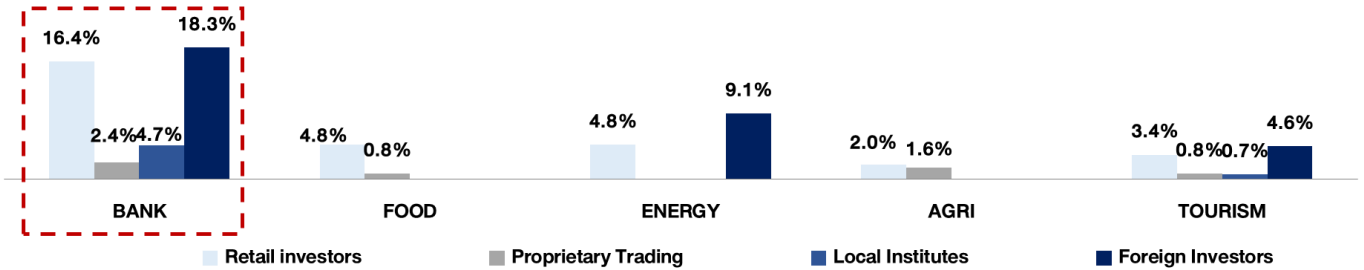
- Believe the FED interest rate hike has the greatest negative impact on investor sentiment, followed by the Covid-19 Omicron variants.

**Foreign Investors**

- View the international conflict situation and domestic economic slowdown as the most dragging down investor confidence, followed by the FED interest rate hike and domestic political issue.

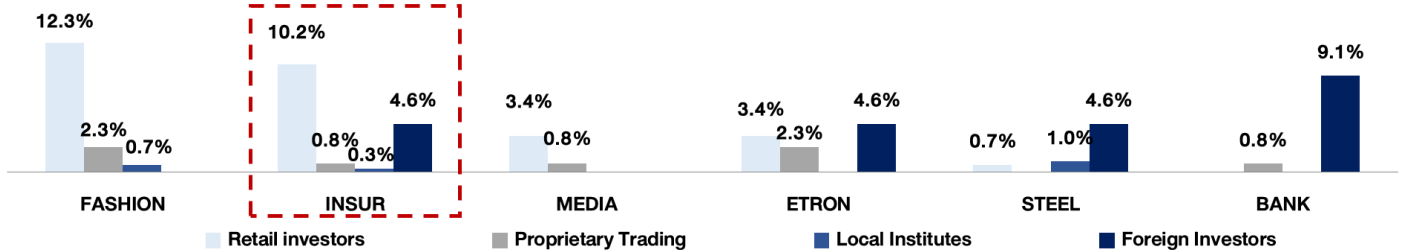


**Most Attractive Sectors to Investors**



- Retail Investors** See the Banking sector as offering the most interesting investment opportunities, followed by Food & Beverage sector and Energy & Utilities sector.
- Proprietary Trading** Believe the Banking sector is the most attractive for investors, followed by Agribusiness sector, Food & Beverage sector and Tourism & Leisure sector.
- Local Institutes** Consider the Banking sector as having the most attractive investments, followed by Tourism & Leisure sector.
- Foreign Investors** View the Banking sector is as most attractive investment, followed by Energy & Utilities sector and Tourism & Leisure sector.

**Least Attractive Sectors to Investors**



- Retail Investors** Consider the Fashion sector is as most unattractive for investing, followed by Insurance sector, Media & Publishing sector and Electronic Components sector.
- Proprietary Trading** Find the Fashion sector and Electronic Components sector are as the least interesting for investing, followed by Banking sector, Insurance sector and Media & Publishing sector.
- Local Institutes** Believe that the Steel sector provides unattractive investment option, followed by Fashion sector and Insurance sector.
- Foreign Investors** See the Banking sector as offering few investment opportunities of interest, followed by Insurance sector, Steel sector and Electronic Components sector.

**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.

**Federation of Thai Capital Market Organization (FETCO)**

✉ FETCO@set.or.th

☎ 02 009 9520  
 02 009 9506  
 02 009 9484



Research Contributors

