

Consultation Conclusion

Adjustment of SET Well-Being Index



The Stock Exchange of Thailand (SET) would like to thank those who shared your thoughts and views regarding the adjustment of SET Well-Being Index.

This document contains the summary of responses to the consultation recently received from 9 respondents, consisting of Thai Investors Association (TIA), 4 asset management companies, and 4 securities companies. Additionally, the summary incorporate feedback gathered from a meeting with 16 asset management companies and the Association of Investment Management Companies (AIMC) with details of valuable opinions and recommendations.

Consultation issues

SET has continuously reviewed the methodology and selection criteria for thematic indices to reflect Index's objectives, the index users' needs, and in line with international standards. SET Well-being Index, was developed to reflect the movement of securities in the seven sectors of Thailand's outstanding industry, the so called "well being theme". However, in the last two years the global capital market situation has changed due to several external factors, particularly the pandemic. Several Thai "well being" securities also were hard hit by such extraordinary effect; resulting in a significant changes in index constituents. This raises the question of as to whether, the current criteria still be appropriated to allow for the constituents to reflect or represent the securities of the Thai well being industry.

SET has therefore studied and proposed to revise the selection criteria for SET Well-being Index in order to properly reflect the price movements, reduce the impact of external factors and the Index turnover, and in accordance with international standards, the changes in selection criteria is proposed as follow:

- Remove the profitability condition from qualitative selection criteria, while other selection criteria remain the same.
- Apply this adjustment from June 2023 onward

Feedback summary

All the respondents agree with the principles proposed by the Stock Exchange of Thailand (SET). There are some additional suggestions as follows:

- Suggest to consider adding other sectors that are considered as the country's strengths.
- Suggest to consider the appropriateness of whether any sector classified as well being industry should have at least one company as representative of such sector, and the proportion of total market cap for any specific sector should not exceed 20% of the index.
- Suggest to consider adding banking sector to the well being index.

In addition, the SET has hold the focus group meeting with asset management companies (16 companies) and the Association of Investment Management Companies (AIMC) to update and inform on the index development. As per the proposal to adjust the SETWB methodology, it is concluded the focus group attendants have no objection and no additional comments on this matter.

Summary of the consultation and the implementation

Consultation conclusion

Based on the result of the consultation, it is concluded that the majority agreed with SET's proposal to revise the selection criteria for SET Well-being Index.

SET's implementation

The Stock Exchange of Thailand (SET) will revise the selection criteria of the SET Well-being Index based on the aforementioned principles. The implementation of these modifications will be applied from June 2023 onwards.

SET would like to thank you all participants who response to the survey and attending the focus group meeting. For additional suggestions, SET will take the feedback for its consideration and assessment. Should there be any room for improvement , SET will consult with relevant parties before any further adjustments.