Pornjittra Jeoplerkyen 2011: Trading Volumes of Investor Groups and Stock Index Returns Relationship in SET. Master of Science (Agro-Industry Technology Management), Major Field: Agro-Industry Technology Management, Department of Agro-Industry Technology. Thesis Advisor: Assistant Professor Tanachote Boonvorachote, D.B.A. 107 pages.

This study investigates the relationship between trading volumes of investor groups and stock index returns in SET. By applying daily closing price data from January 3, 2006 to December 30, 2010, we employ GARCH, TARCH and EGARCH models to analyze and observe information efficiency in SET. Investor groups in SET consist of foreign investors, institutional investors, local investors and proprietary investors. The results show that trading volumes of all investor groups influence SET returns. These evidences reflect that SET is not efficient in weak-form level. Because past trading volumes of foreign investors, institutional investors and local investors influence returns, our findings support the Sequential Information Arrival Hypothesis. In other words, SET indices are sensitive to noise trading risks. Understanding that trading volumes affect returns will improve SET's efficiency, not only in region but also for world-wide level.

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