

Peerapol Teeratuntikul 2011: Determinants of Foreign Portfolio Investment in Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Assistant Professor Bundit Chaivichayachat, Ph.D. 98 pages.

The purposes of this research are to analyze factors that influence the investment of foreign investors in The Stock Exchange of Thailand and to find the determinants of the fluctuation of the volatility of their investment, by formulating GARCH-M model and performing Maximum Likelihood estimation based on monthly data during the period of 1997 to 2008.

The results explore that foreign exchange rates, oil prices, rate of return from Thailand and New York stock markets, the margins between domestic and foreign interest rates and the volatility of the investment of the foreign investors in The Stock Exchange of Thailand created impacts on the foreign investment in The Stock Exchange of Thailand significantly. Moreover the political stability also affects the instability of the foreign investment.

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Thesis Advisor's signature