

Kobkul Sinthawatwong 2007: Factors Affecting Trading of Short-Term Fixed-Income Securities in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Arunee Punyasavatsut, Ph.D. 91 pages.

The purpose of this thesis is to study the background and development of the Bond Market and to study factors affecting the trading of short-term fixed-income securities in Thailand. The study employed econometric model estimated by two stage least square (TSLS) method. The explanatory variables are price of short-term fixed-income securities, yield of short-term fixed-income securities, value of trading in last month, inflation rate, average five commercial bank one-year deposit rate, government deficit and outstanding value of government short-term fixed-income. The system of equations are the demand for short-term bond equation and supply of short-term bond equation. The data used in this study were 60 monthly secondary data from January 2000 to December 2004 .

The thai bond to be born in 1993. Where as the thai bond market not so development, until in 1992 the Securities and Exchange Commission, Thailand has established which have important role to influence the secondary market is the Thai Bond Market Association that is important role to develop the thai bond market now.

The study found that the factors influencing the demand for short-term bond are price of short-term fixed-income securities and previous-month trading values. A factor influencing the supply of short-term bond is the average of five commercial bank one-year deposit rate. While the price of short-term fixed-income securities cannot explain any change of supply of bond.

Investors should consider the price of short-term fixed-income securities and trading values short-term fixed-income securities as the factors for trading. Where as the issuer should consider average five commercial bank one-year deposit rate as the factor for supply of bond.

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