

Sudthida Tritrong 2010: Stock Price Reaction to Dividend Announcements:  
Evidence from the Stock Exchange of Thailand. Master of Business Administration,  
Major Field: Business Administration, Interdisciplinary Graduate Program.  
Thesis Advisor: Associate Professor Panadda Imtraprom, M.B.A. 116 pages

Investing in capital market, investors will gain 2 forms of return: capital gain and dividend. According to the semi-strong form of the EMH, current stock price accurately reflects public information about the firm. The main objective of this study was to examine the semi-strong form Efficient Market Hypothesis in the Stock Exchange of Thailand used event study methodology. The study focused on the dividend announcement of the SET 100 Index listed stocks during the year of 2005 – 2008. There were 545 samples. The dividend announcement was classified into 5 types; 1. Increased dividend 2. Constant dividend 3. Decreased dividend 4. First year dividend and 5. No dividend in the same period of the last year. In addition, the study extended in to 4 industries, including Resources group, Financials group, Property & Construction group and Technology group. There remain 369 samples. The abnormal return (AR) and Cumulative Abnormal Return (CAR) in the event, pre-event, and post-event was analyzed through the market model. ANOVA Test was used to test at 0.05 significant level. The study found that there exists Cumulative Abnormal Returns (CAR) in the pre-event, event and post-event periods at 0.05 level of significance.

The result of this study implied that the Stock Exchange of Thailand should not exhibit semi-strong form efficient capital market. Although the CAR was shown in the event period, but such a CAR exhibits consistently in the pre and post event.

---

Student's signature

---

Thesis Advisor's signature

\_\_\_\_ / \_\_\_\_ / \_\_\_\_