

Vasan Limphatarapong 2009: The Effects of and The Transmission of Foreign Stock Indices Through Stock Exchange of Thailand Index. Master of Economics (Business Economics)
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Associate Professor Somsak Phiap-phom, Ph.D. 280 pages.

The objectives of this study were to carry out an analysis of factors affecting stock exchange of Thailand index (SET) focusing on 5 main sectors namely energy sector, banking sector, communication sector, finance and securities sector, and property sector, and to analyze the price changes and transmission between foreign stock exchange index through stock exchange of Thailand index. Secondary data was used in the study and was collected from the SET and Bank of Thailand during 2003-2007. Descriptive analysis and multiple regression of the transition models were used as analytical tools to achieve the study objectives.

The study results also found that the major factors affecting SET index in 2003-2007 were Dow Jones industrial index, interest rate, Nikkei index, and crude oil prices. The factors affecting the banking sector index were Dow Jones industrial index, interest rate, Nikkei stock index, and crude oil prices. The factors affecting the finance and securities sector index were interest rate, crude oil prices, Nikkei index, and the inflows of foreign investment. The factors affecting the communication sector index were crude oil prices, interest rate, Nikkei index, Hang Seng index, and Dow Jones industrial index. The factors affecting the energy sector index were crude oil prices, Dow Jones industrial index, interest rate, and Nikkei index. The factors affecting the property sector index were crude oil prices, Nikkei index, and the inflows of foreign investment.

The study results indicated that the SET index was highly and positively related to the 3 foreign stock exchange index, namely Dow Jones industrial index, Nikkei index, and Hang Seng index in the long-term. Changes of foreign stock exchange index had transmits the SET index's changes in the long-term. For a short time period the SET index's changes was not related to the 3 foreign stock exchange index, but it was driven by the other factors.

Student's signature

Thesis Advisor's Signature