

### **Abstract**

For many firms, market timing is important for making a decision to go public as firms usually prefer to go for an Initial Public Offering (IPO) when cost of capital of equity issuance is low. Evidences in this paper prove that Thai non-financial firms do time the market as they have tendency to issue their equities more while market is still 'Hot' than in the 'Cold' market. Moreover, market timing has negative impact on leverage level in the short run, especially for those that launch IPO in 'Hot' market. This finding implies that traditional corporate finance theories do not always hold for Thailand's non-financial firms when it comes to determining the balance of their capital structure.