

Sasisupang Chomchan 2014: The Effect of Monetary Policy on Private Investment.
Master of Economics, Major Field: Economics, Department of Economics. Thesis
Advisor: Mr. Thana Sompornserm, Ph.D. 106 pages.

The objectives of this research are to 1) study general characteristics of Thai private investment 2) to study the effect of Inflation targeting monetary policy on private investment by considering four main channels which are interest rate, credit, asset price and exchange rate channel. The study is analyzed by VARS model, Impulse Response Function and Variance Decomposition and uses quarterly data from 2001 to 2012. The variables used in the study are policy interest rates, minimum loan rates representing the interest rate channel, credit amount representing the credit channel, SET index representing the asset prices channel, real effective exchange rate representing the exchange rate channel and private investment

The Impulse Response Function analysis shows that the private investment is response to the transmission of monetary policy shock through the interest rate channel, asset price channel, policy rate, exchange rate channel and credit channel, respectively. Moreover according to The Variance Decomposition analysis, the fluctuation of private investment is influenced by the transmission of monetary policy through the interest rate channel, exchange rate channel, asset price channel, policy rate, and credit channel, respectively.

Student's signature

Thesis Advisor's signature