

Thanwalee Nanang 2014: The Effect of Economic Factors on Thai Government Bond Yields in the Secondary Market. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Mr. Thana Sompornserm, Ph.D. 131 pages.

The objectives of this research are to 1) study the general characteristics of Thai bond market and government bond yields in secondary market, 2) to study the effect of economic factors on Thai government bond yields in secondary market 3 years during 1999 to 2012, and 3) to compare the effect between two periods, including after Asian Financial Crisis and after Subprime Crisis. The paper uses monthly data from 1999:9 to 2012:12 which divided into three periods, including after Asian Financial Crisis, after Subprime Crisis and whole period. Firstly, the data are tested for stationary by employing unit root test. After that, granger causality test and employs Ordinary Least Squares to analyze the effect of economic factors on Thai government bond yields.

The results from the study indicate that domestic economic factors that affect Thai government bond yields 3 years are Consumer Price Index, Loan to deposit and external economic factors that affect Thai government bond yields 3 years is short term U.S.government bond yields. And device into two periods, for the case after Asian Financial Crisis shows that Loan to deposit and short term U.S.government bond yields affect Thai government bond yields 3 years. After Subprime Crisis shows that Consumer Price Index and short term U.S.government bond yields affect Thai government bond yields 3 years.

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Thesis Advisor's signature