

Title : FACTORS AFFECTING THAI STOCK PRICES :  
COMMERCIAL BANK AND FINANCE & SECURITY COMPANY  
GROUPS, 1987 - 1992

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The objectives of this study are to identify and describe factors affecting Thai stock prices, a case of Commercial Bank and Finance and Securities Company Groups during a period of 1987 to 1992. The factors include in the study are Monthly Corporate Securities Trading, Inflation Rate, Government Bond Interest Rate, Time Deposits Rate, Loan to Deposits Ratio, Commercial Bank Index, Finance and Securities Index, Dow Jones Industrial Average, SET Index, and Controlled Measures by the Stock Exchange of Thailand. It is hypothesized that Monthly Corporate Securities Trading, Dow Jones Industrial Average, SET Index, Commercial Bank Index, and Finance and securities Index have positive influence on stock prices while Inflation Rate, Government Bond Interest Rate, Time Deposits Rate, Loan to Deposits Ratio, and Controlled Measures by the Stock Exchange of

Thailand have negative influence on stock prices.

The Results of the study based on the data from January 1987 to December 1992 reveal that in case of Commercial Bank Stocks, the stock prices are significantly determined by Monthly Corporate Securities Trading, Finance and Securities Index, Time Deposits Rate, and Loan to Deposits Ratio. The relationship of the stock prices with Monthly Corporate Securities Trading, Finance and Securities Index, Time Deposits Rate are as of the hypotheses set forth, but with Loan to Deposits Ratio is inconsistent to the hypothesis. In case of Finance and Securities stocks, on the other hand, the stock prices are significantly determined by Monthly Corporate Securities Trading, Inflation Rate, SET Index, Loan to Deposits Ratio, Commercial Bank Index, Time Deposits Rate, and Government Bond Interest Rate. The relationship of the stock prices with Monthly Corporate Securities Trading, Inflation Rate, SET Index, Loan to Deposits Ratio, Commercial Bank Index, and Government Bond Interest Rate are as of the hypotheses set forth, but with Inflation Rate, and Time Deposits Rate are inconsistent with the hypotheses.

Thus the study of factors affecting Thai stock prices, a case of Commercial Bank and Finance and Securities Company Groups, 1987-1992 found out that the stock prices of Both Groups were significantly determined by the factors which are economic and psychological ones.

The recommendations which are drawn from the study are

- (1) an investor should take into account the factors affecting the stock prices prior to making decision to buy Both Commercial Bank and Finance and Securities stocks and (2) the stock Exchange of Thailand should have the measures to control and improve the 5 basic factors of stock market.