

Intraday Lead-Lag Relationship between the Stock Index Market And the Stock Index futures market: Evidence from Thailand

ABSTRACT

This paper provides an empirical investigation of the intraday relationship between SET50 index return and SET50 index futures return. The study documents a contemporaneous correlation between cash market return and futures market return in Thailand and provides the strong evidence that the futures market leads the cash market depending on the flow of information. This evidence further finds that the SET50 index futures return stronger lead the components of SET50 index for infrequently traded stocks. The lead-lag relationship also appears symmetric in good news (up market) and bad news (down market).