

THE DETERMINANTS OF THE FIRST ENTERING PUBLIC BOND MARKET: EVIDENCE FROM THAI LISTED COMPANIES

ABSTRACT

This study applied the Cox Proportional Hazard Model to investigate the determinants of timing decision to issue the first public bond of firms in Stock Exchange of Thailand during year 1997-2007. The result is consistent with information asymmetry and flotation cost hypothesis. Firm size and the experience of issuing private bond firms can be used in explaining the decision of Thai firms to issue the public bond in the whole sample period and sub-period. The larger size firms and the firms that used to issue the private bond are more likely to issue the public bond. However, this study does not find the evidence supported the market timing hypothesis. Due to sub-period analysis, the market timing variables, GDP and NIPOB, fail to reveal significant impact on the decision to issue the first public bond.