

Piyawan Kornkasem 2014: The Relationship between Economic Factors and Stock Price Index of the Property Development Sector in the Stock Exchange of Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Faculty of Economics at Sriracha. Thesis Advisor: Mr. Pat Pattanarangsun, Ph.D. 127 pages.

The objectives of this study are 1) to study the foundation of capital market and stock price index of the property development sector in the Stock Exchange of Thailand (SET) 2) to determine economic factors influencing stock price index of the property development sector and 3) to analyze its trends and forecast stock price index of the property development sector. The monthly secondary data was collected from January, 2008 to December, 2013, overall 72 examples. The study applied the Simultaneous-Equation Models which was analyzed by two-stage least squares (2SLS).

The result indicated that stock price index in the property development sector was positively related to the real estate loan of commercial bank, manufacturing production index and SET index at a statistical significance level of 0.10. On the other hand, private investment index, business sentiment index, flood crisis and political crisis negatively affected stock price index of the property development sector at a statistical significance level of 0.10. The economic factors, which could not significantly explain stock price index of the property development sector; were minimum loan rate, construction materials price index, consumer price index and subprime mortgage crisis. The forecast result showed that stock price index of the property development sector was increased by 2.50 percent year-on-year in 2014 with a bit of volatility.

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Student's signature

Thesis Advisor's signature