

Thesis Title Predictability of Technical and Economic Analyses of Stock Prices in Banking And Finance and Securities Sectors

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Abstract

This study aimed to investigate the prediction ability of technical and economic analyses of stock prices in the banking and finance and securities sectors in the Stock Exchange of Thailand. Seventeen technical devices were employed to analyse the stock price movement from April 29th, 1992 to August 15th, 1996(1570 observations). The seasonal index of stock prices was also calculated.

This study found that the best prediction ability of stock prices in the banking and finance and securities sectors was from the mutual use of the Simple Moving Average (SMA) and Relative Strength Index (RSI) devices. The mutual use of SMA and RSI gave the highest profits to eleven stocks out of sixteen , which was 68.75% . It gave the 134.32% average rate of return per year in the banking sector. SMA and RSI also made the best prediction ability in the finance and securities sector which gave the highest profits for thirty stocks out of forty-seven,which was 63.83%. This gave the average rate of return 469.36% per year. SMA and O-MAC-M made numbers two and three in the banking sector and numbers three and two in the finance and securities .While the second best prediction ability in the banking sector was from Simple Moving Average (SMA) , which gave the 79.78% average rate of return per year, SMA made the third best prediction ability in the finance and securities sector with a higher rate of return per year, 84.39% . O-MAC-M made the thirdbest prediction ability in the banking sector with 57.18% average rate of return per year. And It made the second best prediction ability in the finance and securities sector with 95.22% average rate of return per year.

MACD had the fourth rank in the terms of the prediction ability in both the banking and finance and securities sectors. It gave the 22.32% and 63.59% average rates of return per year in those sectors respectively.

This study also found that the seasonal indices for February, March, April, May, September and November were below one-hundred while the rest of January, June, July, August, October and December were higher.