

Janjana Kulvanich 2011: Herding Behavior Analysis in The Stock Exchange of Thailand. Master of Science (Agro-Industry Technology Management), Major Field: Agro-Industry Technology Management, Department of Agro-Industry Technology. Thesis Advisor: Assistant Professor Tanachote Boonvorachote, D.B.A. 104 pages.

This paper examines herding behavior in the Stock Exchange of Thailand (SET) in order to guide development of SET. The study could be beneficial to investing decision of investors in SET as well. By applying daily closing industrial sector price data for 22 sectors from January 2, 1990, to December 30, 2010, we find evidences of herding behavior in SET. Finance and securities sector is the source of herding behavior in SET that influence returns dispersion on other industrial sectors. Considering to the herding behavior under up and down market situation shows this behavior exists in both up and down markets, nevertheless, herding behavior often appears in rising market more than in down market. However, after including impact of Thailand's financial crisis, we find that Thailand's financial crisis explain herding behavior in SET. However, USA's financial crisis has no influence on herding behavior in SET.

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