

Independent Study Title	ACTIVE PORTFOLIO MANAGEMENT USING CROSS-SECTIONAL DISPERSION :EVIDENCE FROM THAILAND
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ABSTRACT

In this study, I tried to prove whether I could outperform SET50 index by using cross-sectional dispersion. Data was brought from analyst target price in order to find expected return then using cross-sectional dispersion to find weight of each stock. This study has 4 portfolios to test about formation period data and event driven strategy, which is one of method that uses top deciles cross-sectional dispersion as a component to create portfolio. As for event period, it used last year target price data, which was a set period in analyst research target price duration. From this study, I found that 1-year formation period underperform the market, while latest 3 months target price outperform the market in cumulative return in both event driven strategy portfolio and every stock portfolio, but only portfolio with every stock has significant positive alpha.

Keywords: Cross-sectional dispersion, Active portfolio management