

Independent Study Title	DOES THE THAI STOCK MARKET OVERREACT IN RESPONDING INTRA- INDUSTRY INFORMATION TRANSFERS?
Author	Mr. Jedsada Tangvatcharapranee
Degree	Master of Science (Finance)
Major Field/Faculty/University	Master of Science Program in Finance (International Program) Faculty of Commerce and Accountancy Thammasat University
Independent Study Advisor	Associate Professor Tatre Jantarakolica, Ph.D.
Academic Year	2016

ABSTRACT

Intra-industry information transfers are the process that events or announcement of one company lead stock price of other companies in the same industry to respond following although it is not their own information. In the past, many studies found that the reaction of the non-announcing company is inappropriate which can lead to abnormal return. This study examines the existence of overreaction anomaly of stocks listed Thai stock market with earning announcement event from January 2007: I to December 2015: IV.

This study performs panel regression analysis to investigate overreaction (mean reversion) of the non-announcing company between their early announcer's earning announcement date and its own earning announcement date. The empirical result show strong significant effect of overreaction in Thai Stock market. However, the result only significant for industry with high share turnover. For this result, it can leads to make investment strategy by buying stocks of non-announcing companies which significantly drop around their early announcer's announcement date on their own announcement date to gain abnormal return.

Keywords: Intra-industry information, Earnings announcement, Overreaction