

Independent Study Title	IMPACT OF MACROECONOMIC FACTORS ON PRICE OF LODGING STOCKS, A STUDY OF HOTEL STOCKS LISTED IN HONG KONG AND SINGAPORE
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Academic Year	2015

ABSTRACT

This study investigates the influences of macroeconomic factors on hotel stock returns in Singapore and Hong Kong using a 10-year data period. Nine macroeconomic variables are used as critical explanatory factors of hotel stock returns in this study, which are changes in interest rate (IRCHG), growth rates of money supply (ΔMS), changes in unemployment rate (UPCHG), growth rates of consumer price index (ΔCPI), growth rates of industrial production (ΔIP), percentage change in USD/local currency exchange rate (ΔEX), growth rates of total trade (ΔTT), percentage change in oil price (ΔOP) and growth rates of World GDP (ΔWG). This study uses the Granger causality procedure based on the vector auto regression model. Test results indicate that economic variables IRCHG, UPCHG, and ΔWG could significantly cause Hong Kong hotel stock returns and serve as significant determinants of Hong Kong hotel stock returns. While ΔCPI and ΔWG could significantly cause Singapore hotel stock returns and serve as significant determinants of Singapore hotel stock returns according to the test results.

Keywords: Hotel Stock Returns, Macroeconomic Factors, Hong Kong, Singapore