Aunyarin Akkara-akethanyakit 2019: The Effects of Earnings Announcement on Cumulative Standardized Abnormal Return of Listed Companies in SET 100 Index of the Stock Exchange of Thailand. Master of Arts (Applied Finance), Major Field: Applied Finance, Department of Finance. Independent Study Advisor: Assistant Professor Nattawoot Koowattanatianchai, D.B.A. 115 pages.

This independent study aims to examine the effect of earnings announcement on cumulative standardized abnormal return of listed companies in SET 100 Index of the Stock Exchange of Thailand. This is to investigate after the extent to which the annual financial statement announcement and other related factors may lead to stock price changes during the accumulation of abnormal returns. The study is based on the assumption that investors may react differently after news announcements. Good news may influence investors to hold their stocks whereas bad news may influence investors to sell their stocks. The data examined in this research includes all listed companies in SET 100 Index that announce their profits (losses) in their annual financial reports in 2017.

Two highlights emerge from looking at the results of this research. The first highlight is obtained from the calculation of Cumulative Standardized Abnormal Returns (CSARs) using the event study method, is that at 99 percent significant level, CSARs from companies declaring losses continuously decrease throughout the period from the announcement date until 15 days after the announcement date. At 95 and 90 percent significant level, the companies that report the decline in net profits also show the same result throughout the period from day 8 until day 15 after the announcement date. This indicates that investors sell their shares once they receive bad news or when the returns are not as good as expected. The second highlight, which uses CSARs as the dependent variable to test the relationship with 15 independent variables by employing the multiple linear regression analysis, is that factors that significantly influence the movement of stock prices during the period of abnormal returns are Earnings per Share (at 99 percent significant level). The correlation between CSARs and Earnings per Share appears to be positive. At 95 percent significant level, the results reveal that if the companies publish their financial statements with increasing net profits gain, CSARs of their stocks would increase in the same direction. On the contrary, at the same significant level, Beta is related negatively to CSARs.

Student's signature | Independent Study Advisor's signature | 13 / 7 / 2019