

Independent study title	IPO UNDERPRICING BETWEEN MONOPOLY AND NON-MONOPOLY INDUSTRY IN THAILAND
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ABSTRACT

Initial public offering (IPO) is one approach for a company to raise capital from the stock market. Nowadays, an increasing number of companies go public through IPO to obtain more sources of fund. In Thailand, 81.89% of firms on IPO are underpriced, a phenomenon in which the first trading day closing price is greater than the offering price. This study examines the determinants of IPO underpricing, which are classified into three groups: asymmetric information, corporate governance and market sentiment. Furthermore, this study examines whether the determinants of IPO underpricing between high degree of monopoly IPOs and low degree of monopoly IPOs differ. Using data from Thailand from 2008–2018, this study finds that issuer size is negatively related to IPO underpricing, whereas underwriter reputation, market return during offering and listing date, managers' ownership retention rate, and degree of monopoly are positively related to IPO underpricing. For high degree of monopoly industry IPOs, the determinants are issuer size, underwriter reputation and market sentiment, whereas the determinants in low degree of monopoly IPOs is only issuer size.

Keywords: Initial public offering (IPO), underpricing, Asymmetric information, Degree of monopoly