

Independent study title	INVESTIGATION OF THE EXCHANGE RATE EXPOSURES OF THAI SECTORS THROUGH HOT MONEY EFFECT AND FOREIGN EXCHANGE EXPOSURE
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ABSTRACT

This study examines the exchange rate exposure of Thai sectors by employing the stock index data of several sectors in Thailand from 2011 to 2021. Our study focuses on three main currencies used in Thailand: USD, EUR, and JPY. We consider three different data frequencies: daily, weekly, and monthly. We employ the exchange rate exposure estimation model and extend it with additional factors. In our analysis, we observe notable exchange rate exposures in various sectors, with a positive relationship to USD and a negative relationship to EUR and JPY. Even when considering the impact of hot money inflows and the ratio of international sales, we find that exchange rate exposures persist, and their magnitude increases. Additionally, we uncover that higher data frequencies correspond to more substantial exchange rate exposures. Consequently, our findings suggest that exchange rate exposure is difficult to avoid in the Thai market.

Keywords: Foreign exchange rate exposure, Hot money effect, International sales