

Independent study title	MARKET SENTIMENT AND FIRM INVESTMENT DECISION MAKING: EVIDENCE IN THAI MARKET
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ABSTRACT

This study investigates the influence of market sentiment on firm investment decisions in Thailand from 2003 to 2023. Drawing on behavioral corporate finance and prospect theory, it tests two hypotheses: (1) that positive market sentiment is associated with higher levels of firm investment, and (2) that this relationship weakens during financial crises. Using panel fixed effects regression on an unbalanced panel of Thai listed firms, the results support both hypotheses. Market sentiment positively affects investment levels under normal conditions but has a diminished effect during crisis periods. These findings highlight the behavioral underpinnings of investment behavior and the conditional nature of sentiment's influence amid economic uncertainty.

Keywords: Market sentiment, Firm investment, Behavioral finance