

Independent study title	NON-LINEAR PREDICTABILITY OF STOCK MARKET RETURNS WITH MACROECONOMIC VARIABLES: EVIDENCE FROM THAILAND
Author	Mr. Sarun Panmanotham
Degree	Master of Science (Finance)
Major field/Faculty/University	Master of Science Program in Finance, (International Program) Faculty of Commerce and Accountancy, Thammasat University
Independent study advisor	Assistant Professor Chaleampong Kongcharoen, Ph.D.
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ABSTRACT

This paper examines in the non-linear relationship between macroeconomic factors and stock returns but mainly focus on the ability to forecast from each model including Autoregressive (AR) model, Threshold Autoregressive (TAR) model and Smooth transition autoregressive (STAR) model. The monthly data ranging from April 2004 to October 2016 are used. The results show that the distribution of the stock market return is non-linear. Moreover, the ability to forecast of Autoregressive (AR) model is better than Smooth transition autoregressive (STAR) model and Threshold (TAR) model.

Keywords: Non-linear relationship, STAR model, TAR model, AR model, Stock returns, Forecasting performance