



Understanding Bias in Thailand Analysts' Earnings Forecasts

Onchira Buntoonginda
ID 5502042194

Master of Science Program in Finance (International Program)
Faculty of Commerce and Accountancy, Thammasat University, Bangkok, Thailand
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ABSTRACT

This paper measures the degree of Thai analyst bias and examines its determinants using a sample of SET firms over the period 2003-2012. Our study of Thai consensus earnings forecast is consistent with the rational behavior of analysts. Analysts try to distinguish themselves by improving their earnings forecast upon consensus earnings forecast (positive biased). The longer time horizon, the less accuracy of analyst earning forecast. At every level of forecast horizon, forecast error decrease significantly with the number of analysts, the log of market capitalization and book to market (BTM) whereas dispersion has no influence on the level of error.

Key word: Analyst earning forecast, forecast bias, forecast error