

Independent Study Title	RETURN AND VOLATILITY SPILLOVER BETWEEN SET50 INDEX AND SET50 INDEX FUTURES
Author	Miss Purichita Sukhonpitumart
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	Chaiyuth Padungsaksawasdi, Ph.D.
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### **ABSTRACT**

This paper investigates the relationship in terms of return and volatility between SET50 index futures and its underlying. The study compares three models of GARCH family including GARCH, EGARCH and GJR-GARCH. The result presents that GJR-GARCH is the best fit model. In addition, this paper also concerns about the structural break in the time series data, by using the Bai and Perron method. The results show that there is unidirectional return spillover from the spot market to the futures market, while there is bidirectional volatility spillover between these two markets but the effect from spot to futures is stronger than the reverse direction. Moreover, in the sub-period analysis, the return spillover shows the consistent result of the unidirectional return spillover of spot to futures markets in every period, while the result of volatility spillover are inconsistency over the time.

**Keywords:** Spillover, Return, Volatility, SET50 index, GARCH, EGARCH, GJR-GARCH.