

**Oil Prices, Stock Markets and Portfolio Investment:  
Evidence from Industry Analysis in Thailand**

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**ABSTRACT**

To provide overall perspective of the linkage between each industry in Thailand and oil price shocks instead of concentrating on aggregate level based on national stock indices like previous studies, this paper examines the relationship between unexpected oil price changes and industry group indices. The main findings suggest that five industries are statistically significant to unexpected oil price changes. Four cases are negatively impacted by oil shocks whereas oil unexpected change in oil prices can positively impact Resource industry. The results are applied to out-of-sample data to illustrate the benefit in terms of portfolio investment and diversification. The risk-adjusted characteristics of the portfolios contained oil asset can be improved.