

# **Investors' Reaction to Earnings News Announcement: Evidence from the Thai Stock Market**

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## **ABSTRACT**

This paper examine how limited attention with extraneous news affects market prices to underreact to the relevant news by using the data set from stock in SET during year 2001-2011 from Stock Exchange of Thailand.

We divide the test into 2 parts: univariate test and multivariate test. With the univariate test, we find that the Thai market behaves consistently with the distraction hypothesis. The market doesn't react much when there are high number of the earnings announcement during the announcement period, while there is evidence of high sensitivity to the compete numbers of earnings announcements during the post-announcement period. However for the multivariate test, our result does not comply with the investors' distraction hypothesis. There is no evidence to conclude that the market react less sensitive to the number of the compete announcements during the announcement period, but for the post-announcement period, we can find that market reacts strongly to the number of the competing earnings announcements. Most of the values show that market reacts more to the higher number of earnings announcement regardless the period when those earnings announcement occurred.