World Academy of Science, Engineering and Technology
International Journal of Humanities and Social Sciences
Vol:9, No:11, 2015

Whether Asset Growth is Systematic Risk: Evidence from Thailand

Authors : Thitima Chaiyakul

Abstract : The number of previous literature regarding to the effect of asset growth and equity returns is small. Furthermore, those literature are mainly focus in the developed markets. According to my knowledge, there is no published paper examining the effect of asset growth and equity returns in the Stock Exchange of Thailand in different industry groups. The main objective in this research is the testing the effect of asset growth to equity returns in different industry groups. This study employs the data of the listed companies in the Stock Exchange of Thailand during January 1996 and December 2014. The data of financial industry are exclude from this study due to the different meaning of accounting terms. The results show the supported evidence that the asset growth positively affects the equity returns at a statistically significance level of at least 5% in Agro& Food Industry, Industrials, and Services Industry Groups. These results are inconsistent with the previous research testing in developed markets. Nevertheless, the statistically significances of the effect of asset growth to equity returns appear in some cases. In summary, the asset growth is a non-systematic risk and it is a mispricing factor.

Keywords : asset growth, asset pricing, equity returns, Thailand
Conference Title : ICISS 2015 : International Conference on Interdisciplinary Social Sciences
Conference Location : Kyoto, Japan
Conference Dates : November 12-13, 2015