SET grants Outstanding Capital Market Research Award, motivates quality researchers inclusively

BANGKOK, July 12, 2022 - The Stock Exchange of Thailand (SET) has promoted quality researches on the Thai capital market, encouraged quality researchers and connected academic network to the capital market by presenting five awards to the finalists in the 2021/2022 SET Research Scholarship Project. The Outstanding Research Award was granted to Nathawut Wangwan, Thammasat University, for the research on the topic of “Hidden Ownership and Corporate Governance”. The Superior Research Award was granted to Watcharapat Masaeng, Thammasat University, for the research on the topic of “Real-financial Connectedness”. In addition, three honorary awards were also given to researchers of three quality research studies.

SET Senior Executive Vice President & Head of Corporate Strategy Division Soraphol Tulayasathien said that SET has continuously offered research grants over the past decade to further benefit the development of the Thai capital market, and provide opportunities for students to conduct capital market researches with access to information while exchanging views with experts in the capital market. In the 2021/2022 project, the record number of 36 research proposals were submitted for the capital market research funding by students from 16 faculties of 10 universities – the increasing number of faculties over time. Significantly, this reflects wider interest and more emphasis on knowledge development specifically on capital market research. Furthermore, the expertise in other fields have also been applied to make research dimension broader and deeper, such as innovative research, research on ESG issues, and application of research tools in research.

The award-winning capital market research studies are as follows:

• **Outstanding Capital Market Research Award**: The research title “Hidden Ownership and Corporate Governance” by Nathawut Wangwan. Professor Dr. Arnat Leemakdej from the Faculty of Commerce and Accountancy, Thammasat University, is the advisor. The research studied impacts from the shareholder structure on corporate governance, presenting a new way to measure offshore hidden shares by using Combinatorial optimization technique. The study found that hidden ownership was positively correlated with level of listed companies’ corporate governance, and companies with high ratio of hidden ownership are those, in which the significant stake is held by foreign shareholders and most of them are institutional investors who play a role in corporate governance development.

• **Superior Capital Market Research Award**: The research title “Real-financial Connectedness” by Watcharapat Masaeng. The advisor is Assistant Professor Dr. Wasin Siwasarit from the Faculty of Economics, Thammasat University. The research studied the linkage using Vector Autoregressive (VAR) model and found that the domestic sector of real economy has experienced net volatility from the stock market (SET), and connection between the Thai bourse and economic policies in foreign countries has a statistically significant increase in every period of crisis.
Three Honorary awards are as follows:

- Research title: “Black-Litterman Portfolio Management Using Investor’s View Generated by Recurrent Neural Networks and Support Vector Regression” by Kunnachai Punyaleadtip. Dr. Pittipol Kantavat from the Faculty of Engineering, Chulalongkorn University, is the advisor.

- Research title: “The relationship between agricultural commodity and stock market in case of Thailand: Safe-haven, Hedge, or Diversifier? Cross-quantilogram analysis” by Karjbundit Bunditsakulporn. Assistant Professor Dr. Sicha Thubdimphun from the Faculty of Economics, Thammasat University, is the advisor.

- Research title: “Performance of Equity Mutual Funds during the COVID-19 Pandemic by Using Bootstrapping Method” by Chirasin Siriprachai. Associate Professor Dr. Tatre Jantarakolica from the Faculty of Economics, Thammasat University, is the advisor.

"Notably, these award-winning research studies are prominent, having utilized innovative research tools, enabling scenario analyses from multiple perspectives and making it practical when it comes to real life implementation. SET is poised to support capital market research studies conducted to benefit sustainable development of the Thai capital market. SET has continued to develop the capital market database, with the recent development of a capital market information platform for researchers to access information for research studies more conveniently," added Soraphol.

The SET Research Scholarship Project, initiated by SET, has been implementing since 2012 in cooperation with educational institutions, experts in the Thai capital market industry, and public and private sectors participating as award judges. It is considered as a network that exchanges knowledge between the academic sector and experts with real experience in the Thai capital market, as such helping to enhance the quality of research work with practical benefits truly for the Thai capital market industry.

Interested public can study research data, and the capital market database via www.set.or.th/setresearch.

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| Outstanding Research Award   | Hidden Ownership and Corporate Governance | The research studied the impact of shareholder structure on company’s corporate governance (CG) by using a new methodology of share ratio calculation to show that offshore businesses consist of hidden ownership, via the technique called Combinatorial optimization. The studies found that hidden ownership was positively correlated with level of listed companies’ corporate governance. In addition, the studies also showed that the companies with high level of hidden ownership are those in which a sizeable stake is held by foreign investors and most of them are institutional investors who could be instrumental to better corporate governance development. | Researcher: Natthawut Wangwan  
Research advisor: Prof. Dr. Arnat Leemakdej  
Faculty of Commerce and Accountancy, Thammasat University |
| Superior Research Award (1 prize) | Real-financial Connectedness              | The research study examined the links between the sector of the real economy, the Thai capital market, and the Asian capital markets, using the Vector Autoregressive (VAR) model. The study found that the domestic sector of the real economy experienced net volatility from the stock market (SET). As for the dimension of linkage of the Thai capital market and the sector of the real economy globally, it was statistically found that the connection level was significantly higher in every period of crisis.                                      | Researcher: Watcharapat Masaeng  
Research advisor: Assistant Professor Dr. Wasin Siwasarit  
Faculty of Economics, Thammasat University |
| Honorary Awards (3 awards)    | Black-Litterman Portfolio Management Using Investor’s View | The research study tested investment portfolio management by applying the Black-Litterman  
                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Researcher: Kunnachai Punyaleadtip  
Research advisor: Dr. Pittipol Kantavat |
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<td>Generated by Recurrent Neural Networks and Support Vector Regression</td>
<td>A model using investor's view from iterative Artificial Neuron Network (ANN) and support vector regression (LSTM-SVR) in asset allocation. As a result, the investment portfolio could yield higher return than the market and hedge against risks during the COVID-19 crisis.</td>
<td>Faculty of Engineering, Chulalongkorn University</td>
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<td>The relationship between agricultural commodity and stock market in case of Thailand: Safe-haven, Hedge, or Diversifier? - Cross-quantilogram analysis</td>
<td>The research study analyzed the relationship and role of agricultural commodity prices on the Thai capital market during 2000-2020 by using cross-quantilogram analysis. It was found out that the commodity prices (e.g. wheat, oat and canola, etc.) mostly had weak safe-haven correlations, were independent, and the returns &amp; risks moved in the opposite direction to the capital market yields, especially during the crisis. The results of this study can be applied to manage investment portfolios for more efficiency as these could help reduce impacts and risks, and restore losses involving the capital market.</td>
<td>Researcher: Karjbundit Bunditsakulporn Research advisor: Assistant Professor Dr. Sicha Thubdimphun Faculty of Economics, Thammasat University</td>
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<td>Measuring Thai equity mutual funds' performance during COVID-19 by using bootstrapping</td>
<td>The research study assessed the performance of proactively-managed mutual funds by using the so-called Active Management during the COVID-19 pandemic. The study used Bootstrapping simulation method. When comparing the fund performance calculated by this method with the Total Return Index (TRI) price of The Stock Exchange of Thailand, it was found that such funds performed well compared to the market conditions during the second wave of the pandemic. In addition, the funds that had investment policy, such as having high beta values, or focusing on investing in small-cap stocks or value stocks, tended to deliver good performance significantly.</td>
<td>Researcher: Chirasin Siriprachai Research advisor: Associate Professor Dr. Tatre Jantarakolica Faculty of Economics, Thammasat University</td>
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