

Thesis Title	FAMILY AFFAIR? - INSIDER TRADING AND FAMILY FIRMS: EVIDENCE FROM THAILAND
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ABSTRACT

I analyze the price reaction to insiders' transactions in Thailand and whether the reaction depends on the firm's ownership, control and governance structure. I find that the insiders can earn significant abnormal returns from trading shares of their firms. The effect is more pronounced when trades occurred prior to earnings announcement. The results provide reasoning for regulation that prohibits the insiders to trade prior to earnings announcement. The difference in legal definition of insiders, ownership structure and regulatory surveillance mechanism may explain the observed smaller abnormal returns compare to developed countries. Both family ownership and control structure affect the magnitude of market reaction. The findings support the entrenchment effect in family firms. The existence of specific categories of blockholder have monitoring effect while some types of blockholder seem to follow insiders' signal and strengthen the market reaction. The significant reduction in abnormal returns earned by the insiders of the firm with voluntary blackout policy suggests that the policy effectively forbids the insiders to trade when they possess valuable information that is not available to the public.

Keywords: Insider Trading, Family Firms, Blackout Policy, Corporate Governance