

Independent Study Title	DOES SIMPLE PAIR TRADING STILL WORK WITHIN THAILAND?
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ABSTRACT

Pair trading strategy gains prominence heavily in 2000s as many research papers evidence of extraordinary return by implementing price spread method and ratio selection method, this study on pair trading additionally focuses on single-business company and diversified company in order to investigate whether single business's stock provides higher return than diversified one or not. As well as, most of companies currently change their business strategy to be operating in more than one single business specifically over the past decade, therefore companies with same business or high similarities should be influenced by the same fundamentals and their stock piece should be also. In a nutshell, after having 6 major industries studied in Thailand, pair trading return from single-business companies is abnormal and higher than the diversified-business companies.

Keywords: Pair Trading, Distance Approach, Stochastic Spread Approach, Cointegration Approach, Unit Root Test, Stationarity Test, Zivot Test