



# **FORECASTING THE STOCK EXCHANGE OF THAILAND MARKET RETURNS: USING THE-SUM-OF-THE-PARTS METHOD**

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## **ABSTRACT**

We separately forecast the components of the stock market returns separately; earning growth, price-earnings growth, and dividend-price ratio, forecasting the stock exchange of Thailand market return with this method is better than using predictive regression and historical mean return. However, when we apply this method with the industry index, the result is different, some industry work, some industry does not work. The characteristic behind the industry index that can make this method works is price movement and liquidity, if assets or indexes have high price movement and high liquidity then the-sum-of-the-parts method can be applied and can beat both historical mean return and predictive regression.

Key word: Forecasting Stock Market Return, Alternative Method, The-Sum-of-The-Parts Method