



**EVIDENCES ON THE COINTEGRATION OF PROPERTY FUNDS
AND STOCK MARKET:
CASE STUDY OF THAILAND**

Attawut Bunyawirojana
ID 5502042020

Master of Science Program in Finance (International Program)
Faculty of Commerce and Accountancy, Thammasat University, Bangkok, Thailand
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ABSTRACT

Evidences show the cointegration between Thai property funds with stock which are obvious in the freehold type. In this study we examine the cointegration between property funds, classified into freehold and leasehold types, with SET, Industry Index, Sector Index, CPI, and Total Return Government Bond Index. The empirical results show that in the long run, there are relationship between freehold property fund and stock compared to the leasehold type. This can imply the market integration between these two markets. For CPI and Bond, there are few property funds which show the cointegration relationship. In the short run, VAR and VECM are also used to investigate. Property funds and stock are mostly positive relationships, and negative relationship between property funds and inflation are shown to support that property funds behave like stock rather than real estate.

Key word: Cointegration, Property Fund, Stock Market