

Independent Study Title	THE EMPIRICAL STUDY OF HIGH-RISK- LOW-RETURN ANOMALY IN THAI STOCK EXCHANGE
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## **ABSTRACT**

This paper examines the study of high-risk-low-return anomaly evidenced in Campbell, Hilscher, and Szilagyi (2008). This study found that stocks which are prone to default tend to have lower excess returns. This confirms that the high-risk-low-return anomaly also exists in Thai market. One explanation of this anomaly is that some high-risk stocks might be jackpots, generating excess return more than 100% a year. However, this explanation is not supported in Thailand. It is conjectured that the recovery legal process of distress companies in Thailand might not be conducive.

**Keywords:** default risk, stock returns, anomalies