

ABSTRACT

The limited number of IPOs in Thailand is not in line with the favorable economic indicators. The primary concern is how to increase IPO activity. Underpricing is a key success of IPO. It is the mutual target of the three key participants: Offer price, Market capitalization, and Firm's age and IPO size. The number of companies going public is higher when IPOs are underpriced.

This research aims to explore the determinants of all the IPOs that were offered in Thailand in the period of January 2006 to December 2016. The data comprise almost the whole population of 128 IPO companies listed in the Stock Exchange of Thailand (SET). Find factors presumed to relate to the magnitude of underpricing (measured as dividing the difference between the first day closing price and the offering price by the offering price) are Offer Price, Market Capitalization, Firm's age and IPO size.

Taking into account all firms which have gone public in the official market of the Stock Exchange of Thailand for the period 2006 until 2016, this study examines the evidence on the underpricing of IPOs. In particular, an average underpricing does exist in the Thailand stock market (SET) during the study period. The market is showing an average underpricing of 25.85%. It is found that Offer price, Market Capitalization and IPO Size are statistically significant.