



## Holding Period Effect in Thailand: Risk and Return Improvement by Adjusted Holding Period

### Abstract

The purpose of this study is to create better understanding about the impact of different holding period adjustment on risk and return. Four types of securities have been covered in the study; SET TRI (2002-2011), SET50 TRI (2002-2011), gold (1978-2011) and the investment strategy that arranges securities in descending order by comparing P/E and ROE ratios (1999-2010). Returns from each type of securities were calculated by two methods, actual mean of investment and moving average. Three forms of data presentation were used to demonstrate the result of this study, return percentage, standard deviation and Sharpe ratio. The result indicated that shorter holding period adjustment leads to higher return, as well as lower risk, than longer holding period adjustment. However, a flotation cost could also have negative impact on shorter holding period adjustment strategy. Moreover, the result also demonstrated an event effect on investment in The Stock Exchange of Thailand.