

Stock Market Development and Economic Growth in Thailand: An ARDL Approach

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GMSARN International Journal Volume 16, Issue 2, Pages 174 – 1812022

Abstract

The goal of this research is to explore the dynamic linkage of stock market development and economic growth during the global financial crisis in a developing country, namely Thailand. The data collection spanned the years 1991 through 2020, and it included monthly time series data which was divided into three periods: the period before the crisis, which ran from January 1991 to December 2000; the period during the crisis, which extended from January 2001 to December 2010; and the period after the crisis, which covered January 2011 to December 2020. The stock market turnover ratio, stock price index, and stock market total value exchanged versus the inflation rate were used as proxies for stock market development in the study. According to the findings, we discovered both negative and positive causality in stock market expansion for short-run economic growth dynamics and long-run economic development links. Furthermore, both on a short and long-term basis, economic expansion is revealed to be the single cause of and negative association with liquidity. © 2022

Author keywords

Economic growth ARDL; Stock market; Thailand