

Independent study title	INTERACTION BETWEEN OIL, GOLD, EXCHANGE RATE AND STOCK MARKET INVESTMENTS: COMPARISON THE EVIDENCE BEFORE AND DURING COVID-19 IN THAILAND
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ABSTRACT

This empirical study investigated the relationship between oil, gold, exchange rate, and eight industrial sectors in Thailand. The resources sector can be classified as an upstream industry, whereas the rest of the sectors can be classified as downstream industries. The weekly and daily cover the period from January 5, 2005 to December 29, 2020 would be used to examine VAR (1)-GARCH (1,1) model.

The empirical result finds that as the oil price increased, the sector return of downstream industries and upstream industry also increased. The interdependency between the gold return and downstream/upstream industries was positively unidirectional. The interdependency between the return of the exchange rate and downstream industries was a negative relationship, whereas the upstream industry was a negative bidirectional relationship.

The COVID-19 had a negative effect on all industry sectors in the Stock Exchange of Thailand Index with different magnitudes. It decreased the sector return. At the aggregated level, the COVID-19 had a negative effect on the oil return. The spillover effect of COVID-19 on oil return, gold return, and exchange rate return can be capture by the weekly data.

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In addition, a lockdown city can reduce not only the volatility in the stock market but also the panic of investors. The external factor can also influence volatility in sectors return, for example, the U.S. presidential election as well as COVID-19 but different in magnitude.

Keywords: COVID-19, Upstream industry return, Downstream industries return, Oil return, Gold return, Exchange rate return.

