Independent study title	PROFIT OF DERIVATIVE WARRANTS ISSUER: EVIDENCE FROM STOCK EXCHANGE OF THAILAND
Author	Miss Ichaya Wongnapakarn
Degree	Master of Science (Finance)
Major field/Faculty/University	Master of Science Program in Finance (International Program) Faculty of Commerce and Accountancy Thammasat University
Independent study advisor	Professor Arnat Leemakdej, D.B.A.
Academic year	2018

ABSTRACT

This study examines derivative warrants profit of issuers compensated with the risk from issuing call and put derivative warrants in Thailand because they have commitments in risk management and managing risk by hedging underlying exposure. The study examines the average profit of derivative warrants' issuers by cumulative profit since first trading day until last trading day. Consistent the imperfect competition for issuing put derivative warrants on single stock from different in securities borrowing and lending advantage, the average profit margin of put is higher than call in 2014 to 2018. However, put is not necessary to be higher than call from issuing derivative warrants on index which is the efficient market. Because all issuer can issue put derivative warrants on index at the same cost.

Moreover, this study examines some risk factors from issuing derivative warrants on single stock include Delta risk, Gamma risk, Rho risk, Theta risk and Vega risk that could explain issuers' profit. Consistent with the results from previous studies, we find that some risk factors can explain to the profit of issuers from issuing call and put derivative warrants.

Keywords: Derivative warrants, Profit of issuer, Risk factors of pricing, Stock Borrowing and Lending, Delta-hedging