

Independent study title	LIQUIDITY AND STOCK PRICE CRASH RISK
Author	Chayanee Hutangkura
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	Associate Professor Woraphon Wattanatorn, Ph.D.
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ABSTRACT

This study examines the relationship between stock liquidity and stock price crash risk in an emerging market, Thailand, to evaluate the performance of liquidity measurement. This study utilizes fixed-effect panel regression models to analyze traditional liquidity measures and free float on the Stock Exchange of Thailand (SET) from 2000 to 2019. This study found a significant negative relationship between stock price crash risk and stock liquidity when using traditional liquidity measurements, as measured by both NSKEW and DUVOL crash risk measurements, but not when utilizing liquidity measures based on free float. Thus, this result shows that increased stock liquidity reduces the crash risk.

Keywords: Stock Price Crash Risk, Liquidity Measure