



THAMMASAT
BUSINESS SCHOOL

The Role of Retail Investors on the Stock Exchange of Thailand: Evidence from Transaction Data

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Outline of talk

- Retail role & investor participation on SET
 - Order flow characteristics
 - Changing trends from technology impact
- Barriers
 - Technology creates competing interest
 - Lack of liquidity and susceptibility to market manipulation
 - Savings and investment behavior
- Resolutions
 - Co-location service for all
 - Education
 - Restoring and developing trust

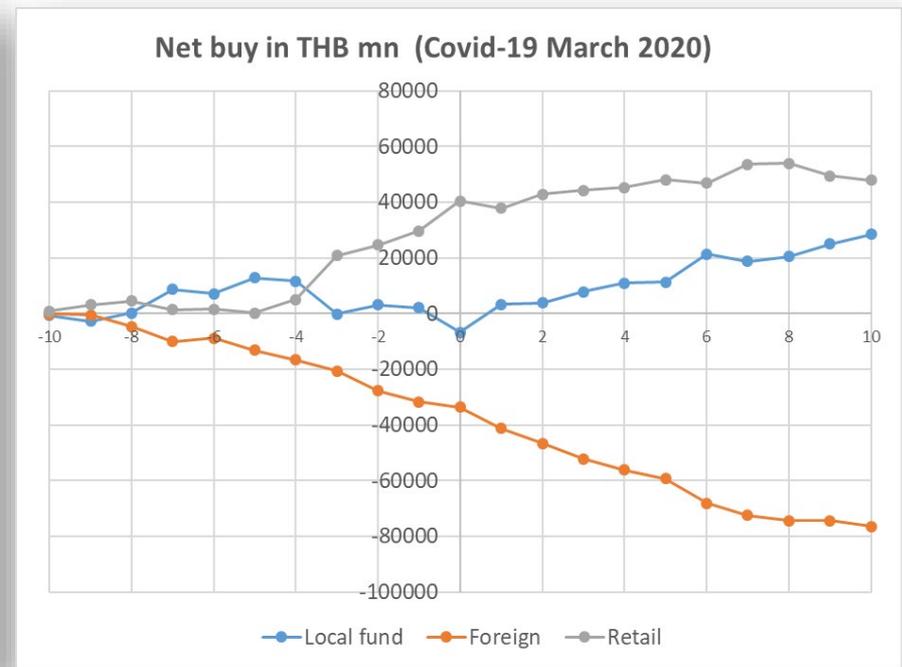
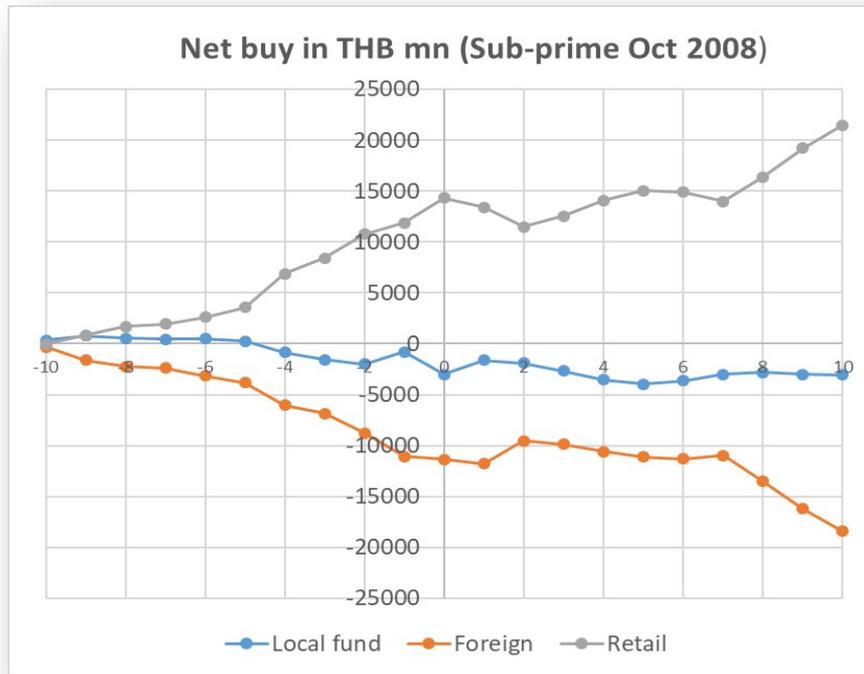
Retail investors' role: Order flow characteristics: Retail investors are contrarian



Source: SET, Author's computation

Retail investors' role:

Order flow characteristics: Contrarian role during crisis



Source: SET, Author's computation

Retail investor participation:

Order flow characteristics: Resilience at peak of crisis (12 March 2020: Lock down event)

Time	Interval	N Type	OIB1	OIB2	OIB3	OIB4	OIB5	OIB6
Open call	0	Foreign	-4%	-2%	1%	-2%	-2%	-2%
10.00-10.29	1	Foreign	-24%	-30%	-30%	-30%	-30%	-30%
10.30-10.59	2	Foreign	-37%	-38%	-40%	-39%	-38%	-37%
11.00-11.29	3	Foreign	-23%	-26%	-29%	-31%	-30%	-30%
11.30-11.59	4	Foreign	-16%	-33%	-35%	-36%	-37%	-37%
12.00-12.30	5	Foreign	4%	-21%	-34%	-30%	-31%	-31%
14.00-14.30	6	Foreign	-41%	-19%	-18%	-22%	-22%	-21%
14.30-14.59	7	Foreign	-28%	-29%	-31%	-33%	-34%	-34%
15.00-15.29	8	Foreign	-15%	-14%	-21%	-25%	-26%	-27%
15.30-15.59	9	Foreign	-18%	-18%	-13%	-12%	-12%	-12%
16.00-16.30	10	Foreign	-14%	-9%	0%	4%	6%	5%
Closing call	11	Foreign	-41%	-28%	-18%	-12%	-15%	-16%

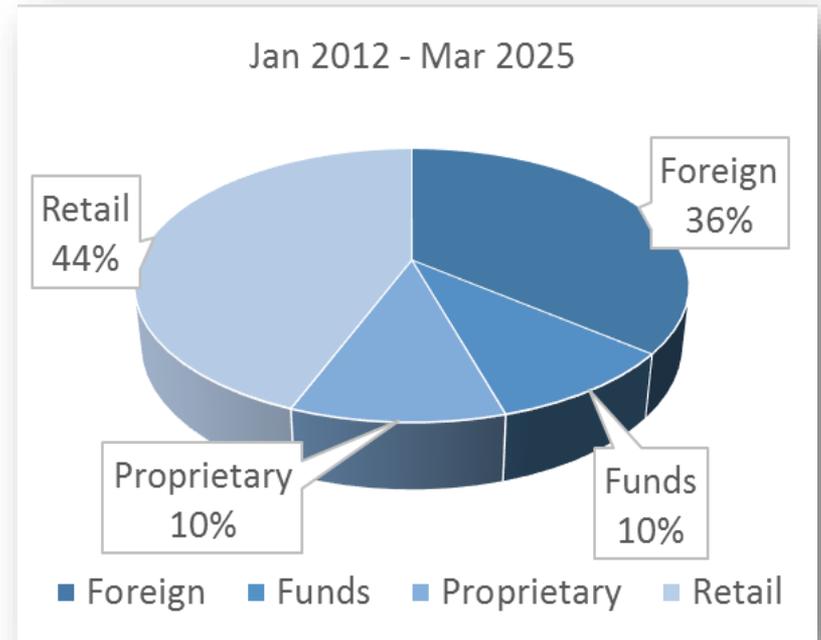
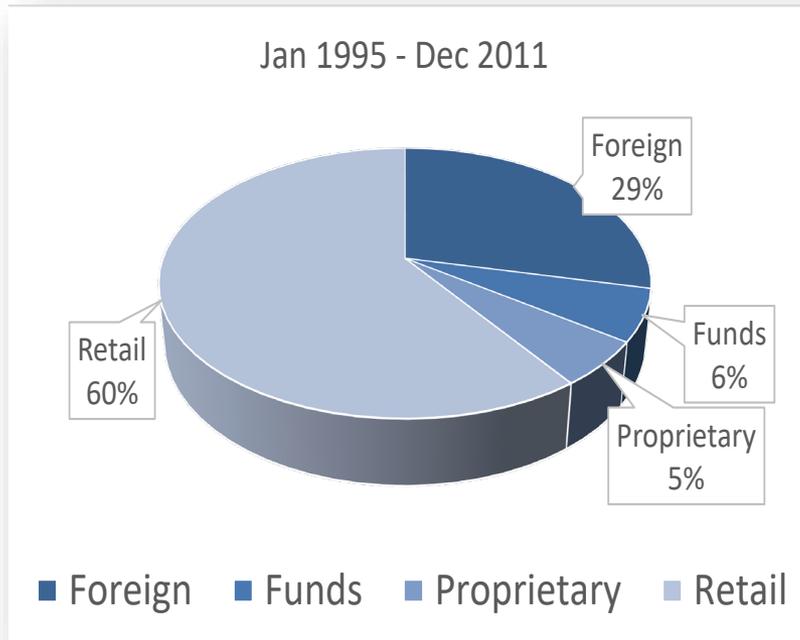
Time	Interval	N Type	OIB1	OIB2	OIB3	OIB4	OIB5	OIB6
Open call	0	Mutual funds	-63%	-47%	-33%	-25%	-18%	-13%
10.00-10.29	1	Mutual funds	-29%	-24%	-27%	-24%	-25%	-25%
10.30-10.59	2	Mutual funds	-25%	-27%	-30%	-31%	-31%	-32%
11.00-11.29	3	Mutual funds	-2%	-17%	-14%	-15%	-14%	-14%
11.30-11.59	4	Mutual funds	13%	5%	1%	1%	0%	0%
12.00-12.30	5	Mutual funds	-17%	-31%	-32%	-32%	-33%	-33%
14.00-14.30	6	Mutual funds	-27%	0%	1%	2%	6%	10%
14.30-14.59	7	Mutual funds	-23%	-11%	-13%	-13%	-13%	-13%
15.00-15.29	8	Mutual funds	-15%	-15%	-15%	-19%	-20%	-19%
15.30-15.59	9	Mutual funds	-32%	-32%	-28%	-25%	-24%	-23%
16.00-16.30	10	Mutual funds	3%	-4%	-1%	-2%	-7%	-7%
Closing call	11	Mutual funds	-43%	-27%	-18%	-18%	-18%	-18%

Time	Interval	N Type	OIB1	OIB2	OIB3	OIB4	OIB5	OIB6
Open call	0	Retail	-3%	6%	9%	15%	18%	19%
10.00-10.29	1	Retail	16%	15%	10%	12%	14%	17%
10.30-10.59	2	Retail	0%	-5%	-5%	-4%	-3%	1%
11.00-11.29	3	Retail	21%	16%	15%	16%	15%	17%
11.30-11.59	4	Retail	1%	10%	11%	12%	15%	20%
12.00-12.30	5	Retail	15%	10%	4%	7%	9%	14%
14.00-14.30	6	Retail	8%	19%	11%	4%	9%	12%
14.30-14.59	7	Retail	-3%	-1%	-2%	-5%	-3%	2%
15.00-15.29	8	Retail	19%	6%	4%	2%	4%	8%
15.30-15.59	9	Retail	23%	12%	7%	4%	5%	6%
16.00-16.30	10	Retail	16%	13%	13%	12%	15%	14%
Closing call	11	Retail	-56%	-31%	-22%	-7%	0%	2%

Unlike institutions, retail investors do not have forced liquidation problems.

Source: SET, Author's computation

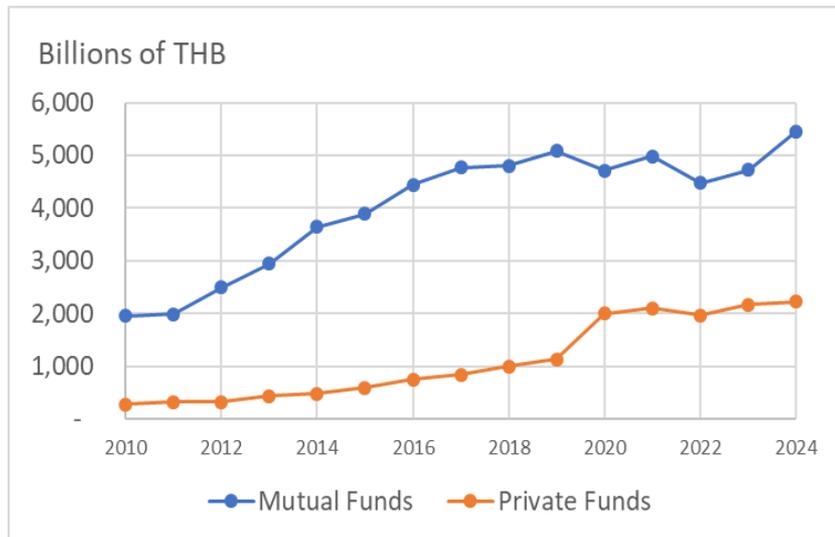
Retail investor participation: Changing trends from technology impact?



Source: SET, Author's computation

Retail investor participation: Direct and indirect equity ownership have grown but overall concentrated in few.

Value growth in funds



Source: AIMC

- CAGR mutual funds 2010-2025 approx. 7.1%
- CAGR private funds 2010-2025 approx 14.8%

No. of fund accounts

Year	No. of fund acc/Total Pop	PVD member/Total Pop
2010	7.3%	3.24%
2015	11.8%	4.08%
2020	16.8%	4.37%
2024	24.7%	4.08%

Source: AIMC,

<https://association.aimc.or.th/downloadstat/>

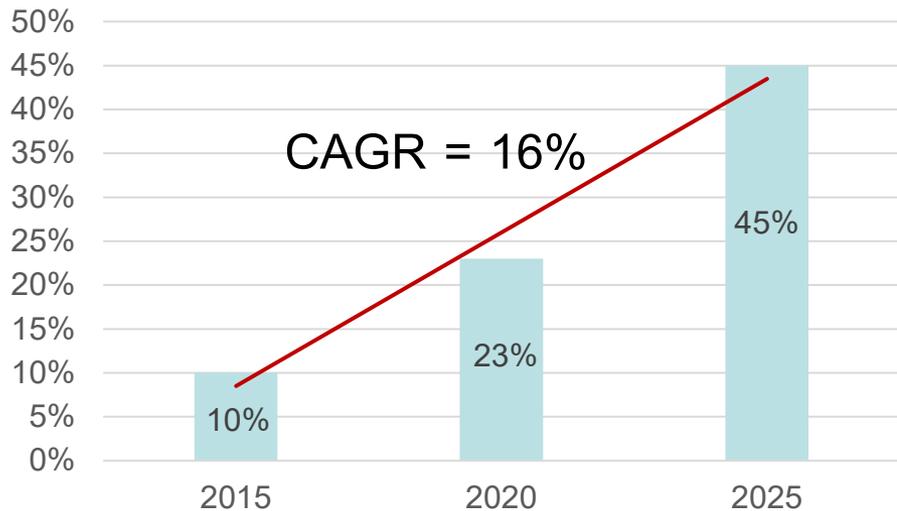
- One person may use multiple accounts.
- %PVD is stable suggesting large portion of large informal sector of employment.

Barriers

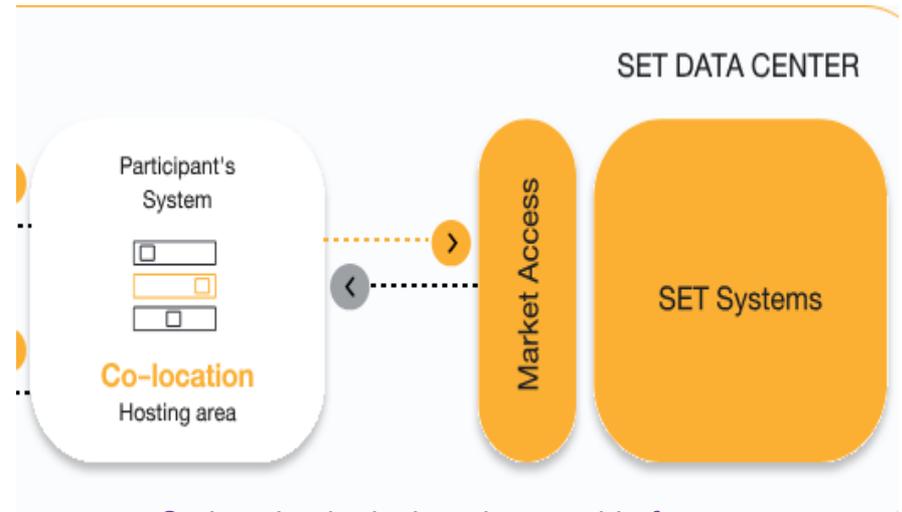
Technology creates competing interest

Growing popularity of robo trading and co-location services creates unequal trading opportunities.

% Program trading on SET



Source: Stock Exchange of Thailand



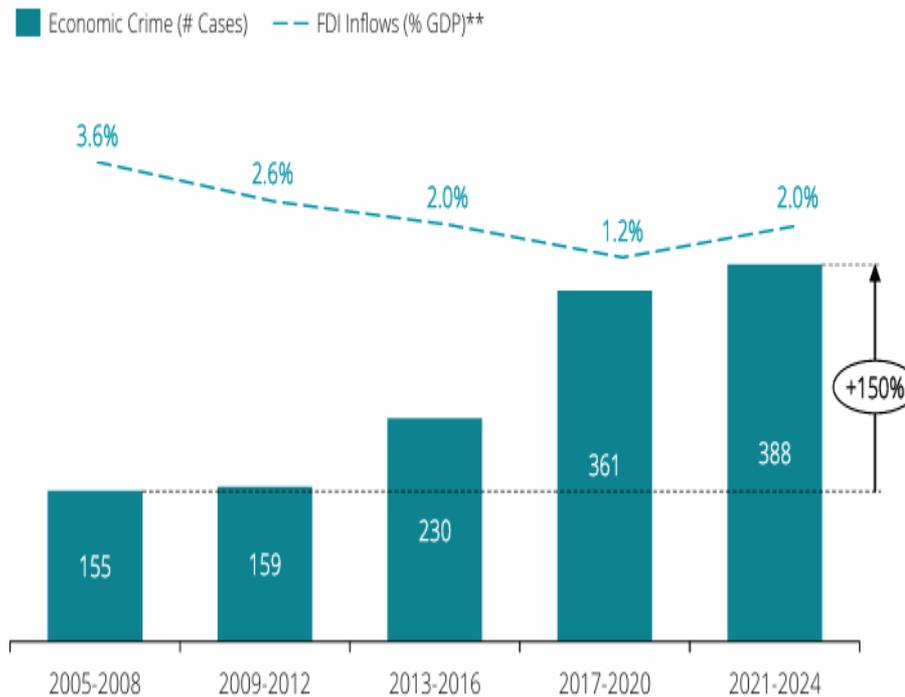
Co-location is designed to provide fast, consistent data transfer and widen connectivity options between Co-location members and various parties within the data center.

Barriers

Rising issue of investment frauds:

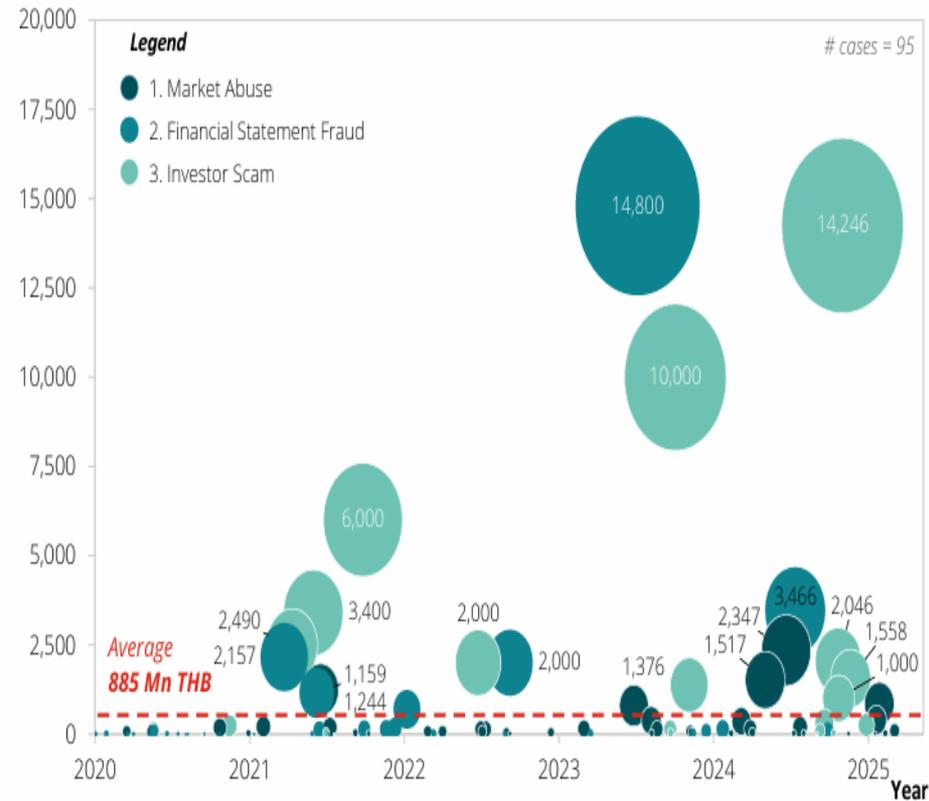
Economic crime surged (#cases) 150% over past two decades (2005-2024)*

Number of Economic Crime Cases Investigated by the Department of Special Investigation (DSI) and Their Impact on FDI Inflows*, 2005 - 2024^{4,5}



Growth in fraud more pronounced in recent 5 years. (Jan 2020-Mar2025) *

Estimated Financial Damage to Investors (Mn THB)



* Report supported by Thailand Capital Market Development Fund www.cmri.or.th/uploads/images/CMRI_Publication/1751008146

Law enforcement issues

Issues and resolutions

- Lengthy delays in criminal cases.
- SEC resolve issue by increasing reliance on civil codes which are expected to be faster but with lower penalties.

Consequences

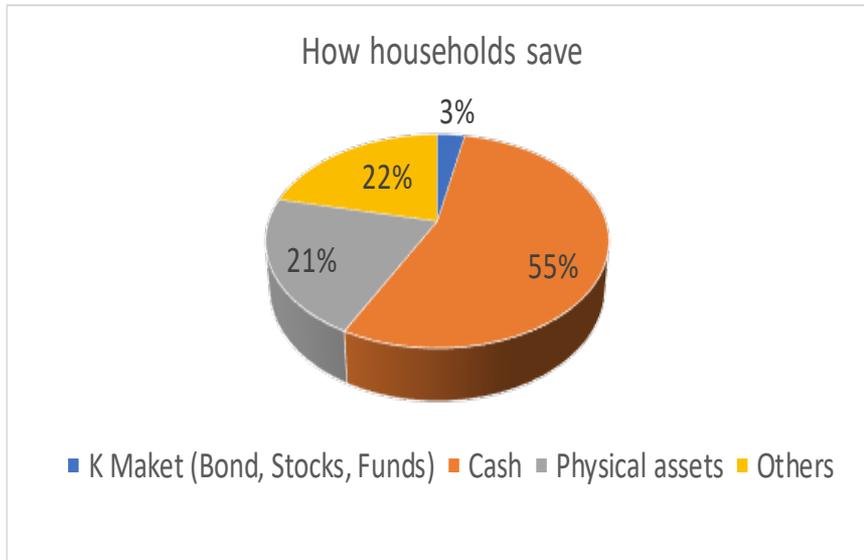
- Civil penalty process time increased. In 2018, cases resolved through civil fines took an average of 519 days.
- Delay weakens deterrence and erodes confidence.

Barriers

Savings and investment behavior

Survey 2022 (BOT)

- 12,402 households nationwide
- 18% with at least bachelor's degree
- 35% business owners
- 20% corporate employees



* Report: <https://www.bot.or.th/content/dam/bot/image/research-and-publications/2565ThaiFLsurvey.pdf>

Survey 2024 (TDRI)

- Survey of 607 people who choose not to invest in capital markets.

Top reasons for avoiding K markets

Fear of losing capital	14%
Fear of uncertainty	14%
Unfamiliarity	12%
Fear of fraud	11%
Difficult to understand	11%
Others	38%

* Report:

https://www.cmri.or.th/uploads/images/CMRI_Publication/1760687962Report%202Y2_Measures%20and%20Experiment-wc%20_16Oct2025.pdf

Policy considerations

- Co-location service for all
- Retail equity investing through funds is crucial for savings
- Direct individual retail investor trade for liquidity provision still important for SET with existence of relatively smaller firms with high price impact.
- Education (Why Thais mainly save in cash is also partly cultural and partly a question of trust)
- Speedy and tough regulatory enforcement