การลงทุนในตราสารอนุพันธ์ของนักลงทุนรายย่อยในตลาดสัญญาซื้อขายล่วงหน้า แห่งประเทศไทย

Retail Investors' Trading in Derivatives in Thailand's

Futures Exchange

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บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อ 1) สำรวจนักลงทุนรายย่อยในตลาดสัญญาซื้อขายล่วงหน้าแห่งประเทศไทย ในรูปของความสัมพันธ์ทางด้านประชากรศาสตร์, ความรู้ทางการเงิน, พฤติกรรมการลงทุนและ 2) วิเคราะห์ปัจจัยที่มี อิทธิพลต่อการตัดสินใจลงทุนในตราสารอนุพันธ์และ 3) ศึกษาความสัมพันธ์ระหว่างพฤติกรรมของผู้ลงทุนกับการ ้ตัดสินใจลงทุนในตราสารอนุพันธ์ของนักลงทุนรายย่อยในประเทศไทย กลุ่มตัวอย่างเป็นนักลงทุนไทยทั้งชายและหญิง ์ ที่ใช้หรือลงทุนในตลาดสัญญาซื้อขายล่วงหน้าแห่งประเทศไทย (Thailand Future Exchange) โดยไม่จำกัด อายุ การศึกษา อาชีพ และรายได้ต่อเดือน จำนวน 400 คน ทำการวิจัยเชิงปริมาณ (Quantitative Research) โดยใช้ แบบสอบถาม (Questionnaire) เก็บข้อมูลจากนักลงทุนชาวชาวไทยที่เคยหรือกำลังลงทุนในตลาดสัญญาซื้อขาย ล่วงหน้าจำนวน 400 คน สถิติที่ใช้วิเคราะห์ข้อมูล ได้แก่ สถิติเชิงพรรณนา (Descriptive statistics) และสถิติ1 ้นักศึกษาปริญญาเอก มหาวิทยาลัยรามคำแหง อนุมาน (Inferential Statistics) ผลการศึกษาพบว่าความสัมพันธ์ ระหว่างปัจจัยทางสังคมและประชากรกับผลการดำเนินงานในอดีตนั้น มีความแตกต่างกันอย่างมีนัยสำคัญในกลุ่มระดับ การศึกษา ประเภทอาชีพและระดับรายได้ และจะมีเพียงระดับรายได้ที่มีนัยสำคัญกับปริมาณการซื้อขายเพื่อพิจารณา การตัดสินใจลงทุนความรู้ทางการเงินในด้านสินค้าทางการเงินของผู้ลงทุนในตลาดอนุพันธ์สูงกว่าผู้ที่ไม่ได้ลงทุนใน ตลาดอนุพันธ์ การศึกษาครั้งนี้ยังแสดงให้เห็นว่าความคิดเห็นเกี่ยวกับการลงทุนตราสารอนุพันธ์ในแนวคิดของการ ้ลงทุนเสมือนการลงทุนในสินค้าอ้างอิงต่างกันอย่างมีนัยสำคัญระหว่างผู้ลงทุนในตลาดอนุพันธ์และไม่ได้ลงทุนในตลาด ้อนุพันธ์ ซึ่งอยู่ในระดับที่มีนัยสำคัญถึงร้อยละ 10 พฤติกรรมของนักลงทุนส่วนใหญ่มีประสบการณ์ลงทุนในตลาดตรา สารอนุพันธ์เป็นเวลา 1 - 2 ปี และนักลงทุนรายย่อยส่วนใหญ่ที่ลงทุนในตลาดตราสารอนุพันธ์จะลงทุนใน SET50 Future และนักลงทุนส่วนใหญ่ตัดสินใจที่จะลงทุนในตลาดตราสารอนุพันธ์จะตัดสินใจลงทุนด้วยตัวเอง ในการศึกษาครั้ง ้นี้ พบว่า (i) มีความแตกต่างกันอย่างมีนัยสำคัญในผลขาดทุนที่เกิดขึ้นระหว่างปี 2556 - 2558 ระหว่างกลุ่มอายุ อาชีพ ้ และระดับรายได้ (ii) ความสัมพันธ์ระหว่างปัจจัยทางสังคมและประชากรกับแหล่งข้อมูลที่นักลงทุนรายย่อยเชื่อมากที่สุด เพื่อที่จะใช้ในการตัดสินใจลงทุนนั้น มีความแตกต่างกันอย่างมีนัยสำคัญในกลุ่มอาชีพและระดับรายได้ การตัดสินใจ ้ลงทุนในตราสารอนุพันธ์ และพบว่า ความเสี่ยงที่สามารถยอมรับได้เป็นสิ่งสำคัญของนักลงทุนในการตัดสินใจลงทุนใน ตลาดสัญญาซื้อขายล่วงหน้า

คำสำคัญ: ตราสารอนุพันธ์ ตลาดซื้อขายล่วงหน้า พฤติกรรมการลงทุน

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ABSTRACT

In this study, the researcher explores (1) retail investors in Thailand Futures Exchange (TFEX) in terms of Hemography, financial knowledge, and investment behavior; analyzes (2) factors influencing their decisions to invest in derivatives; and examines (3) the relationship between investors' behavior and their decisions to invest in derivatives. The sample population consisted of 400 male and female Thai investors using or investing in TFEX regardless of age, education, occupation, and monthly income. The quantitative research approach was employed. A questionnaire was used to collect data on 400 Thai investors who used to or are currently investing in TFEX. Descriptive statistics and inferential statistics were used in data analysis. Findings showed that the relationship between social-demographic factors and past performance exhibited significant differences in the educational level, type of occupation, and level of income. The level of income exhibited significance with the trading volume for consideration of the investment. Financial knowledge in the aspect of the financial products of the investors in the derivatives market was higher than those not investing in the derivatives market. This study also showed that the opinions regarding investment in derivatives in the concept of investments similar to that in underlying products exhibited significant differences between investors in the derivatives market and those not investing in the derivatives market at ten percent. In regard to the behavior of investors, it was found they had an investment experience in the derivatives market for one to two years. The highest proportion of individual investors who invested in the derivatives market would invest in SET 50 Futures. They made the decision to invest in derivatives themselves. Findings also showed the following: (1) Significant differences were found in the losses during 2013 and 2015 between age groups, occupation, and income level. (2) The relationship between social-demographic factors and the information sources that individual investors believed to be the most reliable and influenced their decisions to invest exhibited significant differences among occupation groups and income level in the decisions to invest in derivatives. Risk appetite is important for investors in their decisions to invest in TFEX.

Keywords: derivative, future exchange, investment behavior

Introduction

Stock financial derivatives are instruments derived from other financial instruments or assets of a company can be. Basically, a derivative is a financial instrument that makes possible to transfer the risk of one party to the other parties. The parties involved in the transaction of derivative stocks are buyers and sellers. A buyer is party to pay to a seller so that the risk of a seller moving to the buyer. The seller receives payment, and thus the risk of its move to the purchaser (Khullar, 2009). Explanation

of derivatives such as stock in a transaction of insurance contracts and derivatives also can be viewed as insurance. In the insurance contract, users pay some funds and insurance companies are the ones who manage the risk of customer. Derivatives are one way to transfer risk. For example, an investor buys a derivative option to protect against collapse of a stock portfolio; this strategy is called a protective put strategy. An option investor may only be able to liquidate portfolios and buy shares in various types, such as indices, bonds or another risk-free asset. But sometimes can be worth quite a costly transaction (Sasidharan, 2009). Costs can be expensive because of the allocation to the different types of stocks requires an additional fee. If in the future investors will reinstate, its assets will arise against costs, and the costs may not be cheap (Chance, 2008). Derivatives are regular efficient means to transfer risk. Derivatives market generally does not require large capital like in the spot market, as in the US derivatives market more liquid. Liquidity shows the efficiency of the derivatives market, the price is also sensitive in response to new information from the outside. The derivative is sensitive due to its market more easily in a short sale and purchase transactions. However, there are things that must be considered, namely the regulation of short selling shares. But there are assets that are difficult to sell in short selling in the derivatives market, such as gold and oil. There is also a derivative easy in short selling, such as derivative assets in stocks, which are easier to sell short than in the stock itself. Taking a short position may be the only way to hedge risk, so this feature makes the stock derivatives are very useful (Chance, 2008).

In Thailand, the statistics from the Stock Exchange of Thailand (SET) in 2015 reported that a total market capitalisation of USD 350 billion, market turnover of USD 307 billion, market dividend yield of 3.58 per cent and market price to earnings (P/E ratio) of 14.51 per cent. Mostly the trading turnover held by local institutional investors at 19 percent, foreign investors at 22 percent, and local investors at 59 percent. The index performance was downed 14 percent lower than that in the Singaporean, Malaysian and Philippine stock markets. Therefore, the SET is an important player in the financial market of The Association of South-East Asian Nations

(ASEAN), South-East Asia and within Thailand (Sahay, Čihák, N'Diaye, Barajas, Bi, Ayala, & Yousefi, 2015). It has an important role in the domestic economy. Thailand Futures Exchange (TFEX), a subsidiary of the Stock Exchange of Thailand, was set up in 2004 to serve as an exchange for the trading of derivatives as governed by the Derivatives Act B.E. 2546 (2003). TFEX has launched SET 50 Index futures in 2006, and SET 50 Index option in October 2007 respectively (Anuchit Leardbuntronkul, 2009). As of 2017, TFEX products are SET50 Index Futures, SET50 Index Options, Single Stock Futures, Gold Futures, Interest Rate Futures, USD Futures, Sector Index Futures and Rubber Futures.

This study focuses on derivatives investment decision, financial and risk factors knowledge, and derivatives investment behaviour of investors in the derivatives market. However, there still limitation on the coverage of the respondent who involved to this study.

The advantages of derivative trading which include risk mitigation, contract flexibility, and leveraged speculation can benefit a lot to investors. The disadvantages are directly related to the misuse of these products, which can lead investor to very large losses. Derivatives allow businesses to manage exposures effectively to external influences on their business over which they have no control.

Methods

The research strategy used in this study was quantitative. Population is a generalization region consisting of objects and subjects that have certain qualities and characteristics that researchers set to be studied and then drawn conclusions. The population in this case is Thai investors who have experience in investing in derivative market, both male and female. While the sample is a part of population that their characteristics represent the whole population which it was draw. After we use the Yamane (1967) formula to calculate the sampling size, there are 399 respondents (considered as 400 respondents) within 5% significant level. By implementing the factor analysis the validity was tested. The result is presented on the following table. The first structural questionnaire draft was created in English. Since this study endeavour to gather data from 400 Thai people with various backgrounds, the questionnaire will be translated in Thai language. The questionnaire was put through the pilot test to check whether the questions are able to understand clearly or not before it is used to collect the information. Thereafter the pilot test, if it is necessary the items / questions will be edited. The last step is to distribute the final edited questionnaire for collecting the information.

The questionnaire consists of questions which explore the investor financial knowledge, investment behaviour and decision making in derivative investment, while the rest were designed to capture quantitative information. Some statement of questionnaire was constructed based on the "Likert Scale", Likert Scales are comprised by Likert items and based on the count of these items exist in different point scales. Fivepoint Likert Scales have been used in the questionnaire (Taylor, 2006).

The questionnaire was tested by involving 30 respondents. Before implementing the questionnaire for collect the data. We will analysis the reliability of questionnaire. Reliability refers to measuring degree which free from error therefore provides consistency results (Zikmund, 2000). The appropriate size of pilot group depends on testing method and size could range from 20 to 100 subjects. Moreover in pre-test, data selecting process do not need to be statistical.

The scale evaluation of reliability testing by using internal consistency was tested to find out the reliable alpha, 30 set of questionnaire were used to measure reliability in this part. The reliability of the instrument was accessed by calculation of Cronbach's alpha. If the score exceeds a value of 0.6 that data consider being reliable Denzin and Lincoln (2000). Base on the Cronbach's alpha 0.637 which is higher than 0.6 thus the questionnaire items of respondent opinion on derivative is reliable.

According (Saunders et al., 2009) surveys allow the collection of 399 despondences. In terms of this research it was important to get 399 despondences because the subject of the study was consumer behaviour. Based on the above mentioned arguments, it was clear that the only reasonable research strategy to be used in this study was quantitative. By using the selfregistered questionnaire, the data will be collected anonymous and confidential. The inform consent was be declared as well that the collectors would not know whether they do or do not do the survey. This step is to ensure to respect the ethical concern in term of voluntarily

Editing the data is the first process after all the data has been collected. Data editing process is the process to check for correctness and completeness of the data. Only the data that correct and completed that will be used in the next process which is data analysing and interpreting. The statistic program that researcher use in data analysis phrase is SPSS program. Descriptive tools used in this research are percentage, frequency and mean. The Chi-square

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analysis was implemented to examine the bivariate relationship (Foster, Barkus, & Yavorsky, 2006). The multiple linear regressions will be used to investigate the relationship between variable, subsequently hypothesis testing (Foster et al., 2006). The hypothesis was considered as significant by using significant level at 0.5.

Conceptual Framework



Results

This research used the questionnaire to collect the data information and using the statistical analysis program then gain the result of mean and percentage, after that use the analysis of descriptive statistics to do analyse of the personal information. For the hypothesis testing the researcher use multiple logistic regressions to analysis the relationship between dependent and independent variables. The sample size of this study is 399 cases which collected from Bangkok area. The socio demographic characteristic presents the gender, age, education attainment, occupation and monthly income.

 Sex. This study found that female investor is slightly higher than male investor. There are 217 out of 400 (54.3%) female respondents.

2) Age. Majority of the investor aged was 31-40 (42.3%) and follows by aged 21-30 years old (24.8%). It can be concluded that the derivative business is quite interesting market that draw attention from younger working age, accordingly the one who involve in this business are at the young age which may come from fresh graduate bachelor degree.

3) Education. As presented in table 3, a great percentage of investor has bachelor degree and master degree (46.8% and 47.3%, respectively), only few respondent who graduated from PhD (doctorate) degree. This finding implied that the investor need to be has a high education attainment. The skills of broker are fundamental to the success of a business. Business and employees have a shared interest in increasing skill levels. For the business, it helps with their aim to increase performance, and for the employee, now being forced to manage their own futures by taking charge of their own learning; it assists with maintaining and increasing their employability, professional competence and earning potential thereby helping future job prospects. A recent study concluded that most managers have understood that business or management qualifications will become more crucial because of a need for more broadly based business knowledge, because of the growth in managers' responsibilities and because there is more competition for jobs. Continuous formal education and development are important so that an individual has the knowledge and skills required to meet changing business needs.

4) Occupation. This study found that the majority of respondents are Employee in private company (38.8%) follows by government officer (26.8%). It was found only 8.8% who are fully investor in the stock or future derivative market.

5) Monthly income. it was found that the majority of respondents have montly income as 30,001-40,000 THB (35.0%), follows by those who have income More than 50,000 9 (31.5%), and also those who have income 40,001-50,000

(22.8%). These findings indicated that investors come from middle and up level.

6) This study found that the majority of respondent has an experience to involve at the derivative market for 1-2 years. Importantly, those who currently invest at derivative market are mostly (55.6%) has been joint for 1-2 years, follow by those who have involved for more than 3-4 years. This trend is similar to those who do not currently invest at derivative market.

7) The products on Thailand Future Exchange that investor choose represent how popular the product is. It was found that mostly either those who invest on the derivative market or not to invest would take on SET50 index Future. At table 3, present that the current derivative investors who take on SET50 index Future than those who do not invest, 65.0% and 63.6% respectively. Moreover, Single Stock Future is traded on the moderate level at 13.8% for noncurrent derivative investors and 14.5% for current derivative investors. Same as Gold Future, noncurrent derivative investors invest at 16.9% slightly higher than current derivative investors at 13.7%. The other groups of derivative such as SET50 index option, Oil Future, USD Future are in the lower level of 5.7% and 6.8% for both groups.

This study found that most of investors have an experience to be loose. However it was found that some respondent who loose less than 25% was 30.8%. Moreover, at table 6, those who do not currently invest at derivative market have higher experience (18.4%) to become loose more than 50% from their investments.

The respondent is all who have ever invented to the derivative market even though currently they did not invent to the derivative market. As shown in table 6, 282 respondents currently did not invest in derivative market but have the experience to lose in the derivative market.

It was found that those who currently invest at derivative market trusted to themselves (47.0%) than those who do not currently investor to derivative market. On the contrary, the noncurrent derivative investors are more likely to trust to broker/friends (45.2%) than to themselves (37.5%). Furthermore, those who are noncurrent derivative investor are less likely (17.3%) attend the media than those who are not derivatives investors (17.9%).

It was found that derivative investor are more likely (41.9%) considered the past performance of products before they invest, while 48.7% respondent sometimes considered the past performance. This behaviour also emerges for those who do not currently invest to derivative market. This figure articulates that look at the last performance of products are important before deciding to invest.

The trading volume of product is also important for investor before they decide to invest their money. At table 8, Most of respondents "always" (65.0%) consider the trading volume, while only 22.2% who "sometimes" considers the trading volume. This study also reveals that either derivative investor or noncurrent-derivative investor always consider the trading volume of their product.

8) The investor opinion toward the change on the surrounding friend's behaviour on the trading are mostly "positive" (76.0%), only 17% who gave response "negative". This finding implies that the colleagues' decision influences respondent decision on derivatives market. This study revealed that the derivative investment opinion in term of exchange investment is

significantly different between those who invest at derivative market and not currently invest in the derivative market at 10% significant levels. While opinions on Better Risk Management and Smaller Financial Fund do not significantly differences between those who invest at derivative market and not currently invest in derivative market.

9) Concerning the risk aversion, the high risk taker investors are more likely 4 times to invest at derivative market compare to the very low risk taker. While the very high risk taker investors are more likely 3 times to invest at derivative market compare to the very low risk taker. The statistical output implies that the investor behavior in term of risk aversion is the most important factor that determines the derivative investment. Edward and Lee (2004) stated that being risk-averse; this means that the individual will only take on extra risk if he/she is sufficiently compensated in form of increased expected returns.

This study noted that there is significant difference risk aversion score among age groups. result the age 41-50 years old is different from less than 20, 21-30, 51-60 and 61 and over at significant level 0.5. While the others variables, such as education, occupation, income, do not significantly associate with the risk aversion. This result get along with the research of Steven M. Albert and John Duffy (2012) that young and older adults drawn from community settings, the research confirms risk aversion overall in both young adults and older people, but with greater risk aversion in older people.

This study found that those who are derivative investor are less likely (66.7%) "High-risk taker" than those who are not derivatives investors (83.4%). In another word they response "Yes" for "Suppose that you are the only income earner in the family, and you have a good job guaranteed to give you your current (family) income every year for life. You are given the opportunity to take a new, equally good job, with a 50% chance it will double your (family) income and a 50% chance that it will cut your (family) income by a third. Would you take the new job?" and "No" for suppose the chances were 50% that it would double your (family) income, and 50% that it would cut it in half. Would you take the new job? This also said by Douglas W. (2009) that they identify Blackburn risk preferences as an important attribute that categorizes differences across the two clienteles. They find differences in preferences toward risk for investors in these two styles. Value investors are more risk averse than are the growth investors. As we know that derivative securities do not have their own value because all of their values base on the price of underlying assets. Thus, we can categories them as growth products.

Investment Decision Behavior

This study explores the investment decision in some items of questions, namely the loss in the last portfolio incur 2013-2015, length in invest at the derivative market, to whom the analysis trust the most, consider the past performance of the product, trading volume, the knowledge about the underlying assets.

This study found that the majority of the respondent has the experience to involve at the derivative market for 1-2 years. It was found that mostly either those who invest on the derivative market or not currently to invest would take on SET50 Future. Internationally, trading volume on index derivatives is often a hundred times larger than that seen on security. The derivative investor is preferred to invest on SET50 Future and Single Stock Future than those who do not a present investor. Those who do not currently invest at derivative market have higher experience (18.4%) to become loose more than 50% from their investments.

Most of investor decided to invest at derivative market by trusted to themselves (47.0%) than those who do not currently investor to derivative market. Derivative investor are more likely (41.9%) considered the past performance before they invest. Most of respondents "always" (65.0%) consider the trading volume, while only 22.2% who "sometimes" considers the trading volume.

Regarding to the relationship between socio demographic factors toward investment decision behavior this study noted some important findings. (1) There is the significant difference the loss of portfolio incurs 2013-2015 among age groups, occupation and income level. (2) While there is no significant difference of the loss of portfolio incur 2013-2015 among education groups. Furthermore, the relationship between socio-demographic factors with to whom the customer trust most while making investments decision, this study noted that there is significant difference judgment analysis to whom the customer trust most while making investments among occupation groups and income level. On the contrary, there is not enough prove that difference judgment analysis to whom the customer trust most while making investments among age group and education level.

In addition, the relationship between socio-demographic and the considering the past performance, this study found that there is a significant difference of considering the past performance among education level, type of occupation and the income level. The income level significantly associates to the trading volume for consideration of investment.

Additionally, another factor that may be influenced by socio-demographic factor is to justify a mistake while making the investment. This study yielded that there is a significant difference of try to justify mistakes committed while making investment decisions among income level.

This study also articulated some important finding about the relationship between socio-demographic factors toward the opinion on derivative investment such as (1) those who aged less 20 is significantly different to others age groups in term of the opinion on derivative investment; Along with George M. Korniotis and Alok Kumar (2007) that they investigate whether older individual investors make better investment choices because of greater investment experience or whether their investment skill deteriorates with age due to the adverse effects of cognitive aging. (2) Doctoral degree significantly different to bachelor and master degree in term of the opinion on derivative investment; (3) those who are government officer significantly different to employee at private sector in term of the opinion on derivative investment; and (4) Income level did not significantly associated with of the opinion on derivative investment.

Discussion

Relationship between Socio-demographic Factors with Derivative Investment Decision

This study found that therefore that there is no relationship between sex and the decision to remain invested in the derivative market. Concerning about gender, globally women are an increasing presence in the financial world. A study in Nepal shows that over time these well-educated professional women will assume their rightful positions as independent players in the world of work and finance alongside their sisters in the developed world. The fact that such changes have begun is evidenced by the increasing number of women employed in the banking sector. These changes will inevitably continue (Adhikari & O'Leary, 2008).

This study concluded that there is no relationship between age and the decision to remain invested in the derivative market. This study does not go along with the study from Chaturvedi and Khare (2012), which examined the investment pattern and awareness of the Indian investors about different investment instruments. The results suggest that age, education. occupation and income level of the individual effects their investment behavior. Awareness of respondents towards traditional investment options is much higher than that for corporate securities, mutual funds, equity shares and preference shares. They also identified the factors which contribute to investor awareness. They found that occupation, education and income level affects the awareness level of investors towards various investment products (Chaturvedi & Khare, 2012).

Financial Literacy Effect to the Investment Decision at Derivative Market

This study found that the financial literacy of those who invest at the derivative market is higher than those who do not currently invest in derivative market. This study confirms that it has been proven that highly literate investors prefer and use different criteria when making an investment decision than low-literacy investors. Highly literate investors prefer to use financial publications, whereas low-literacy investors rely more on advice from family, friends, and stockbrokers (AI-Tamimi & Kalli, 2009).

Relationship between Socio-demographic Characteristics, Financial Literature, Investment Behavior, and the Decision Making on Derivative Investment

This study revealed that the derivative investment opinion in term of exchange investment is significantly different between those who invest at derivative market and not currently invest in the derivative market at 10% significant levels. While the other opinions do not significantly differences between those who invest at derivative market and not currently invest in derivative market.

The hypothesis testing fitted the influence of socio-demographic characteristics, financial literature, investment behavior (derivative investment opinion and risk aversion) toward the decision making on derivative investment. In this study, the dependent variable is the respondent decision on the derivative investment which 0 represents "do not invest" while 1 represents "invest to derivative". The result of the multiple logistic regressions is presented at the table 25. The hypothesis was tested at the 0.10 and 0.05 significant level.

The multiple logistic regression result that income, and risk aversion significantly influence the decision on derivative investment. While sex, age, education, financial literacy and derivative investment opinions do not significantly effect to the decision on derivative investment. Implication

As several findings have been discussed at the previous section, accordingly two implications may raise as follow: 1. Income is significant particularly those who have income 30,001-40,000 THB and 40,001-50,000THB. Along with AI-Tamimi and Kalli (2009) that the most influencing factor of investors' behavior was the religious factor and income of investors.

2. Furthermore, the most important factor is risk aversion. In another word, an investor who has high risk taker is more likely to invest to the derivative market. This is along with Narendra Nathan (2016) the derivative segment is not for risk-averse investors looking to build a corpus over a sustained period of time (Narendra Nathan, 2016). Another study of international evidence on derivative usage state that risk aversion may cause managers to deviate from acting purely in the best interest of shareholders by avoid to invest in derivative (Söhnke, Gregory, and Frank, 2009).

Conclusion

This study attempts to explore the sociodemographic of derivative investors in Bangkok; to explore the financial knowledge of investor in the derivative market; to examine the derivatives investment behavior of investors; to analyses the influent factors that impact to derivatives investment decision for investors.

This study has clarified that there is a significant difference of try to justify mistakes committed while making investment decisions among income level and the risk aversion affects the derivatives investment decision. This finding implies that risk aversion is an important aspect of the investor.

For finding in demographic part, we implied that people who are older are more risk averse because they have to plan for retirement. Therefore, the older people might not be suitable for invest in derivative because of their risk and leverage. However, people who are younger age should balance their portfolio by invest some of their money on derivative instrument for higher return because they have a chance to make a mistake and to learn from them.

Finally, even though derivative instrument was created for hedging and reducing risk, investors who invest in derivative are high risk taker. The key reason of this situation comes from human greed that is in the basic human instinct. Investors always find the way to make their profit and the derivative instruments are very fit for the speculators due to their leverage gears. Although the objective of derivative is not for speculative, we cannot refuse that it is a very profitable tools in the present. As we can see from the result of this study, any other factors do not affect to the derivative investment decision except the risk aversion. It will go back to basic that if we want to try for higher returns we have to accept higher risk. This is the way of capitalism.

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