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**THE RELATIONSHIP BETWEEN INDICES AND
KUALA LUMPUR SYARIAH INDEX**

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**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA JOHOR

SEPTEMBER 2014

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

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UNIVERSITI TEKNOLOGI MARA

JOHOR

“DECLARATION OF ORIGINAL WORK”

I, UNGKU ZAREEN BINTI UNGKU ZOLIKIPLI, (I/C Number: 900528-01-5176)

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

LETTER OF SUBMISSION

7th December 2014

Ms. NORSALIZA BINTI ABU BAKAR.

Department of Finance

School of Business and Management

UiTM Johor, Segamat, Johor

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Johor,

Dear Ms ,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE RELATIONSHIP BETWEEN INDICES AND KUALA LUMPUR SHARIAH INDEX” to fulfil the requirement as needed by the Faculty of Business Management, University Technology MARA.

Thank you.

Yours sincerely

.....

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Bachelor of Business Administration (Hons) Finance

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Thank you.

ABSTRACT

This research will investigate the relationship between Kuala Lumpur Shariah Index and the macroeconomic variables. Generally, the research purpose is to observe the relationship in Malaysian context. In order to achieve the objective, multiple linear regression (MLR) are used to created research model. The variables involved in this research are, Kuala Lumpur Shariah Index (KLSI), Consumer Price Index (CPI), FTSE Bursa Malaysia Hijrah Index (FBMHI), Kuala Lumpur Composite Index (KLCI), and Dow Jones Islamic Index (DJII). The data used is a monthly data which is from February 2007 until July 2014. The research finding showed that KLSI are determined only by the shariah stock market variables such as FBMHI and DJII.