DETERMINANTS OF STOCK MARKET PERFORMANCE

IN MALAYSIA

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KAMPUS BANDARAYA MELAKA

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DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA

BY

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A research project submitted in partial fulfilment of the

requirement for the degree of

Submitted in Partial Fulfilment of the Requirement for the

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JANUARY 2019

DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA MELAKA
"DECLARATION OF ORIGINAL WORK"

I, ANIS THURAYA BINTI AMINUDDIN SHAH, 940609-10-5014 and

I, ANISA RAZANA BINTI KARYA, 941001-14-6488

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 others degrees.

- This project paper is the result of my independent work and investigations, except where otherwise stated.

- All verbalism extract has been distinguished by quotation marks and sources of my information have been specifically acknowledge.

Signature: ……………………   Date: ……………………….

Signature: ……………………   Date: ………………………..

LETTER OF SUBMISSION

JANUARY 2019

HEAD OF PROGRAMME

Faculty of Business Management

Universiti Teknologi MARA (Kampus Bandaraya Melaka)

75300, Melaka.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **"DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA"** to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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ABSTRACT

For years, the study of determinants for stock market performance are well-documented. However, most of the studies are focus on the macroeconomic factors in the developed country context. In light of this, this study intends to bright the gap by examining the determinants that affect the stock market performance in developing country namely Malaysia. More specifically, this study aims to extend the current literature reviews by including exchange rate, inflation rate, crude oil price, money supply and U.S. stock market performance in determining the relationships with the Malaysian stock market performance. By using Ordinary Least-Square regression method in E-views, multiple linear regression analysis is performed to examine the hypotheses and statistical relationships in a quarterly basis from quarter 1 of 1992 until quarter 4 of 2017. The results conclude that exchange rate, crude oil price has significant negative relationship with Malaysian stock market performance while money supply and U.S. stock have significant positive relationship with Malaysian stock market performance. On the other hand, this research also indicates that inflation variable have an insignificant negative relationship with Malaysian stock market performance. These result would give better understanding and should be useful for further studies, policymakers and investors.