RELATIONSHIP BETWEEN STOCK MARKET AND MACROECONOMIC VARIABLES

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FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR

JUNE 2015
DECLARATION OF ORIGINAL WORK

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We are here by, 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 our independent work and investigation, except where otherwise stated.

✔ All verbatim extracts have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: _______________ Date: _________________
LETTER OF SUBMISSION

21\textsuperscript{th} June 2015

Lecturer
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JOHOR DARUL TAKZIM

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "Relationship between Stock Market and Macroeconomic Variables" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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ABSTRACT

The aim of this study is to investigate the relationship between Exchange Rate, Inflation Rate, Money Supply, and Interest Rate to the Stock Market Indices. The study used Simple Linear Regression and Multiple Linear Regression in order to find the relationship among those indices. The quarterly closing data were collected from January 2006 until January 2015. From the result, it reveals that certain variables have a significant negative relationship towards Stock Market Indices and the others are insignificant. It means that there are macroeconomic variables that interdependence towards the Stock Market Indices. Based on the results, it shows further understanding of the relationship between the macroeconomic variables to the Stock Market Indices and it may be useful for regulators, investors, and speculators.