



**ANTECEDENTS OF STOCK MARKET PERFORMANCE IN MALAYSIA  
FROM  
MACROECONOMICS PERSPECTIVES**

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**BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MALACCA CITY CAMPUS**

**JULY 2018**

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**Submitted in Partial Fulfillment of the  
Requirement for the  
Bachelor of Business Administration with Honours (Finance)**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
MALACCA CITY CAMPUS**

**JULY 2018**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)**  
**FACULTY OF BUSINESS MANAGEMENT**  
**UNIVERSITI TEKNOLOGI MARA**  
**“DECLARATION OF ORIGINAL WORK”**

I, Noor Azida Binti Noor Azizi (940531-14-5154)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and it 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**

JULY 2018

Miss Nur Hayati binti Abd Rahman

Bachelor of Business Administration Hons (Finance)

Faculty of Business Management

Universiti Teknologi Mara Melaka

75300, Melaka.

Dear Miss,

### **SUBMISSION OF FINAL PROJECT PAPER**

Attached is the project paper title “**ANTECEDENTS OF STOCK MARKET PERFORMANCE IN MALAYSIA FROM MACROECONOMICS PERSPECTIVES**” to fulfill the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Yours Sincerely,

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NOOR AZIDA BT NOOR AZIZI

2015182809

Bachelor of Business Administration with Honours (Finance)

## ABSTRACT

The main objective of this study is to investigate the relationship between macroeconomic variables which consist of Exchange Rate, Money Supply and Gross Domestic Product towards the stock market in Malaysia that represent by FTSE Bursa Malaysia KLCI index. The study employed Multiple Linear Regression in order to find the relationships among independent variables and dependent variable. The data is collected from year 1987 until 2017 and it is conducted on a yearly basis which is 30 years observations. From the result, it reveals that Money Supply has a positive insignificant relationship towards stock market (FTSE Bursa Malaysia KLCI). While Gross Domestic Product found significantly positive relationship towards stock market performance in Malaysia and Exchange Rate found significantly negative relationship between stock market performances in Malaysia. These results give additional understanding of the relationship between the macroeconomic variables and FTSE Bursa Malaysia KLCI plus it might also be helpful for the speculator, regulator and investor.

*Keywords: FTSE Bursa Malaysia KLCI, Gross Domestic Product, Exchange Rate, Money Supply, Malaysia*