BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

DECLARATION OF ORIGINAL WORK

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I/C NUMBER: 930803-01-6331

Hereby, declared that,

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for these degrees or any other degrees.

- This project-paper is the results 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

5th January, 2016

Kamal Fahrulrasy Bin Rahim
Department of Finance (Hons.)
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UiTM Johor, Segamat Campus
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Johor, Malaysia

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “DETERMINANTS OF STOCK MARKET RETURN: THE CASE OF EMERGING COUNTRIES” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA (UiTM).

Thank you.

Yours sincerely,

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ACKNOWLEDGEMENT

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ABSTRACT

Macroeconomic variables play an important role in the performance of stock market returns. Numerous studies document that there are links between macroeconomic variables and equity returns. It is found that changes in the macroeconomic environment affect the price of shares. Stock market returns and macroeconomic variables, investors might guess how stock market behaved if macroeconomic indicators such as exchange rate, industrial productions, interest rate, and money supply fluctuate. This research will focus on developing or emerging countries on how their stock price been influenced by macroeconomic variables. There are five macroeconomic variables used in this research which are Exchange Rate, Gross Domestic Product (GDP), Inflation Rate, Interest Rate, and Money Supply. The findings indicate there are two variables that have a positive significant relationship between independent variables and dependent variables. The two variables significantly related to the stock market are Gross Domestic Product (GDP) and Money Supply. The results have been recorded, interpreted, and presented in this research. The data collected from chosen three (3) of seven (7) emerging countries which are Brazil, China, and India. The duration of data taken from the year 2000 until 2015.
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