



**THE EFFECTS OF MACROECONOMIC
VARIABLES TO THE RETURN OF BURSA
MALAYSIA**

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DECEMBER 2012

'DECLARATION OF ORIGINAL WORK'



**BACHELOR OF BUSINESS ADMINISTRATION
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I, Huraiyah Isry binti Ismail, (I/C Number. 891214-14-6024)

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 distinguish by quotation marks and sources of my information have been specifically acknowledged

Signature: _____

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LETTER OF SUBMISSION

December 2012

The Head of Program
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Dear Sir/Miss,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "The Effects of Macroeconomic Variables to the Return of Bursa Malaysia" 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 main purpose of this paper is to determine the four areas of objectives which to study the relationship between Consumer Price Index, Money Supply, Interest Rate and Crude Oil Price to the return of KLCI. To answer these objectives, Multiple Linear Regression has been selected where the result can be explained by the F-Stat and P-Value. The quarterly data of each index for ten (10) years will be used and collected from the Data Stream. Based on the Multiple Linear Regression, the results show that the coefficient of Consumer Price Index, Money Supply and Crude Oil Price are significant with KLCI. It means, any changes in the CPI, Money Supply and Crude Oil Price will affect the return of KLCI. However, interest rate is insignificant with KLCI which means there is no significant relationship between those 2 variables.

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