



UNIVERSITI TEKNOLOGI MARA

**EFFECT OF OIL PRICES TO THE EMERGING STOCK
MARKET IN LATIN AMERICA AND CARIBBEAN
(ARGENTINA, BRAZIL AND JAMAICA)**

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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I, NUR AFIQAH BINTI ALI RAHMAN, 870922435246

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 investigation, except where otherwise stated
- All verbalism extract have been distinguished by quotation marks and source of my information have been specifically acknowledged.

Signature:

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LETTER OF SUBMISSION

8TH NOVEMBER 2010

The Head of Program
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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “Effect Of Oil Prices To The Emerging Stock Market In Latin America And Caribbean (Argentina, Brazil And Jamaica)” to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA

Thank You

Your Sincerely

.....

NUR AFIQAH BINTI ALI RAHMAN

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Bachelor of Business Administration (Hons) Finance

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Abstract

This study tries to investigate the relationship between oil prices and stock market in emerging markets of Latin America region. Data of weekly West Texas Intermediate Crude Oil (WTI) price and weekly price index of stock index from three emerging countries namely Argentina, Brazil and Jamaica are selected as variables in this study. The data is collected for the five years period of 1 January 2005 to 31 December 2009 and used to estimate the Auto regression Model. The results from this model reveal that there is significant and relationship between these two emerging markets where is Argentina and Jamaica with the oil price movement. Furthermore, the analysis also shows Brazil has a relationship with oil price but there is no significant result due to the more significant on other macroeconomic variable. These results further our understanding of the interaction between oil prices and share prices and should be of use to investors, regulator, managers, and policy maker.