

CONTRIBUTION STOCK INDICES
IN MAKING AN INVESTMENT
DECISIONS

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PROJEK PELAJAR/THESIS

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ABSTRACT

This paper to measure how the stock indices will help the investor or potential investor in making investment decisions. In addition, this paper examines how the stock indices effected by the performance of the economy. The computation method of the indices is also being included. The data used for analysis were monthly price indices of the various sectors listed at KLSE for a 42 months period commencing on the 1st January 1992 to 30th June 1995. Analysis revealed that all the indices are significant to the movement of the Composite index but the most significant is EMAS index. From my study also determine which sector that should invest relative to the market movement.

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ORGANIZATION OF CHAPTER

CHAPTER 1 : INTRODUCTION

Chapter one is the introduction of the project paper.

All the basic element about stock index and its performance is included.

The investor or potential investor will get a knowledge about stock index in general from this chapter.

The objective of this study is to determine which the best sector to invest by using the stock indices approaches. There were a limitation, especially time constrain that I have to face to finish this study.

CHAPTER 2 : LITERATURE REVIEW

In chapter two, the study is concentrate how the movement in the economy will perform the market sentiment. Several economic indicators that have been discussed such as interest rates, foreign exchange and defense spending.