



DETERMINANT RELATIONSHIP OF THE PREDICTIVE POWER
ON FTSE BURSA MALAYSIA (KLCD) STOCK RETURN

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ABSTRACT

The purpose of study is to determine the relationship of predictive power on the stock return of companies listed in FTSE Bursa Malaysia (KLCI).

There were several numbers of empirical studies that has been conducted in order to investigate the wide range of variables to determine the relationship of predictive power on stock return. This study focus on using the combinations of the determinant variables from internal and external factor whereby the internal factor focus on financial variable which is the liquidity and dividend yield. For the external factor, it's focus on macroeconomic variable which is inflation rate and crude oil price. The data analysis will be perform by using monthly frequency data of FTSE Bursa Malaysia KLCI where the data will be collected based on top 10 constituents or companies from January 2013 to December 2015.

Keywords: predictive power, stock return, FTSE Bursa Malaysia, financial variables, macroeconomic variables.