



UNIVERSITI TEKNOLOGI MARA

**RELATIONSHIP BETWEEN DOMESTIC STOCK
MARKET INDICES TOWARDS GLOBAL STOCK
MARKET INDICES: EVIDENCE FROM PRE AND POST
PANDEMIC COVID-19**

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ABSTRACT

The problem that being highlighted in this study were about the movement of several countries indices that will give an impact to Malaysian index. The objective in this study is to investigate several countries indices that affect the Malaysian index. The data from the sample of 5 countries indices are collected for 2 years (2019-2021) on daily basis. This study used quantitative secondary data which is time series and multiple regression models represented by the ordinary least squares (OLS) as the technique to look factor that affect the Malaysian index. It involves Nasdaq 100, Dow Jones Industrial Average (DJIA), Nikkei 225, and Hang Seng index. This research employs Event Study Method. The result indicated in covariance analysis are, all independent variable has significant relationship with dependent variable. Regression theoretical model was developed and regression analysis need to be performed. The result indicates that there is significant relationship between Malaysia index and all the independent variable where it can be retained in the regression model for the final theoretical model. Several tests on assumption were failed to reject the null hypothesis, while the null hypothesis for test on variance of error term can be rejected by using heteroskedasticity-consistent standard errors & covariance.

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CHAPTER 1

1.1 INTRODUCTION

This chapter will discuss briefly on the background of the study, problem statements, research questions, research objectives, significant of the study and also provide a summary of chapter 1. Here, an explanation of the dependent and independent variables is provided and this study is to discover the relationship of the variables mentioned. Dependent variable in this is Kuala Lumpur Composite Index (KLCI) and independent variables represented by several countries' indices. This research question in this chapter will discuss about the questions related to the theoretical framework in our research. There are two types of research question, firstly is main research question and secondly are specific research question. The main research question is related to the dependent variable that is the important or basic research in our study. The specific research is the supportive of the main research question. Research objective is divided into two. First, the main research objective and second is the specific research objective.