FUNDAMENTAL FACTORS & WEATHER EFFECT

ON SECTORIAL INDEX RETURNS

: EVIDENCE FROM MALAYSIA

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ABSTRACT

This study is conducted to describe the influence of fundamental factors and weather conditions in Malaysia towards the sectorial index returns. For the purpose of this study, the performance of three sectors in Malaysia which are construction, plantation and trade & service sectors is being observed starting from January 1, 2017 until December 31, 2017. By using the fundamental factors which are beta (β) and also the market capitalization of three sectors including five main weather conditions in Malaysia which comprises of sunny, rainy, cloudy, windy and thunderstorm as the independent variables to determine whether there is significant relationship towards the sectorial index returns as the dependent variable in this research. Multiple Regression Model is being used to test the relationship between independent and dependent variables. The findings reveals that there is significant relationship between the trade & service sector towards the fundamental factors and also the weather conditions in Malaysia as compared to other sectors.

Keywords: *Fundamental Factors, Weather Conditions, Sectorial Index Returns, Multiple Regression Model*