



**THE RELATIONSHIP OF EQUITY MARKET DETERMINANTS TOWARDS
INVESTOR'S SENTIMENT; EVIDENCE FROM MALAYSIA**

OLIVIANY JOHNNY SONGOROU
2015349687

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH**

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ABSTRACT

Investment sentiment is an important element in making a decision on investment. It is either optimism or pessimism that will affect the investment decision. As to achieve better sentiment, it is important to know well about the equity market. This research aims to investigate the relationship between equity market determinants towards investor's sentiment by choosing the complete data of 16 companies out of the top 75 companies that has being listed by The Randstad. These 16 companies only focus in trading and service factors. The dependent variable, investor's sentiment, indicates by price earnings. Meanwhile the equity market, the independent variable indicates by return on equity, debt equity and sales growth. The time period is starting from 2008 to 2017. Moreover, multiple linear regressions has been used to determine the relationship between equity market and investor sentiment. Based from the results, it shows that only sales growth has significant positive relationship with the investor's sentiment.