CHINESE NEW YEAR HOLIDAY EFFECT IN STOCK MARKET RETURN

SITI NOORAFILAH BINTI JAIMAN
2014845794

FACULTY OF BUSINESS MANAGEMENT

BACHELOR IN BUSINESS MANAGEMENT (HONS) FINANCE

UNIVERSITY TEKNOLOGI MARA
KOTA KINABALU, SABAH

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ABSTRACT

This research have investigates in the Bursa Malaysia Kuala Lumpur Composite Index, this is because to test whether a specific day or the special events have given impact to the stock market or not. This research has study about the effect of chines New Year holiday toward stock market return. These test whether a specific day or the special events have given impact to the stock market or not for the five year period (2011-2015). This research has taken for top 100 company and only taken for non-finance companys which is only 17 companys that have in this research. Other than that, it is induce higher stock market return and volatility during the Chines New Year holiday. Using the most resent set of data, paper employs several models to study these effects in Malaysia. In this research it is found that stock returns have positive return and negative return in stock market the finance literature documents substantial evidence of pre-holiday positive returns of public holidays in both developed and emerging stock markets, perhaps due to the positive holiday sentiment. Other than that, this research also looks at the Chines New Year (CNY), or the Spring Festival, is the biggest holiday for the Chines people. This paper computes the average daily returns in three event windows which is 4 day before Chines New Year holiday, 4 day after the CNY.