RELATIONSHIP BETWEEN STOCK MARKET AND

MACROECONOMIC VARIABLES

SYAZWANI EZZATTY BINTI ZAFRIN 2012671574

BACHELOR OF BUSINESS ADMINISTRATION (HONS) (FINANCE)
FACULTY OF BUSINESS MANAGEMENT UNIVERSITI
TEKNOLOGI MARA JOHOR

JUNE 2015

RELATIONSHIP BETWEEN STOCK MARKET AND MACROECONOMIC VARIABLES

SYAZWANI EZZATTY BINTI ZAFRIN
2012671574

Submitted in Partial Fulfillment

Of the Requirement for the

Bachelor of Business Administration (Hons)

Finance

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR

JUNE 2015

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA JOHOR

DECLARATION OF ORIGINAL WORK

SYAZWANI EZZATTY BINTI ZAFRIN 2012671574

We are here by, declare that,

✓ This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.

✓ This project paper is the result of our independent work and investigation, except where otherwise stated.

✓ All verbatim extracts have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: _____ Date: _____

LETTER OF SUBMISSION

21th June 2015

Lecturer

Faculty of Business Management

Universiti Teknologi MARA

85009 SEGAMAT

JOHOR DARUL TAKZIM

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**Relationship between Stock Market and Macroeconomic Variables**" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

………………………

SYAZWANI EZZATTY BINTI ZAFRIN

 2012671574

Bachelor of Business Administration (Hons) Finance

ABSTRACT

The aim of this study is to investigate the relationship between Exchange Rate, Inflation Rate, Money Supply, and Interest Rate to the Stock Market Indices. The study used Simple Linear Regression and Multiple Linear Regression in order to find the relationship among those indices. The quarterly closing data were collected from January 2006 until January 2015. From the result, it reveals that certain variables have a significant negative relationship towards Stock Market Indices and the others are insignificant. It means that there are macroeconomic variables that interdependence towards the Stock Market Indices. Based on the results, it shows further understanding of the relationship between the macroeconomic variables to the Stock Market Indices and it may be useful for regulators, investors, and speculators.