BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

DECLARATION OF ORIGINAL WORK

MOHD SHUKRI AMRE BIN MOHD ARIF   I/C NUMBER: 930803-01-6331

Hereby, declared that,

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

- This project-paper is the results of my independent work and investigation, except where otherwise stated.

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

Signature: _____ Date: _____

LETTER OF SUBMISSION

5st January, 2016

Kamal Fahrulrazy Bin Rahim

Department of Finance (Hons.)

Finance Faculty of Business

Management

UiTM Johor, Segamat Campus

85000 Segamat

Johor, Malaysia

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "DETERMINANTS OF STOCK MARKET RETURN:

THE CASE OF EMERGING COUNTRIES" to fulfill the requirement as needed by the

Faculty of Business Management, Universiti Teknologi MARA (UiTM).

Thank you.

Yours sincerely,

………………………………….
MOHD SHUKRI AMRE BIN MOHD ARIF
2014550123
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ACKNOWLEDGEMENT

Alhamdulillah, thanks to ALLAH S.W.T, the Most Gracious and the Most Merciful for giving me strength on successfully completing this proposal. All the praises and thanks to Him for giving me the times, wills, guidance and strengths during the period of this proposal. Many had contributed on preparing this proposal. I am thankful to my advisor, supervisor, fellow classmates and others lectures who provide me the kind assistance or had contributed immensely to the success completion of this proposal in due time. I wish to express my sincere gratefulness and gratitude to **Sir Kamal Fahrulrazy Rahim** who act as my advisor. Special thanks dedicated to the staff of Universiti Teknologi Mara, Shah Alam Library as well as my fellow classmates and friends for their helps, concerns, morals and materials support. I would like to take this opportunity to express my deepest appreciation for those who had contributed a great deal towards the completion of this proposal. I have learned so much about this subject. I wish to extend my appreciation to my family, especially to my parent for their moral support in completion this proposal. In conclusion, I am grateful to ALLAH S.W.T for his guidance and the continuous good health and wealth which without His blessed I might have not complete this project paper. Thank you.

ABSRACT

Macroeconomic variables play an important role in the performance of stock market returns. Numerous studies document that there are link between macroeconomic variables and equity returns. It is found that changes in the macroeconomic environment affect the price of share. Stock market returns and macroeconomic variables, investors might guess how stock market behaved if macroeconomic indicators such as exchange rate, industrial productions, interest rate, and money supply fluctuate. This research will focus on developing or emerging countries on how their stock price been influences by macroeconomics variables. There are five macroeconomics variables uses in this research which are Exchange Rate, Gross Domestic Product (GDP), Inflation Rate, Interest Rate and Money Supply. The findings indicate there are two variables that having positive significant relationship between independent variables and dependent variables. The two variables significantly related to the stock market are Gross Domestic Product (GDP) and Money Supply. The result had been record, interpret and present in this research. The data collected from chosen three (3) of seven (7) emerging countries which are Brazil, China and India. The duration of data taken from the year 2000 until 2015.

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