



**THE EFFECT OF EXCHANGE RATE TOWARDS STOCK MARKETS
IN BURSA MALAYSIA**

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Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA CITY CAMPUS

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“DECLARATION OF ORIGINAL WORK”

I, Abidah Bte Suparlan, (I/C Number : 890615-16-5538)

Hereby, 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 my independent work investigation, expect 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

April 2011

The Head of Program
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management,
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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "The Effect of Exchange Rate Towards Stock Markets In Bursa Malaysia " to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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ABSTRACT

In this paper investigated the relationship between exchange rate and stock price in Malaysia country. The data are weekly return exchange rate of US dollar in terms of Malaysia Ringgit and weekly return of FTSE Bursa Malaysia KLCI Index, FTSE Bursa Malaysia ACE Index and FTSE Bursa Malaysia EMAS Shariah Index. The period covered to conduct this study is July 2007 to January 2011. This study employs single linear regression Model. Result shows that there was significant relationship between exchange rate and stock indices. There is negative causal relationship from exchange rate to all stock indices.