



**“A STUDY ON THE RELATIONSHIP BETWEEN
EXCHANGE RATES AND STOCK PRICES
IN MALAYSIA”**

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NOVEMBER 2006

LETTER OF SUBMISSION

08 NOVEMBER 2006

En Muhammad Sukor Bin Jaafar
The Programme Coordinator
Bachelor of Business Administration (Hons) Finance
Faculty of Business Management
Universiti Teknologi MARA
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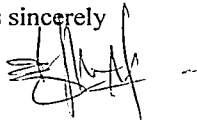
Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "A STUDY ON THE RELATIONSHIP BETWEEN EXCHANGE RATES AND STOCK PRICES IN MALAYSIA" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA

Thank you

Yours sincerely



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"DECLARATION OF ORIGINAL WORK"

I, Suzilawati Mohamad Noor, (I/C Number: 831117-01-5140)

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 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: 8/11/2006

ACKNOWLEDGMENT

In The Name of Allah, the Most Gracious and Most Merciful.

First of all, I would like to state my grateful and praise upon Allah for giving me all the ability, good health and success in completing my project paper for the research. Without the grace and help of Allah s.w.t., it would be impossible for me to have the courage and spirit in doing and completing this research.

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ABSTRACT

This project paper studies the relationship between exchange rates and stock prices in Malaysia. The analysis is done on the Kuala Lumpur Composite Index towards the Malaysia Ringgit to US Dollar exchange rate. The purpose of this study is to examine the relationship between exchange rates and stock prices over the period 1990 to 2005. This study applies the Simple Linear Regression analysis to identify whether the stock price are significant with the exchange rates. Result of the analysis shows a weak negative relationship between the stock prices of Kuala Lumpur Composite Index for Malaysia Ringgit to US Dollar exchange rate.