



اَوْنِيُوْرَسِيْتِي تِيْكْنُوْلُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**STUDY ON:
THE RELATIONSHIP BETWEEN KLSE COMPOSITE
INDEX AND INTEREST RATE (BLR), INFLATION RATE
(CPI) AND GROSS DOMESTIC PRODUCT**

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DECLARATION OF ORIGINAL WORK

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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.

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ABSTRACT

This research paper attempts to determine either there are significant relationship or not between KLSE Composite Index and interest rate, inflation rate and gross domestic product.

In this study, the dependent variable is KLSE Composite Index and the independent variables are interest rate, inflation rate and GDP. All the data used are in monthly basis, range from January 2001 until September 2005. In analyzing the data, Simple Linear Regression Model is used.

Based on the analysis, the result shows that all selected variable (interest rate, inflation rate and GDP) have significant relationship with KLSE Composite Index. From the F-statistic, the result shows that the model reliably predicts the dependent and independent variables.

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