



اُونِيُوَرَسِيْتِي تِيكْنُولُوْجِي مَارَا
UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**A STUDY ON THE FACTORS THAT INFLUENCE STOCK PRICE INDEX IN
ASIAN MARKET**

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LETTER OF TRANSMITTAL

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Dear Madam,

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It is with great pleasure that I present you my thesis entitle “**A STUDY ON THE FACTORS THAT INFLUENCE STOCK PRICE INDEX IN ASIAN MARKET**” for your kind evaluation as required by the Faculty of Business Management, University Technology MARA.

Thank You.

Yours sincerely,

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

“In the name of Allah the Almighty, the Merciful, and the Beneficent”

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ABSTRACT

This study attempts to investigate the factors that influence stock price index in Asian market and to examine the relationship between three selected macroeconomic variables and stock price index. The macroeconomic variables in this research are gross domestic product, inflation rate and exchange rate. In this study, the researcher used secondary data in order to achieved and complete the objective of the study. The Multiple Regression Analysis was conducted on the time series of data for 8 years using quarterly basis from Q1 2001 until Q4 2008. The researcher used SPSS programmed which to identify the relationship between stock price index and macroeconomic variables. From the result, gross domestic product and inflation rate do not have a relationship with stock price index for all countries but for exchange rate there is a negative relationship with stock price index. Based on each country, in Malaysia only exchange rate has a negative relationship with stock price index but for gross domestic products and inflation do not have a relationship with stock price index. For Thailand there is a positive relationship between gross domestic products and stock price index but not for inflation rate and exchange rate. For Singapore only gross domestic products do not has a relationship with stock price index but for inflation rate and exchange rate there is negative significant relationship.