

UNIVERSITI TEKNOLOGI MARA

**MACROECONOMIC INDICATORS
AND STOCK RETURNS: A CASE ON
CONSTRUCTION SECTOR IN
MALAYSIA**

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2015125595**

**BBA (Hons) Business Administration
Finance**

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Thesis submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business Administration

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.

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ABSTRACT

This research is conducted with the intention to identify the effect of macroeconomic indicators on the stock return of the listed construction companies in Malaysia. Previously, a study has been conducted to find the relationship between macroeconomic indicators and listed construction companies in various countries. The data used in this research is collected for the period of 10 years from 20 different listed companies under the construction sector in Malaysia. Macroeconomic indicators used in this research include inflation, interest rate, exchange rate, gross domestic product and money supply. Each macroeconomic indicator is represented by different proxies. As for inflation, the proxy used is consumer price index (CPI), lending rate for interest rate and currency exchange MYR/USD for the exchange rate. The proxy for money supply is M2 and GDP for the economic growth. The stock return for each company is calculated by using the formula $P1-P0/P0 \times 100$. All the data are obtained from secondary sources.

Keywords: Macroeconomic indicators, inflation, interest rate, exchange rate, money supply, economic growth, stock return

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