UNIVERSITI TEKNOLOGI MARA

THE DETERMINANTS OF MALAYSIA STOCK EXCHANGE PERFORMANCE

NURUL NABILA BINTI HAMDAN 2013922027

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

FACULTY OF BUSINESS AND MANAGEMENT UITM, JOHOR

JULY 2020

ACKNOWLEDGEMENT

Bismillahirahmanirrahim,

Firstly, thanks to All S.W.T for His grace in providing me good health while completing this final year project. I am very grateful to have been given the opportunity by the university to embark on my Degree in Uitm and to complete long and challenging successfully.

Special thanks to my dearest supervisor, Madam Nurul Farhana Binti Mazlan for all her endless support and guidance in helping me to finish my final year project. She always gives ideas and advices on how to get the information for this research. Her strong support has made this research was successfully completed.

I also want to thank my parent for their mental and physical support during my entire study life. Not to forget, tons of thanks and appreciation to my dedicated coordinator, Madam Nor Fazlin Binti Uteh for her encouragement and strong support in Uitm Pasir Gudang.

Lastly, thank you to all lectures and friend at Uitm Pasir Gudang who have provided me with a lot of guidance ad knowledge that has been poured to me keep in track and focus on what I want to achieve.

ABSTRACT

This study aims to investigate the issue of economic analysis on the global market performance and benefit to all readers because it will help enlighten them on the growth of global market performance measuring its Malaysia equity market index and its movement over the year as well an understanding impact to the commodity and social welfare factors that will influence the performance of Malaysia Stock Exchange. This research will reveal the conjunction of Malaysia equity market performance with the global market performance factors to world market performance.

World market performance is a several countries that selected by researcher for investigate the market performance. This paper of this study employs multiple linear regression method and the world market performance used consists of gold price, oil price and health expenditure of coronavirus as an independent variable taken in the period 2002 until 2018. These researches are significant to the researcher, developer, and government. They can take this research as their reference and take some idea to control and monitor all factors that will affect to Malaysia equity market performance and economy.

TABLE OF CONTENT

| | | Page |
|------|---|------|
| AUT | i | |
| LET | ii | |
| ACK | NOWLEDGEMENT | iii |
| ABS | ГКАСТ | iv |
| TAB | LE OF CONTENTS | v |
| LIST | OF TABLES | viii |
| LIST | OF FIGURES | ix |
| СНА | PTER ONE: INTRODUCTION | 1 |
| 1.1 | Introduction | 1 |
| 1.2 | Research Background | 2 |
| 1.3 | Problem Statement | 4 |
| 1.4 | Research Objective | 5 |
| 1.5 | Research Question | 6 |
| 1.6 | Significant of Study | 6 |
| 1.7 | Scope of Study | 6 |
| 1.8 | Limitiation of Study | 7 |
| 1.9 | Definition of Key Term | 7 |
| 1.10 | Summary | 7 |
| СНА | PTER TWO: LITERATURE REVIEW | 8 |
| 2.1 | Introduction | 8 |
| 2.2 | Literature Review on Capital Market Performance | 8 |
| 2.3 | Literature Review on Commodity | 9 |
| | 2.3.1 Gold Price | 10 |
| | 2.3.2 Oil Price | 11 |
| 2.4 | Literature Review on Social Welfare | 11 |
| | 2.4.1 Health Expenditure | 12 |
| 2.5 | Theoretical Research Framework | 13 |

| 2.6 | Sumn | 13 | |
|-----|---------------------------------------|---|----------|
| СНА | DTFD ' | THREE: RESEARCH METHODOLOGY | 14 |
| 3.1 | | | |
| 3.1 | | | 14 |
| 3.3 | Sample of Data Data Collection | | 14 14 |
| 3.4 | Varial | 15 | |
| | | 15 | |
| | 3.4.1 | Dependent Variable | 15 |
| 2.5 | 3.4.2 | 1 | |
| 3.5 | Research Design Hypotheses Statement | | 16 |
| 3.6 | • • | 16 | |
| 3.7 | Data A | 17 | |
| | 3.7.1 | Econometric Method | 17 |
| | | Descriptive Method | 17 |
| | 3.7.3 | Stationary Test | 17 |
| | | 3.7.3.1 Unit Rood Test | 17 |
| | | 3.7.3.2 Normality Test | 18 |
| | | 3.7.3.3 Correlation Analysis | 18 |
| | 3.7.4 | 5 | 18 |
| | | 3.7.4.1 Multiple Linear Regression Model | 19 |
| | | 3.7.4.2 T- Statistic Test | 19 |
| | | 3.7.4.3 F- Statistic Test | 20 |
| | | 3.7.4.4 Coefficient of Determination R ² | 20 |
| | | 3.7.4.5 Adjusted R ² | 21 |
| | | 3.7.4.6 Durbin Watson Test | 21 |
| | 3.7.5 | Test of Assumption | 21 |
| | | 3.7.5.1 Autocorrelation | 21 |
| | | 3.7.5.2 Heteroscedasticity | 21 |
| | | 3.7.5.3 Functional Form (RAMSEY) | 22 |
| CHA | PTER 1 | FOUR: RESULT AND DISCUSSION | 23 |
| 4.1 | Introd | luction | 23 |
| 4 2 | Discu | 23 | |