



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF STOCK PRICE:
EVIDENCE FROM CONSTRUCTION SECTOR IN
MALAYSIA**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. 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, regulating the conduct of my study and research.

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ABSTRACT

Stock prices are determined by demand and supply of the stocks. Hence, the factors that influence this are fundamental factors, technical factors and overall investor sentiment. The general economic conditions or company specific information can affect the stock price depending on how investors interpret it. When bad news related to the company or the company's industry or economy conditions, the stock price could falls because the investor think that the company may suffer financial as result of the news. Conversely, when there's good news, more investors attractive to buy the stocks and the stock prices tend to increase. The relationship between stock price and macroeconomics are important for investor as it involves in the valuation of securities. Not only that, stock price play an important role that effect the economic development. That is why investor, government, central banks and industry are concern about stock price and macroeconomics conditions. There are several studies that investigate which factors that exactly have impact the stock price. This study is important as for to be ready when there something expected or unexpected happen. Such as, China is expecting to have recession due to the trade war between them and US. These will affect the Malaysia's economic conditions since China's macro cyclical movements effect the global economy as whole. Due to this, it is important to know the impact of macroeconomic on stock price. Hence, this study is to determinant the stock price in Malaysia. Since it is important too for economic growth, the study will focus on construction sector. To see whether the global crisis impact the construction sector. Construction sector has large contribute to country growth and also they has increase their percentage of growth from previous year. Therefore, the period study will be from 1st August 2017 to 31st July 2018. Although, the multiple regression analysis is use to determine the relationship between variables namely trading volume, interest rate, exchange rate, and crude palm oil and stock price of construction sector in Malaysia. The finding of this study revealed that there is negative significant relationship for trading volume, exchange rate and interest rate on stock price on construction sector in Malaysia. More, there is positive significant relationship between crude palm oil and stock price of construction sector in Malaysia.

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