



**UNIVERSITI TEKNOLOGI MARA**

**THE EFFECT OF MACROECONOMIC  
VARIABLE TOWARDS PORTFOLIO  
INVESTMENT IN MALAYSIA**

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Final Year Project Paper submitted in fulfillment  
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**

There is still lacking of research on performance portfolio investment. This is because major studies was focus on the stock market volatility like (Menike, 2010)(Cooper, Lee, Howe, & Hamzah, 2004)(Murthy, Anthony, & Vighnesvaran, 2016) and (Muhammad Akbar, 2012). Most of their studies on stock market volatility. Thus, Portfolio investment is an investment in the form of the group (portfolio) of assets including transaction of equity securities, such as common stock and debt securities, such as banknotes, bond and debentures. It also can be known as passive investment of securities in portfolio. When we talk about portfolio it deals with the asset allocation and diversification to construct a collection of investment. Unfortunately, it will deal the challenges in investing in order to predict in the future performance and thus the risk of potential investment losses. Portfolio investment will be important in terms of diversify the company investment, because of prevent from investing all of money in a single company. It also always spread investments across a number of companies and considers investing in companies that operate in different market sectors. Other than that, portfolio management is a perfect way to select the best investment strategy based on age, income, risk taking the capacity of the individual and investment budget. This research aim is to study the effect of macroeconomic variable towards portfolio investment in Malaysia. It specifically studies on performance portfolio investment in Malaysia from 1981 until 2016. This research is based on data obtained from Data Stream and Data World bank. The result of studies suggest Malaysia has successful manage their net portfolio investment in Malaysia rather than other countries.

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