



UNIVERSITI TEKNOLOGI MARA

**MACROECONOMIC VARIABLE AS DETERMINANT
FOR STOCK MARKET DEVELOPMENT IN SOUTH
EAST ASIA COUNTRY**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
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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.

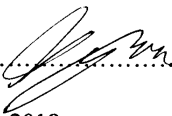
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ABSTRACT

This research study is conducted to examine whether there is a relationship between macroeconomic variable and stock market development. The independent variable use are Gross Domestic Product, Unemployment rate, Inflation rate, Saving rate and Income rate while the dependent variable are stock market development. Unlike other previous researcher, they have use index as their proxy for stock market development. However, this study have use stock market capitalization as proxy for stock market development. This study will be focus their research on South East Asia country. There have been five country selected out of eleven country. The five country selected are Malaysia, Thailand, Singapore, Indonesia and Philippine. The reason for why this five country are selected is because the remaining six country do not have stock market. This study cannot used those country because they do not have stock market capitalization data and this study require stock market capitalization as its dependent variable. The method used to collect data for this study are secondary data collection method. The data are collected from World Data Bank. This study will panel data. This study will start its collection from the year 2005 to 2016 which consists of twelve years. The total observation used for this study are sixty observation. This study have found that income rate will have the most effect towards stock market capitalization. However, it has a negative relationship between income rates and stock market capitalization. While saving rate has the highest positive relationship with stock market capitalization.

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