UNIVERSITI TEKNOLOGI MARA

THE IMPACT OF FUNDAMENTAL ANALYSIS ON STOCK MARKET: EVIDENCE FROM PROPERTY SECTOR IN MALAYSIA

NABIHAH BINTI MOHD YUNOS
2017485604

Final Year Project Paper submitted in fulfilment of the requirements for the degree of

Bachelor of Business Administration
(Hons) Investment

Faculty of Business and Management

February 2021

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.

Name of Student : Nabihah Binti Mohd Yunos

Student I.D. No. : 2017485604

Programme : Bachelor of Business and Administration (Hons.) Investment

Faculty : Business and Management

Thesis : The Impact of Fundamental Analysis on Stock Market: Evidence From Property Sector in Malaysia

Signature of Student : ....

Date : February 2021

ABSTRACT

Fundamental analysis can be considered to be essential requirement for investment decision-making since it used for long-term predictions of values of future phenomena, based on historical data and any factors likely to affect the level of demand and supply. The purpose of this research is to justify the investors used fundamental analysis in order to explore their investment possibility and to analyse trustworthiness of this method on estimate the stock return for their good trading strategy. This study used secondary data obtained from financial statements based on 20 companies selected from Bursa Malaysia in the property sector for a period of ten years (2010-2019). The data analyzed on quantitative basis using descriptive statistics, Pearson's correlation and regression analysis. This model is using the stock return as the dependent variable and to measure whether it is able to predict and create the positive return. Thus, the independent variables used in this research which are net profit margin (NPM), price earnings ratio (PER), total asset turnover (TATO), return on equity (ROE), earning per share (EPS) and debt-to-equity ratio (DER). Therefore, before making an investment decision, investors or traders need to identify and knowing what kind of strategy that will be use to generate positive return and they need to identify why people seldom to use fundamental analysis.

Keywords: Fundamental Analysis, Investment Decision, Stock Return, Investors, Stock Market, Net Profit Margin, Price Earnings Ratio, Total Asset Turnover, Return on Equity, Earning Per Share, Debt Equity Ratio

ACKNOWLEDGEMENT

TABLE OF CONTENTS