



**UNIVERSITI TEKNOLOGI MARA**

**THE IMPACT OF COVID-19 ON THE  
MALAYSIAN STOCK MARKET:  
FINANCE SECTOR**

**NURSYAFIZA BINTI ZAINAL ABIDIN**

Final Year Project Paper submitted in  
partial fulfillment of the requirements for  
the degree of **Bachelor of Business  
Administration (Investment  
Management)**

**Faculty of Business and Management**

**February 2021**

## **AUTHOR'S DECLARATION**

I declare that the work in this research 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 acknowledge as a 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 Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of students : Nursyafiza Binti Zainal Abidin  
Student I.D. No : 2019326801  
Programme : Bachelor of Business Administration (Investment  
Management)  
Faculty : Business Administration  
Research Paper title : The Impact of COVID-19 on the Malaysian Stock  
Market: Finance Sector

Signature of student :



Date : January 2021

## **ABSTRACT**

Novel coronavirus outbreak since December 2019 has infected more than 1 million people to this day. The severe impact of the coronavirus has affected the world economy including Malaysia. Some countries have implemented lockdowns to contain the virus from spreading and this affected business heavily especially financial market. The dependent variables used in this research is the Kuala Lumpur Financial Index. The independent variables is the number of COVID-19 daily cases, the number of COVID-19 death, the volatility index and the Brent Crude Oil Price. The pandemic has affected the whole economy as the Brent crude oil has plummet below USD40 per barrel. Therefore, this paper will include Brent Crude oil price as the variable to identify the relationship between the stock market index. Investors concern on the COVID-19 cases and death has impact on the market. This paper will focus on the impact of COVID-19 virus on the finance sector in Malaysia. This sector mobilizes savings and allocated credit, thus it has significant contribution in raising people's standard of living. The sample period used in this study is from 1<sup>st</sup> January to 31<sup>st</sup> July 2020.

## **ACKNOWLEDGEMENT**

I would like to thank God for the opportunity and strength to embark on my Bachelor Degree and for completing this challenging journey successfully. I also would like to express my gratitude to my Final Year Project (FYP) Advisor, Madam Suzana Binti Hassan for the continuous support and advice while writing this paper. Not to forget Dr Roslina Binti Mohamad Shafi, our FYP Coordinator and Madam Ruziah A. Latih as the second examiner for being part of the completion of this research paper.

My gratitude and thanks to my friends for being supportive and helpful. Every advices and criticism given is helpful in writing this research. This research paper is dedicated to my parents who are always believe in everything I do. Thank you for the tremendous love and support.

## TABLE OF CONTENTS

<b>AUTHOR’S DECLARATION</b> .....	i
<b>ABSTRACT</b> .....	ii
<b>ACKNOWLEDGEMENT</b> .....	iii
<b>TABLE OF CONTENT</b> .....	iv
<b>LIST OF TABLE</b> .....	v
<b>LIST OF FIGURE</b> .....	vii
<b>LIST OF SIMBOLS</b> .....	viii
<b>LIST OF ABBREVIATIONS</b> .....	ix
<b>CHAPTER ONE: INTRODUCTION</b> .....	
1.1 Introduction .....	1
1.2 Background of the Study .....	1
1.3 Problem Statement .....	3
1.4 Research Questions .....	4
1.5 Research Objectives .....	4
1.6 Significance of the Study .....	5
1.7 Scope of the Study .....	6
1.8 Limitations of the Study .....	6
1.9 Definition of key terms .....	7
1.10 Summary .....	8
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	
2.1 Introduction .....	9
2.2 Literature Review on Topic .....	9
2.3 Literature Review on COVID-19 Cases .....	11
2.4 Literature Review on COVID-19 Death .....	11
2.5 Literature Review on Volatility Index .....	12
2.6 Literature Review on Brent Crude Oil Price .....	13
2.7 Theoretical/Research Framework .....	14
2.8 Summary .....	15
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b> .....	
3.1 Introduction .....	16
3.2 Sampling .....	16