



THE CORRELATION BOND AND STOCK RETURNS UNDER  
INDUSTRIAL PRODUCTS IN MALAYSIA

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## TABLE OF CONTENTS

	Page
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi

### CHAPTER 1

#### INTRODUCTION

1.1	OVERVIEW OF CHAPTER	1
1.2	BACKGROUND OF STUDY	1
1.3	PROBLEM STATEMENT	4
1.4	OBJECTIVES OF STUDY	6
	1.4.1 GENERAL OBJECTIVE	6
	1.4.2 SPECIFIC OBJECTIVE	6
1.5	SIGNIFICANT OF STUDY	6
	1.5.1 RESEARCHER	6
	1.5.2 FUTURE RESEARCHER	7
	1.5.3 INDIVIDUAL	7
	1.5.4 GOVERNMENT	7
	1.5.5 BUSINESS	8
1.6	LIMITATION OF STUDY	8

	1.6.1	ADEQUACY AND ACCURACY OF INFORMATION	8
	1.6.2	TIME CONSTRAINT	9
	1.6.3	DATA CONSTRAINT	9
<b>CHAPTER 2</b>		<b>LITERATURE REVIEW</b>	
	2.1	INTRODUCTION	10
	2.2	LITERATURE REVIEW	10
	2.2.1	EXPECTED INFLATION	10
	2.2.2	RISK PREMIUM	12
	2.3	THEORITICAL FRAMEWORK	13
<b>CHAPTER 3</b>		<b>DATA AND METHODOLOGY</b>	
	3.1	INTRODUCTION	16
	3.2	RESEARCH DESIGN	16
	3.3	DATA COLLECTION	17
	3.3.1	SAMPLE TIME FRAME	17
	3.3.2	POPULATION AND SIZE	17
	3.3.3	STATISTICAL SOFTWARE	17
	3.4	DATA ANALYSIS	18
	3.4.1	TAYLOR MODEL	18
	3.4.2	CAPITAL ASSET PRICING MODEL	19
	3.5	TESTING HYPOTHESIS	20
	3.6	FLOW OF RESEARCH METHODOLOGY	22
<b>CHAPTER 4</b>		<b>DATA ANALYSIS</b>	
	4.1	INTRODUCTION	23
	4.2	DATA DESCRIPTION	23

## ABSTRACT

This study is to explain the correlation between the stock and bond returns; that both represent ROI and GBY, whereby there are two factors that causes its co-movements, that is expected inflation; represented the CPI, and risk premium; represented IR and ROA. This study is focus on the Industrial Products in Malaysia that consists 259 companies available under Bursa Malaysia, however, only 30 companies been chosen to conduct as a data collection within 10 years from 2004 to 2013 yet using cross-sectional to regress the data. Thus, overall of the findings shows that there is a positive relationship between the ROI with the CPI and ROA.