



**A STUDY ON MALAYSIAN STOCK MARKET PRE CRISIS,
PRESENT AND POST CRISIS**

**RORA ANAK LOMBOR
99529834**

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
MARA UNIVERSITY OF TECHNOLOGY
SAMARAHAN CAMPUS**

APRIL 2003

ACKNOWLEDGEMENT

It has been a challenging task and a lot of work in throughout the preparation of this report research.

I would like to take this opportunity to thank my advisor Madam Faridah Shamsuddin of Mara University of Technology, Kota Samarahan. She has gives me invaluable advice and guidance, as well suggestion, which I am very thankful.

In the course of my preparation of this research, I have encountered many helpful and supportive people especially from library staff of Mara University of Technology and also from the staff of public library in Kuching.

I also like to give special appreciation to Mr. Asgar Khan a remisier of K & N Kenanga Bhd of Kuching Branch for supportive information and ideas.

In addition, I would like to thank my close friends, colleagues and my family for their continuous support and encouragement throughout the whole work.



.....
(Rora Lombor)

TABLE OF CONTENTS

CONTENT	PAGE
Title Page	i
Letter Of Transmittal	ii
Acknowledgement	iii
Table Of Contents	iv
List Of Tables	vi
Executive Summary	vii

CHAPTERS

1.0 INTRODUCTION

1.1.0	Stock Market Background	1/1
1.2.0	The Role Of Market Index	2/1
1.3.0	KLSE-CI Performance During Pre crisis, Present And Post Crisis	3/1
1.4.0	Value Of The Stock	4/1
1.5.0	Problem Statement	5/1
1.6.0	Objective Of The Study	7/1
1.7.0	Scope Of Study	7/1
1.8.0	Limitations	8/1
1.9.0	Significant Of Study	9/1

EXECUTIVE SUMMARY

Malaysian stock market as well as economy experiencing three stages of event such as pre crisis, present and post crisis. The stock are traded at Kuala Lumpur Stock Exchange and composite index act as a general indicator of stock market performance in Malaysia.

This study roughly indicate what were happening to Malaysia economy and stock market during the above periods. The crisis is mainly due to the currency overvaluation.

Malaysian government had taken several measures to overcome the crisis and began to show a result in the fourth quarter of 1998 when the Gross Domestic Product have show an improvement.

The purpose of the study is to look into the causes of crisis as well the movement of the stock during pre crisis, crisis and post crisis. Furthermore, its stress the meaning of financial trends, economic indicators and other things essential to which reflecting and measuring the performance of the stock market. The crisis make people experiencing a massive loss of wealth but its create the investment opportunities in the future.

MALAYSIAN STOCK MARKET PRE CRISIS, PRESENT AND POST CRISIS

CHAPTER 1

INTRODUCTION

1.1.0 STOCK MARKET BACKGROUND

Malayan Stock Exchange was the first stock exchange in Malaysia which was set up in March 1960 and the first public trading of stocks and shares started in May 1960 in clearing house of Bank Negara Malaysia (BNM). Following the termination of currency interchangeability with Singapore and the floating of the Malaysian dollar (called Ringgit after 1975), the Malayan Stock Exchange was separated into the Kuala Lumpur Stock Exchange and Stock Exchange of Singapore (SES) in 1973.

The modernization efforts by KLSE were stepped up so that by early 1995 the trading system comprised the system on Computerized Order Routing and Execution (SCORE), a central order matching computer system and WinSCORE, the brokers end trading system. Coupled with the full immobilization of counters in the KLSE through developing a central depository system, the KLSE was transformed into a world class stock exchange.