



**THE NATURE AND EXTENT OF BETA
INSTABILITY IN THE MAIN BOARD OF BURSA
MALAYSIA**

VERLYNDA VICTORIA FREDRICK

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ABSTRACT

The purpose of this study is to analyze and finding out whether there is significant beta in companies listed in Main Board of Bursa Malaysia. In other words, the purpose of this study is to find out whether companies that has long listed in Bursa Malaysia specifically in Main Board has a stronger beta or otherwise.

The study has investigated the stability of stocks betas in the Main Board of Bursa Malaysia over the period of 1985 to 2006. The periods of investigation have been categorized into five year sub-periods which have four categories in it. In each category, there are 15 companies has been investigated which is choose based on the first day of being listed must be within the five year sub-periods. All datas are in the form of daily basis which are the daily stock prices and also Kuala Lumpur Composite Index (KLCI). The scope of research is within Malaysia and the data was analyzed by using multiple linear regressions.

The results indicate that the longer the company listed in Bursa Malaysia, the stronger the correlation of the return between the firm and the KLCI. It also lead to the indication that the longer the company listed, the lower the variability of the stock price movement.