



**THE RELATIONSHIP BETWEEN THE BANK LOAN
BEHAVIOR TOWARDS THE MALAYSIAN STOCK PRICE
CHANGES**

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ABSTRACT

The project paper studies on the relationship between the bank loan behavior towards the Malaysian stock price changes from the year 2000-2006. This study is to determine whether there is relationship between the bank loans behavior towards the stock prices changes in Malaysia during the seven years period. The other objective is to determine whether the bank loan behavior will influence the stock prices changes. The focal variable is total commercial bank loan by type and stock price. The analysis relies on secondary data by using the KLCI indexes to measure the stock prices changes and the total bank loan of the commercial banks using a monthly basis. For this study, the hypotheses of this study have been test by using the Pearson Correlation Coefficient and Multiple Regression method. The result shows that from the Pearson Correlation analysis, all the independent variables are significant. While, the finding from Multiple Regression shows that the block discounting, bridging, syndicated and revolving credit loan have significant to the stock prices changes.