



**DETERMINANTS OF STOCK PRICES IN MALAYSIA**

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## ABSTRACT

This study presents evidences that Interest Rates, Exchange Rates and Money Supply are among the indicators of stock prices in Malaysia, represented by FTSE-Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI). Factors that explain the stock prices in Malaysia are carefully analyzed. The study period ranges from **2000 to 2015** are used to examine the relationship between Interest Rates, Exchange Rates and Money Supply with FBM KLCI. This study used Multiple Linear Regression in order to find the inter-relationship among these variables. Based on the tests that have been carried out, Interest Rates, Exchange Rates and Money Supply have relationship with the FBM KLCI and this has been proven statistically from the test carried out in this study such as Unit Root Test, Descriptive Statistics, Preliminary Analysis and Diagnostic Test.