



**THE IMPACT OF MACROECONOMIC VARIABLES
TOWARDS STOCK PRICES IN MALAYSIA**

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ABSTRACT

Stock prices are the cost of purchasing security on an exchange. Stock prices can be affected by a number of good and service including volatility in the market and current economic conditions. The current stock prices in Malaysia are 1823.93 higher than the previous stock prices which is 1819.74. This is due to the fluctuations of stock prices in Malaysia. This study is to analyse the relationship between macroeconomic variables toward stock prices in Malaysia. The purpose of this study is observing this relationship whether positive or negative in Malaysia context. The variables used are inflation rate (INRA), consumer price index (CPI), and interest rate (IR). This study used yearly basis to conduct the data from 1987 until 2016. The study used Single Linear Regression and Multiple Linear Regression in order to find the relationship among independent variables and dependent variable. From the result, it reveals that consumer price index has a positive significant relationship towards stock prices in Malaysia. While inflation rate and interest rate have a positive insignificant relationship towards stock prices in Malaysia. These results give additional understanding of the relationship between the macroeconomic variables and stock prices and should be useful for regulator, investor and speculator.