



UNIVERSITI TEKNOLOGI MARA

**FACTORS THAT INFLUENCE STOCK PRICE OF
LOGISTICS COMPANIES IN MALAYSIA**

MUHAMMAD 'ARIF AKRAM BIN ADNAN

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ABSTRACT

The aims of this research are to study the effect and correlation between the selected variables and stock price using annual data from 2011 to 2020, which is ten years involved. There is one dependent variable which is stock price of the selected logistics companies listed in Bursa Malaysia and four (4) independent variables which are inflation rate (INF), interest rate (INT), return on assets (ROA) and return on equities (ROE). Ordinary least squares (OLS) have been used to estimate the unknown parameters in a linear regression model. The result is analysed by using the panel series data regression analysis model.

Keywords: Stock price, Logistics, Inflation rate, Interest rate, Return on Assets, Return on Equities, Descriptive Analysis, Ordinary Least Squares (OLS)

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CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION

There has been a tremendous amount of expansion in the corporate world. Malaysia, as one of the world's fastest-growing economies, offers a wide range of business development opportunities. Malaysia's market is booming, and investors from all over the world are vying for a piece of the pie (Jakpar, 2018). As a result of today's fierce competition, businesses are expanding at an exponential rate. It's possible that in markets with a lot of strong competitors, competition will be fierce. To be successful, businesses must be able to manage and differentiate themselves from their competitors (Liu, 2018). As a result of redesigning their business models and seeking a competitive advantage in the market, their performance will improve. When a company performs well, the stock price may rise as a result (Asmirantho and Somantri, 2017). To put it another way, a company's stock price is a measure of how much it is worth in the market. Investors prefer companies with a high market value because they have a better chance of making a profit. The value of the company is reflected in the stock price. There is no need to be concerned about the value of a stock fluctuating in an efficient capital market because all relevant information is taken into account (Laksitaputri, 2012). Both fundamental and technical factors are taken into account when valuing stocks. While a company's earnings have an impact on its value, they are not used to predict stock prices. The price of stocks is directly influenced by the expectations and feelings of investors.

It is common to refer to a company's financials as the "basic components of the discussion" when discussing them. Fundamental analysis is a method of calculating a stock's intrinsic value by examining economic and financial data (Muhammad and Ali, 2018). The value of a company's stock is heavily influenced by its financial health. The stock price will rise if a company makes a profit that is higher than the previous year's profit and investors are eager to buy shares. Investors will refrain from purchasing the company's stock, as well as investors who have already purchased the company's stock, because they are concerned about losing money if the company does not make enough money or suffers losses. It's critical to look into the factors that influence stock prices. As a result, the goal of this research is to identify and investigate the factors that influence stock prices in Malaysia.