



**UNIVERSITI TEKNOLOGI MARA**

**THE EFFECT OF COVID-19 TOWARDS  
HEALTHCARE SECTOR IN MALAYSIA STOCK  
MARKET**

**NUR AZLIN SHAFIQA BINTI CHE BAHARUDDIN  
2018225894**

Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration**  
**(Investment Management)**

**Faculty of Business and Management**

**July 2021**

## **ABSTRACT**

Since the first case was discovered at the end of 2019, COVID-19 has spread over the world, resulting in over 2 million confirmed cases. The World Health Organization (WHO) labelled the COVID-19 disease a pandemic on March 11, 2020. The COVID-19 epidemic has also had an impact on the global financial industry, which includes Malaysia. This study looks into the impact of the COVID-19 epidemic on the Malaysian stock market's healthcare sector. The analysis also shown that during the COVID-19 epidemic, there were a few events that had an impact on the Malaysian stock market. The number of COVID-19 cases (COVC), the number of COVID-19 daily death cases (COVD), and the Chicago Board of Exchange (CBOE) index were utilised as independent variables. The study's sample period was from the 2nd of March 2020 to the 31st of December 2020. According to the findings, COVID-19 cases (COVC) had a negative relationship with Healthcare sector performance in the Malaysian stock market, with the number of COVID-19 daily death cases being virtually considerably affected by the number of COVID-19 daily death cases. The COVD has a good working connection with the healthcare industry. The number of death cases in Malaysia had a beneficial impact on the sectorial index's performance. Consequently, a few key findings are reached. First, while the number of new cases of COVID-19 had no effect on the number of daily deaths, it did have a significant impact on healthcare and index returns. Furthermore, this study can assist market participants in understanding the performance of the Malaysian stock market during COVID-19.

**Key words:** COVID-19, Stock market, Healthcare sector, COVID-19 daily cases, COVID-19 daily death cases, Chicago Board of Exchange (CBOE).

## **ACKNOWLEDGEMENT**

First and foremost, I would want to express my gratitude to Allah S.W.T for providing me with the inner strength to complete my final year project, which was extremely difficult during the COVID-19 pandemic. All praise and thanks to ALLAH S.W.T., the Almighty, for delivering upon me the blessing, strength, opportunity, and perseverance to complete this Final Year Project.

I'd like to express my heartfelt gratitude to Madam Zailati binti Ahmad, my advisor, and Madam Mardziyana binti Mohamad Malom, my co-advisor, for their time, generous guidance, patience, and encouragement throughout the dissertation project, from which I learned a great deal about my project title.

Next, I am grateful for my parents' unwavering love and support, which keeps me inspired and confident. They helped me achieve my goals and success because they believed in me. My siblings, who keep me grounded, remind me of what matters in life, and are always supportive of my Final Year Project adventure, deserve my gratitude.

Last but not least, I want to express my gratitude to all of my friends who assisted me in collecting samples, analysing data, and providing advice, and they are all acknowledged for their contributions. Your encouragement and support meant more to me than words can say.

## TABLE OF CONTENTS

<b>AUTHOR'S DECLARATION</b>	<b>i</b>
<b>ABSTRACT</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT</b>	<b>iii</b>
<b>TABLE OF CONTENTS</b>	<b>iv-v</b>
<b>LIST OF TABLES</b>	<b>Vi</b>
<b>LIST OF FIGURES</b>	<b>Vii</b>
<b>LIST OF SYMBOLS</b>	<b>Viii</b>
<b>LIST OF ABBRECIATIONS</b>	<b>ix</b>
<b>CHAPTER 1</b>	
<b>INTRODUCTION</b>	
1.1 Introduction	1-2
1.2 Overview	3
1.3 Problem statement	4
1.4 Research Objectives	4
1.5 Research Questions	4
1.6 Significant of the study	5
1.7 Scope and limitations of the study	5
1.8 Definition of key terms	6
1.9 Summary	6
<b>CHAPTER 2</b>	
<b>LITERATURE REVIEW</b>	
2.1 Introduction	7
2.2 Literature Review on Coronavirus Diseases 2019	7-8
2.3 Literature Review on Theory of Stock Market	8
2.4 Literature Review on Impact of Covid-19 Towards Stock Market	9
2.5 Literature Review on Healthcare Industry	9-10
2.6 Literature Review on Chicago Board of Exchange (CBOE VIX)	10-11
2.7 Summary	11
<b>CHAPTER 3</b>	
<b>RESEARCH METHOD</b>	
3.1 Introduction	12
3.2 Sampling	12
3.3 Data Collection	12
3.4 Variables	13
3.5 Theoretical Framework	14
3.6 Research Design	14-15



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

The novel Coronavirus (COVID-19) pandemic outbreak has built a social threat that has impacted the financial growth of firms and the economic growth of Malaysia. Coronavirus infection is a disease caused by a virus that is transmitted from person to person. Malaysian economic growth has reached a 10-year low as concerns remain around COVID-19. The virus then spread to another Chinese city, prompting China to enforce a lockdown in Wuhan as a precautionary measure to prevent the virus from spreading further. The virus COVID-19 had reached world nations and had already turned into an international crisis, triggering plenty of issues. The COVID-19 pandemic has had an effect on the stock market around the world, with some companies' stock prices plummeting.

Some governments around the world have placed their countries on lockdown to slow the spread of life-threatening viruses and to try to enforce social distancing activities. As a result, economic activity has slowed, and several businesses have gone bankrupt, said Idris (2020). Existing customers spending more time at home and doing some shopping during the lockdown, consumption and trade continued to take place online as economic activities ceased. As a result, the stock market, such as POS Malaysia, has grown said Azhar (2020).

COVID-19 was first detected in Malaysia on January 25, 2020, and has since risen to 25 cases in less than a month. Due to the rising number of COVID-19 incidents, the Malaysian government issued a Movement Control Order (MCO) that was initially effective from March 18 to March 31, but was later extended until May 12, 2020. The supply and demand curves have been affected all over the world as a result of China's lockout, and this has had an impact on Malaysia's market structure. The supply and demand curves have been affected all over the world as a result of China's lockout, and this has had an effect on Malaysia's economic system.