



**MANUFACTURING INDUSTRY'S LIQUIDITY IN RELATION TO THE
STOCK RETURNS IN MALAYSIA**

STEFFIE GLORIANNE PHILIP

2014151487

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SABAH**

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ABSTRACT

Liquidity is one important area that determine the investors reaction towards stock returns in the particular country. There are various study done in this area that have different results from different researchers stating that the relationship of liquidity and stock returns either negative or positive. This is because, there are many meanings and measurement on liquidity that effect the research conducted by researchers. These result will provide researchers with a more vast ideas and opinions on how to improve the measurement used to conduct research that will give a stronger and more valid results. The main purpose of the research is to study the meaning of liquidity and its relationship with stock return and to analyze the most suitable measurement for liquidity based on sample that are taken from selected companies in Bursa Malaysia over a period of 7 years from 2010 until 2016. Data will be measured using three panel estimation model which includes pooled OLS. The variables used in the research are stock returns and liquidity proxies.