



**THE RELATIONSHIP BETWEEN THE MACROECONOMIC
INDICATORS WITH PERFORMANCE OF STOCK MARKET IN
MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA
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JUNE 2015



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**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

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SEGAMAT, JOHOR

DECLARATION OF ORIGINAL WORK

Muhammad Faiz Bin Mohd Arif, (I/C Number: 920821-14-5947)

We are here by, declare that,

- ✓ This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- ✓ This project paper is the result of our independent work and investigation, except where otherwise stated.
- ✓ All verbatim extracts have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: _____

date: _____

LETTER OF SUBMISSION

21st June 2015

En. Husnizam Hosin / En. Shamsol bin Samsudin
Lecturer of Research Methodology
Faculty of Business Management
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JOHOR DARUL TAKZIM

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**The relationship between the macroeconomic indicators and performance of stock market in Malaysia**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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ABSTRACT

The study aims at examining how macroeconomic indicators affect the performance of stock market in Malaysia. The paper employs the latest estimation macroeconomics indicators that affect the performance of stock market in Malaysia. Stock market seems to be volatile and the reasons for the rise and fall of the stock return can be very complicated. Stock market performance and economic condition of a country is interrelated and has been an important debating issue. Thus, the macroeconomics factors can affect stock market performance in Malaysia. The sample data were derived from four variables such as exchange rate, gross domestic product, interest rate and foreign direct investment. The dependent variable is stock market performance and was indicated by using KLCI. The methods that will be used were multiple regressions and e-views. Thus, the independent variables are the exchange rate, gross domestic product (GDP), interest rate and foreign direct investment. It can be used in order to identify the performance of stock market in Malaysia. Based on the theories, the result showed that there are positive and negative relationships towards the stock market performance.