



DETERMINANTS OF ISLAMIC STOCK MARKET

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BACHELOR OF BUSINESS ADMINISTRATION

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FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR

7th DECEMBER 2014

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA JOHOR

“DECLARATION OF ORIGINAL WORK”

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Hereby, 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 my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature : _____

Date : 7th DECEMBER 2014

LETTER OF SUBMISSION

7th December 2014

Prof. Madya Noor Izah binti Ismail
PM Shukri bin Shamsuddin
Faculty of Business Management
UITM Johor, Segamat, Johor
Box 527, 85000 Segamat
Johor, Malaysia.

Dear Sir and Madam

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SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **“Determinants of Islamic Stock Market”** to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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Bachelor of Business Administration (Hons) Finance

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Submitted in Partial Fulfillment

of the Requirement for the

Bachelor of Business Administration

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JOHOR

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ABSTRACT

This research will focus on the relationship between strategic commodities (oil and gold prices), industrial production index, consumer price index, exchange rate and financial aggregate supply and the Islamic stock market in Malaysia. The objective of this research is to identify the factors that affect the Islamic stock market (FBMES) crude oil prices (COP), gold prices (GP), industrial production index (IPI), financial aggregate supply (M3), consumer price index (CPI) and exchange rate (MYR). Therefore, the relationship between Islamic stock market and COP, GP, IPI, M3, CPI and MYR will be found through this research. There are six variables that will be involved in this research. The dependent variable is Islamic stock prices (FBMES). The independent variables are crude oil prices (COP), gold prices (GP), industrial production index (IPI), financial aggregate supply (M3), consumer price index (CPI) and exchange rate (MYR). This research will use Ordinary Least Square Method (OLS) to examine the effect of each variable on Islamic stock market and it will be regressed by using e-views software. Data was collected from January 2008 to December 2012. This finding will contribute to investors whether worth it or not in investing Islamic stock market to avoid losses.