DETERMINANTS OF MACROECONOMIC VARIABLES EFFECT STOCK MARKET RETURN: EMPIRICAL EVIDENCE FROM MALAYSIA AND SINGAPORE

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DECEMBER 2016

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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

AMIRAH BINTI JAMIAHAN　　　　　　　　　　　　　**2014298298**

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: _____

LETTER OF SUBMISSION

28ˢᵗ December 2016

Prof. Omar Bin Samad

Faculty of Business Management

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85009 SEGAMAT

JOHOR DARUL TAKZIM

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**DETERMINANTS OF MACROECNOMICS VARIABLES EFFECT STOCK MARKET RETURN EMPIRICAL EVIDENCE FROM MALAYSIA AND SINGAPORE**" 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 was aimed to examine the nexus between macroeconomics variables and stock market returns on Malaysia and Singapore. Variations in macroeconomics variables affect the performance of stock market. Stock market returns are not fixed as it may vary from time to time. It may be positive or negative. The macroeconomics variables consist of money supply, exchange rate and consumer price index. The study was conducted using monthly basis data from 1991 until 2016. Time-series data analysis was used to determine whether there was a statistically significant relationship between stock market returns and money supply, exchange rate and consumer price index. The data are then analyses using Econometric Views (Eviews). This study used Ordinary Least Square (OLS) method to compute the statistical result.