



**DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA:  
INFLATION RATE, CRUDE OIL PRICE, EXCHANGE RATE, GROSS DOMESTIC  
PRODUCT AND MONEY SUPPLY.**

**MUHAMMAD HAZIQ BIN KAMARULZAMAN      2016630632**  
**NURUL MUSFIRAH BINTI ZULKEFLI          2016577443**

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)**  
**FACULTY OF BUSINESS MANAGEMENT**  
**UNIVERSITI TEKNOLOGI MARA**  
**MALACCA CITY CAMPUS**

**JANUARY 2019**

**DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA:  
INFLATION RATE, CRUDE OIL PRICE, EXCHANGE RATE, GROSS DOMESTIC  
PRODUCT AND MONEY SUPPLY.**

**MUHAMMAD HAZIQ BIN KAMARULZAMAN**

**2016630632**

**NURUL MUSFIRAH BINTI ZULKEFLI**

**2016577443**

**Submitted in Partial Fulfilment of the  
Requirement for the  
Bachelor of Business Administration with Honours (Finance)**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITY TECHNOLOGY MARA  
MALACCA CITY CAMPUS**

**JANUARY 2019**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITY TEKNOLOGI MARA  
BANDARAYA MELAKA**

We, Muhammad Haziq bin Kamarulzaman (I/C Number: 950922-10-6821) and Nurul Musfirah binti Zulkefli (I/C Number: 960711-10-5238)

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 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: 4<sup>th</sup> January 2019

\_\_\_\_\_

## LETTER OF SUBMISSION

4<sup>th</sup> January 2019

Puan Nur Hafidzah binti Idris  
Faculty of Business Management  
University Teknologi MARA  
Malacca City Campus

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**DETERMINANTS OF STOCK MARKET PERFORMANCE IN MALAYSIA: INFLATION RATE, CRUDE OIL PRICE, EXCHANGE RATE, GROSS DOMESTIC PRODUCT AND MONEY SUPPLY.**” to fulfil the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours Sincerely,

---

MUHAMMAD HAZIQ BIN

KAMARULZAMAN

2016630632

Bachelor of Business Administration

with Honours (Finance)

---

NURUL MUSFIRAH BINTI ZULKEFLI

2016577443

Bachelor of Business Administration

with Honours (Finance)

## ABSTRACT

For years, the study of determinants for stock market performance are well-documented. However, most of the studies are focus on the macroeconomic factors in the developed country context. In light of this, this research intends to bright the gap by examining the factors that affect the stock market performance in developing country namely Malaysia. More specifically, this research aims to extend the current literature reviews by including inflation rate, crude oil price, exchange rate, gross domestic product and money supply in determining their relationships with the Malaysian stock market performance. By using Ordinary Least-Square regression method in E-views 10, multiple linear regression analysis is performed to examine the hypotheses and statistical relationships in a quarterly basis from 1<sup>st</sup> Quarter 2006 to 2<sup>nd</sup> Quarter 2018. The results conclude that inflation rate, crude oil price and exchange rate have a positive and negative relationship respectively with Malaysian stock market performance. On the other hand, this research also indicates that both the gross domestic product and money supply have an insignificant relationship with Malaysian stock market performance. We hope that the result of this study could fill a gap in the field of stock market performance in developing countries.

**Keywords: Malaysian stock market performance; multiple linear regression analysis; macroeconomic variables**