



A STUDY ON THE INFORMATION TRANSFER BETWEEN STOCK MARKET IN  
SOUTH ASIA

(THAILAND, MALAYSIA, PHILIPPINES)

MOHD RAQIB BIN ABU BAKAR

2007137393

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

BANDARAYA MELAKA

OCTOBER 2009

DECLARATION OF ORIGINAL WORK



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

'DECLARATION OF ORIGINAL WORK'

I, MOHD RAQIB BIN ABU BAKAR, (I/C Number : 850428-11-5601)

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 ,excepted 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

Date of submission

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

University Teknologi MARA

72400 Bandaraya Melaka

Melaka

Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled "A STUDY ON THE INFORMATION TRANSFER BETWEEN STOCK MARKET IN SOUTH ASIA (THAILAND, MALAYSIA, PHILIPPINES)" to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA

Thank you

Yours sincerely

MOHD RAQIB BIN ABU BAKAR

2007137393

Bachelor of Business Administration (Hons) Finance

## **ABSTRACT**

The relationship between the stock markets of the developed countries has been examined extensively in the literature. This study tries to investigate the information transfer between stock market in south Asia by using three countries (Malaysia, Thailand and Philippines). The Vector Autoregression (VAR) model was applied to five year daily price of stock index from these countries from 2004 to 2008. The result shows that the both domestic relationship and information transfer are existing in Malaysia, Thailand and Philippines. In addition, the study shows that all the three countries have positive relationship between market Malaysia, Thailand and Philippines. There are no interdependencies price relationship between market Philippines and Thailand. There are existed lead-lag relationships between market participants such as investor and regulators in making better investment decisions and policy to control the market.

## TABLE OF CONTENT

Content	Page
<b>ACKNOWLEDGEMENT</b>	<b>i</b>
<b>TABLE OF CONTENT</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>v</b>
<b>Chapter 1</b>	
1.0 Introduction.....	1
1.1 Background of the study.....	1
1.2 Problem statement.....	2
1.3 Aims and objectives.....	3
1.4 Significance of study.....	3
1.5 Scope of study.....	4
1.6 Research structure.....	4
<b>Chapter 2</b>	
2.0 Literature review.....	5
2.1 Research on the relationship of stock indexes in world market .....	5
2.2 Research on the relationship of stock index in Europe.....	9
2.3 Research on the relationship stock index in US and Latin America....	12
2.4 Research on the relationship stock index in Asian countries.....	16