



**THE RELATIONSHIP BETWEEN OIL PRICE AND
STOCK MARKET RETURN**

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APRIL 2011

DECLARATION OF ORIGINAL WORK



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- 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 others degrees
- This project paper is the result of my independent work and investigation, except where otherwise stated
- All verbalism extract have been distinguished by quotation marks and source of my information have been specifically acknowledged.

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LETTER OF SUBMISSION

25nd APRIL 2011

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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "THE RELATIONSHIP BETWEEN OIL PRICE AND STOCK MARKET RETURN" to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA.

Thank You.

Yours Sincerely,

.....

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ABSTRACT

Previous research has been conducted in order to investigate the relationship between macroeconomic variables and emerging stock market return in literatures such as Sadorsky (2006). This study tries to analyse the relationship between oil price and stock market return in Malaysia. In a business anything done financially affects cash eventually. The objectives for this study s to investigate the relationship between the oil price and stock market return. The data of crude oil price and stock market return range from year 2006 until year 2010, and the data were derived from software Data Stream and Bank Negara. The result of simple regression analysis showed that, there is a positive relationship between crude oil price and stock market return.

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