



**THE RELATIONSHIP BETWEEN MALAYSIA STOCK MARKET AND EAST ASIA  
STOCK MARKET**

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THE RELATIONSHIP BETWEEN MALAYSIA STOCK MARKET AND EAST ASIA  
STOCK MARKET

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A graduation Exercise Submitted to the  
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As a partial Fulfillment of the requirement  
For Bachelor of Business Administration with Honours (Finance)  
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**BACHELOR OF BUSINESS ADMINISTRATION**

**(HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**MELAKA**

**“DECLARATION OF ORIGINAL WORKS”**

I, NORFAZIELA BINTI NORDIN, 920728-15-5040

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

Signature: .....

## **LETTER OF SUBMISSION**

2<sup>nd</sup> July 2015

ENCIK AMIRUDIN BIN MOHD NOR  
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Dear Sir,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled **“THE RELATIONSHIP OF STOCK MARKET AMONG EAST ASIA TO MALAYSIA STOCK MARKET”** to fulfill the requirement as needed by the Faculty of Business Management, University Technology Mara.

Thank you.

Yours sincerely,

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## **ABSTRACT**

The aim of this study is to investigate the relationship between Korea Stock Exchange KOSPI Index, Tokyo Stock Exchange Tokyo Price Index, Shanghai Stock Exchange Composite Index to the FTSE Bursa Malaysia KLCI Index. The study used Unit Root Test, Normality Test, Simple Linear Regression and Multiple Linear Regression in order to find the relationship among those markets. The daily closing price of stock indices is collected from 4<sup>th</sup> January 2010 until 30<sup>th</sup> December 2014. From the result, it reveals that all these stock indices have a significant positive relationship towards FTSE Bursa Malaysia KLCI Index. It means that there are interdependencies among this East Asia stock market index. These results further our understanding of the relationship between the stock market in East Asia and should be useful for regulator, investor and speculator.