ISLAMIC STOCK MARKET RELATIONSHIP BETWEEN DEVELOPED AND DEVELOPING COUNTRIES

NOR AFIQAH BINTI ISDOROS

2013675592

BACHELOR OF BUSINESS ADMINISTRATION (HONS) (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA KAMPUS

BANDARAYA MELAKA

JULY 2015

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

MELAKA

"DECLARATION OF ORIGINAL WORKS"

I, NOR AFIQAH BINTI ISDOROS, 921113-04-5528

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: …………………….

Date: ……………………….

LETTER OF SUBMISSION

2nd July 2015

ENCIK AMIRUDIN BIN MOHD NOR

Lecturer

Bachelor of Business Administration with Honours (Finance)

Faculty of Business Management

University Technology Mara

40450 Melaka

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**ISLAMIC STOCK MARKET RELATIONSHIP BETWEEN DEVELOPED AND DEVELOPING COUNTRIES**" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank you.

Yours sincerely,

NOR AFIQAH BINTI ISDOROS

2013675592

Bachelor of Business Administration (Hons) (Finance)

Table of content

ABSTRACT

This study aims to assess empirically the relationship of Islamic stock market which is Dow Jones United States Islamic Market Index, Dow Jones Islamic Market Japan Index, Jakarta Stock Exchange Jakarta Islamic Index, Dow Jones Islamic Market Turkey Index to the Dow Jones Islamic Market World Malaysia Index. The countries are categorized into developed and developing countries. The periods of analysis for this research are from 24 April 2008 until 23 April 2015 by using daily closing price of stock indices in USD currency. The relevant data regarding these stock markets have been taken from Dow Jones Islamic Index series. The study used Unit Root Test, Normality Test, Simple Linear Regression and Multiple Linear Regression in order to investigate the relationship among those markets. From the result, it reveals that all these stock indices have a significant positive relationship towards Dow Jones Islamic Market World Malaysia Index.