

UNIVERSITI TEKNOLOGI MARA

**THE DETERMINANT OF PERFORMANCE ON
STOCK MARKET IN MALAYSIA**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

This research focuses on analyse factor effect stock market performance in Malaysia. The objectives of the research are to identify the relationship between independent variables such as exchange rate, inflation rate, oil price, and U.S stock market performance towards Malaysian stock market performance. The data observation data are collected for 19 observations of yearly data from 1998 to 2016 and using time series data. The data has been analysed by using Ordinary Least Square regression in EvIEWS 10 to do multiple regression, correlation analysis and test on assumption such as normality test, autocorrelation test, heteroskedasticity test, variance inflation factor and Ramsey's regression specification error test. The results conclude that exchange rate, crude oil price and U.S. stock market performance have a significant positive relationship respectively towards Malaysian stock market performance. Besides that, the researcher cannot add inflation proxy into equation because inflation rate has high correlation analysis with Malaysian stock performance. So, the researcher have to eliminate the inflation rate in order to determinant the Malaysia stock market performance.

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