



اَوْنِيُوْسِيْتِي تِيْكْنُوْلُوْجِي مَارَا

UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**A STUDY ON MACROECONOMIC VARIABLES THAT
AFFECT MANUFACTURING INDEX STOCK PRICES IN
MALAYSIA**

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LETTER OF TRANSMITTAL

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January 2012

The Head of Program
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Dear Sir,

SUBMISSION OF PROJECT PAPER (FIN 667)

Attached is the project paper entitled “**A STUDY ON MACROECONOMIC VARIABLES THAT AFFECT MANUFACTURING INDEX STOCK PRICES IN MALAYSIA**” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA, Kelantan.

Your valuation for this project paper is highly appreciated.

Thank you.

Yours faithfully,

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Thank you.

ABSTRACT

This study attempts to examine the relationship between three selected macroeconomic variables and Manufacturing Index stock price. The macroeconomic variables in this research are gross domestic product, inflation rate and exchange rate. Consumer price index was taken as proxy for inflation rate and currency MYR/USD was taken as proxy for interest rate. For the stock price, Manufacturing Index is taken as the proxy. In this study, the researcher used secondary data in order to achieved and complete the objectives of the study. The Multiple Regression Analysis were conducted on the time series of data for 20 years that is from Q1 1991 until Q3 2011 by using SPSS programme which to identify the relationship between stock price indices and macroeconomic variables. From the findings, gross domestic product and inflation rate have significant relationship, whilst only exchange rate has insignificant relationship with Manufacturing Index stock price. The findings also show that GDP has a positive relationship with MI stock price but for CPI and USD/MYR have the negative relationship with MI stock price.

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