



**UNIVERSITI TEKNOLOGI MARA**

**MACROECONOMIC VARIABLES  
AFFECT STOCK MARKET  
MALAYSIA**

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Thesis submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Investment Management)**

**Faculty of Business Administration**

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## **AUTHOR'S DECLARATION**

I declare that the work in this thesis was carried out in accordance with the regulations of UNIVERSITI TEKNOLOGI MARA JOHOR BRANCH, SEGAMAT JOHOR. 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 Johor BRANCH, SEGAMAT JOHOR, regulating the conduct of my study and research.


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## **LETTER OF SUBMISSION**

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Dear Sir,

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Attached is the research title “Macroeconomic Variable Affect Stock Market Malaysia” to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely



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## **ABSTRACT**

The relationship between performance of stock market and macroeconomic variables has been a focus of many empirical studies. Several methods have been used to measure the performance of stock market towards the macroeconomic variables. This paper investigates the relationship between Kuala Lumpur Composite Index Market with three selected macroeconomic variables; inflation rate, money supply, and interest rate based on monthly data from 2010 to 2016. The methodology used in this study is time series econometric techniques. The results suggest that Malaysian stock market has strong interaction with money supply as compared to interest rate and inflation rate.

**Keywords:** Stock Market, Inflation Rate, Interest Rate, Money Supply

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