



**UNIVERSITI TEKNOLOGI MARA**

**THE DETERMINANTS OF STOCK MARKET  
PERFORMANCE: EVIDENCE FROM MALAYSIA**

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Final Year Project Paper submitted in fulfillment  
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 paper is to examine the macroeconomics variables toward stock market performance in Malaysia. The dependent variable is a stock market performance (proxy by KLCI) and the independent variables are inflation rate, trade openness, interest rate, money supply, exchange rate and foreign direct investment. The period of study is in between 1984 until 2017. The yearly data used in the analysis. Hence, the objective of this research is to examine the factors that affect the stock market performance in Malaysia during 1984 until 2017. Time series data approach be used to test the relationship of macroeconomics towards the performance of the stock market in Malaysia. It is expected that the trade openness has a significant positive relationship with the stock market development. On the other hand, inflation rate, money supply, interest rate, exchange rate and foreign direct investment have a significant negative relationship with the stock market performance.

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