



**UNIVERSITI TEKNOLOGI MARA**

**DETERMINANTS OF ISLAMIC STOCK MARKET  
(INDEX) IN MALAYSIA**

**NOOR AMIRA BINTI ABDUL RAZAK  
2016653356**

Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Investment)**

**Faculty of Business and Management**

**June 2018**

## **AUTHOR'S DECLARATION**

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA 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, regulating the conduct of my study and research.


Name of Student : Noor Amira binti Abdul Razak

Student I.D. No. : 2016653356

Programme : Bachelor of Business and Administration (Hons)  
Investment.

Faculty : Business and Management

Thesis : Determinants Of Islamic Stock Market (Index) In  
Malaysia.

Signature of Student :  .....

Date : June 2018

## ABSTRACT

This study is focus on independent variables which is crude oil price, gold price, industrial production index, consumer price index, exchange rate, and money supply (M3) and dependent variable which is Islamic stock market which is FTSE Bursa EmasShariah in Malaysia. to identify the factor that effect the Islamic stock market (FTSE Bursa EmasShariah) that is crude oil price, gold price, industrial production index, consumer price index, exchange rate, and money supply (M3) is the objective of this research. Therefore, the relationship between dependent variable and independent variables will be found through this research. Ordinary Lease Square Method (OLS) was use in this study because to examine the effect of each variables on Islamic stock market (FTSE Bursa EmasShariah) and it was be regressed by using Eviews software. The data in this study was collected beginning from January 2014 until March 2017. Lastly, the findings will contribute to investors whether worth it or not in investigating Islamic stock market to avoid losses.

*Keywords: Islamic stock market, gold price, industrial production index, crude oil price, consumer price index, exchange rate and money supply (M3)*

## **ACKNOWLEDGEMENT**

Firstly, I wish to thank God for giving me the opportunity to embark on my thesis and for completing this long and challenging journey successfully. My gratitude and thanks go to my supervisor Mrs ShashazrinaBintiRoslan for her guidance, supervision and support. Her constructive comments and suggestions greatly assist in the successful completion of this project paper.

My appreciation goes to the UiTM's library, which provides the facilities and assistance during sampling and references. Special thanks to my colleagues and friends for helping me with this research paper always give moral support, understanding and kindness to complete this project paper.

Finally, this thesis is dedicated to the loving memory of parents and siblings for the vision, sincere blessing and determination to educate me. This piece of victory is dedicated to both of you. Alhamdulillah.

Thank you.

## TABLE OF CONTENT

	<b>Page</b>
<b>AUTHOR'S DECLARATION</b>	<b>iii</b>
<b>ABSTRACT</b>	<b>v</b>
<b>ACKNOWLEDGEMENT</b>	<b>vi</b>
<b>TABLE OF CONTENT</b>	<b>vii</b>
<b>LIST OF TABLES</b>	<b>xi</b>
<b>LIST OF FIGURES</b>	<b>xii</b>
<b>LIST OF SYMBOLS</b>	<b>xiii</b>
<b>LIST OF ABBREVIATIONS</b>	<b>xiv</b>
<b>CHAPTER ONE INTRODUCTION</b>	<b>16</b>
1.1 Introduction	16
1.2 Research Background	16
1.3 Problem Statement	17
1.4 Research Questions	18
1.4.1 Main research question	18
1.4.2 Specific research question	18
1.5 Research Objectives	19
1.5.1: Main research objective	19
1.5.2: Specific research objective	19
1.6 Significance of the Study	20
1.6.1: Government	20
1.6.2: Academician	20
1.7 Scope of the Study	20
1.8 Limitation of the Study	21
1.9 Definition of Key Terms	21
1.9.1: Gold prices	21
1.9.2: Industrial production index	21
1.9.3: Consumer price index	22
1.9.4: Crude oil prices	22