



UNIVERSITI TEKNOLOGI MARA

**A STUDY ON THE IMPACT OF ANNUAL BUDGET
SPEECHES TOWARD THE MOVEMENT OF
KUALA LUMPUR STOCK EXCHANGE INDICES**

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KELANTAN**

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ABSTRACT

This study focuses on the Malaysian stock markets, which show the impact of the annual budget speech towards the movement of KLSE indices. **The objective of this study is mainly to show the impact of Annual Budget Speeches on KLSE indices.** Reviews of related literature are discussed within the study scope.

Data are collected on yearly basis for the period of a year 1992 budget to 2001 budget. There are four selected indices in Kuala Lumpur Stock Exchange as a sample, which are **KLSE Composite Indices, Consumer Product Indices, Construction Indices and Property Indices.** The Indices of the sectors is listed according to the **pre, post, one week after and one month after** the budget being presented and the assumption of **Arbitrary Percentages Differences** is used in order to determine the **Degree of Substantiality** of the index differences.

The findings and analysis of this study consist of an **overview on the Annual Budget Speeches** for the budget of year 1992 until year 2001, the **annual budget highlight** for every particular year and the **impact of the budgets toward the selected indices** at pre, post, one week after and one month after the Annual Budget Speeches.

The conclusion is made base on the **cause and effect relationship** between the Annual Budget Speeches and the selected indices, and some recommendations are recommended in order to make the study clearer and more significant.