INTRADAY PATTERN THEORY AND INFORMATION ARRIVAL IN MALAYSIAN STOCK MARKET

SYUHAILA BT YAHYA
2005656174

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FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR

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ABSTRACT

The purpose of this study are to determine the existing of intraday patterns theory in main board of Malaysian stock market and to investigate how the intraday pattern which is U-shape related to private information. The dependent variable is return and independent variable is volume. The volume will be proxy for information. The methodology for this study is SPSS which is to test the hypothesis and this study also uses Microsoft Excel 2003 to calculate the percentage of return and volume in order to get the intraday patterns which is U-shaped. The data of sell and buy price of 20 companies will be collect in 5 minutes interval from 26 February 2007 until 2 March 2007. Upon testing the hypothesis, it was showed result for first objectives which is there are significant different between mean of return and trading sessions. For the other two hypothesis, the study found the shaped of intraday pattern in main board of Bursa Malaysia is L-shaped not the U-shaped and the study also fond that the existing of private information in the trading day.