



**SENSITIVITY OF THE INVESTOR TOWARDS THE
VOLATILITY OF STOCK PRICE**

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ABSTRACT

This research will focus on the sensitivity of the investor towards the volatility of stock price changes. The objective of this study is to determine whether there is an existing relationship between stock price and volume beside identified changes on the volume when price changes. To determine the relationship and changes between stock price and volume, this study will be using the closing price and volume traded for 30 companies listed under Main Board of Bursa Malaysia. The period of the time using is 7 years from 2000 until 2006. Sample data for this study consist of monthly closing price and volume traded on the 30 listed companies under Main Board.

The data will be analyzed using correlation and regression model, where the data are from cross sectional and time series data. These Regression model will be used to test the changes between the stock price and volume traded while correlation are used to test the relationship and significance between two variables. Previous researches have concluded in their own research that there is relationship between stock price and volume traded in the market. This idea is also can be used by investor as a guideline to know any possible impact from the changes of stock price to the volume traded.