



**STOCK MARKET CORRELATION AMONG ASEAN-5
COUNTRIES: THE IMPLICATON OF MALAYSIA
TOWARDS INDONESIA, THAILAND, PHILIPPINE AND
SINGAPORE STOCK MARKET**

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ABSTRACT

This study is conducted to examine the relationship between Kuala Lumpur Composite Index (KLCI) and other ASEAN-5 stock market indexes which are Indonesia Stock Exchange (IDX), Stock Exchange of Thailand, the Philippine Stock Exchange (PSE) and Straits Times Index (STI). To test the relationship between these variables, multiple linear regressions, unit root test, correlation matrix, regression analysis and check on assumptions, were done. This research is conducted based on short-run coefficient instead of long-run coefficient (cointegration) due to several limitations. Past studies showed there is a significant correlation between these variables (Bakri Abdul Karim Z. A., 2012). The previous study shows that the markets in the ASEAN-5 countries integrated thus there is the existence of diversification towards different markets. It also encourages the arbitraging activities between different markets. This is study is aimed to full fill the gap from the previous study. In addition, there is a different time frame to study.

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