



**STOCK MARKET PERFORMANCE AND MODERN  
PORTFOLIO THEORY: CASE ON TOP 10 COMPANIES  
LISTED BASED ON MARKET CAPITALIZATION**

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## **ABSTRACT**

Nowadays stock market performance measurement is most interesting part in investment. Many method that build year by year but the selected one is from Modern Portfolio theory by Harry Markowitz. For this research we are using the stock performance in KLCI index from 2011-2015. The data is compared to Sharpe performance measurement and we are looking into Asian Indices include Japan, India and Hong Kong while setting US market as benchmark by using risk n return together with coefficient and variance to rank indices.

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## **CHAPTER 1 INTRODUCTION**

### **1.0 INTRODUCTION**

In this chapter, the researcher will be discuss about the background of the study that consist two sections which is overview of the stock market and overview of the top 10 companies listed based on market capitalization. This paper focuses the stock market performance and modern portfolio theory: case on top 10 companies listed based on market capitalization. This chapter also will consists the problem statement, research objective, research question, significance of study and scope of study as well as limitation of the study

#### **1.1 Overview of stock market**

The stock market is commonly known as the equity market or the share market is the gathering of buyer and seller of the stocks or shares. It includes the securities that listed on the stock exchange. As updated at 27 May 2015, the New York Stock Exchange (NYSE) has been ranked as the number 1 stock exchange in the world with the market capitalization USD 19.69 trillion followed by NASDAQ OMX and Shanghai SE.