



**THE EFFECTS OF MACROECONOMIC VARIABLES ON GLCs  
SHARE PRICE: PRE AND POST GOVERNMENT LINK  
COMPANIES TRANSFORMATION PROGRAMME (GLCTP)  
(1993 – 2013)**

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## ABSTRACT

This study investigates the effects of macroeconomic factors on GLC share price returns in Malaysia. The performance of the share price was largely attributed to the GLC Transformation Program launched by the government.

To examine the impact of the macroeconomic variables on the share price, we developed a simple model based on the Multiple Regression using SPSS. By applying the analysis of regression and statistics, we examine the relationship between G-20 Index and the four selected macroeconomic variables of GDP, IPI, CPI and BLR using yearly data from 1993-2013.

The results suggest that the share price and the macroeconomic variables are related and even though negatively. Through the Coefficient of Determination  $R^2$ , we found that the value of  $R^2$  for the study can be explained by the macroeconomics variable and the regression line show almost perfectly fits the data. T-statistics analysis define that before implementation of GLCTP, IPI and BLR are the significant variables towards changes of G20 share price. However, after the implementation of GLCTP, the only variable that significant with the changes of G20 share price is GDP. Finally result for F-statistics found that overall model before and after the implementation of GLCTP is significant. In the whole sample period we found that BLR and IPI may be used to predict the share price because it positively related to the share return.