



UNIVERSITI TEKNOLOGI MARA

**RELATIONSHIP BETWEEN
QUARTER REPORT
ANNOUNCEMENT AND STOCK
PRICE: EVIDENCES FROM
TECHNOLOGY SECTOR IN
MALAYSIA**

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ABSTRACT

This study aspires to have conventional source of stock price volatility. This was conducted in order to produce a research paper of stock price volatility towards quarter report announcement. Specifically, this study is focusing on the companies that have highest market capitalization from technology sector which is Inari Ametron Berhad, Unisem M Berhad, Malaysian Pacific Industries Berhad, Vitrox Corporation Berhad, Globetronic Technology Berhad, GHJ System Berhad, JCY International Berhad, JHM Consolidation Berhad, Elsoft Research Berhad and KESM Industries Berhad. All the company are listed in Bursa Malaysia. Mostly the chosen companies have highest market capitalization in that sector. Company that have highest market capitalization is Inari Ametron Berhad. Most of the chosen company get large market capitalization in duration five years from 2012 until 2016. In order to accomplish this research paper, the data must be collected from secondary sources. The main journal that researcher used as the main references is Impact of Firms' Performance on Stock Return: Evidence from Listed Companies of Ftse-100 Index London by Maryyam Anwaar in order to get the result. The journal was related with the quarter report announcement and stock prices. In this research, the independent variables included the revenue (REV), earning per share (EPS), return on equity (ROE), return on assets (ROA) and net income (NI). For dependent variable is stock price. The selected variables will be examined whether affect the stock price or not. Based in the finding of the study, the stock price can be exaggerated by the independent variables data.

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TABLE OF CONTENT

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF SYMBOLS	ix
CHAPTER ONE INTRODUCTION	1
1.1 INTRODUCTION	1
1.2 BACKGROUND OF THE STUDY	3
1.3 PROBLEM STATEMENT	5
1.4 RESEARCH QUESTIONS	9
1.5 RESEARCH OBJECTIVES	10
1.6 SIGNIFICANT OF THE STUDY	10
1.7 SCOPE OF THE STUDY	11
1.8 LIMITATION OF THE STUDY	12
1.9 DEFINITION OF TERMS	12
1.10 SUMMARY	13
CHAPTER TWO LITERATURE REVIEW	14
2.1 INTRODUCTION	14
2.2 LITERATURE REVIEW OF QUARTER RESULT	14
2.3 LITERATURE REVIEW ON REVENUE	15
2.4 LITERATURE REVIEW ON EARNINGS PER SHARE	16
2.5 LITERATURE REVIEW ON RETURN ON EQUITY	17
2.6 LITERATURE REVIEW ON RETURN ON ASSETS	17
2.7 LITERATURE REVIEW ON NET PROFIT	19
2.8 THEORETICAL FRAMEWORK	20

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Fontanills and Gentile (2001) defined stocks as certificates or securities representing part possession of a first ownership where a trader bought as an investment. Furthermore, the stock market is a marketplace for firms to raise capital for their business and it plays a significant role in stimulating a nation's economy and improving the overall lifestyle of a society. The effect of inflation with the depreciation of local currency against foreign currencies have forced more investors to venture into the stock market to seek for the greater return in venture into the stock market to seek for the greater return in order to preserve their wealth.

For the information, Bursa Malaysia is one of the largest markets in South East Asia. Malaysia and Singapore both were traded in this market for a currency interchangeable agreement. But in 1973, both of them stopped using that agreement and started to operate as the separate exchange of both respective countries which were Stock Exchange of Singapore and Malaysia (SES) and Kuala Lumpur Stock Exchange (KLSEB). In year 1976, Kuala Lumpur Stock Exchange (KLSE) was incorporated as a limited company.

In the year 2009, the KLCI was upgraded to the FTSE Bursa Malaysia KLCI and serves as the market indicator for the Malaysian stock market. FTSE International Limited (FTSE) partnering with Bursa Malaysia had incorporated the KLCO with an internationally implemented methodology of index calculation which offers a more tradable, investable and traceable managed index.

Figure 1.1 shows the overall performance of the stock market in Malaysia from the January 2002 to December 2016. The Malaysia Stock Market (FTSE KLCI) index shows that the performance of the stock market increasing year by year. Index point in December 2002 is 624 and increasing aggressively to 1432 index point in December 2007. Unfortunately, FTSE Bursa Malaysia Kuala Lumpur Composite Index falling down to 865 index point in October 2008. However, FTSE KLCI can manage the performance until getting the highest index point is 1892 in June 2014 and keep growing until today.