

IMPACT OF MACRO-ECONOMIC VARIABLES ON THE PERFORMANCE OF STOCK EXCHANGE OF PAKISTAN

By

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DEDICATION

I would like to dedicate this thesis to my beloved parents, my friends and my supervisor Sir Ahsan Rizvi who taught me how to manage difficulties without their guidelines and support I wouldn't be able to complete this journey. Also, my mates who have put their related efforts in making me towards this research.

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Abstract

Purpose: A deep investigation was done to find the effects that the variables of macro-economic put upon the performance of stocks exchange of Pakistan.

Methodology & Design: For analyzation of results in the study of research, data statistics, facts and figure are considered to a series on time. And least square method used to identify results for the sample size which is country Pakistan's and its macroeconomic data for the years 2004 to 2018.

Findings: Outcomes extracted from the study that the rate of exchange, inflation and the rate of interest appeared to be insignificant and negative impact to variables that are chosen as dependent like, stock market capitalization and stock market return. While exchange rate appeared to be significant and negative relation to stock market value traded and stock market value traded had impacted positively insignificant by the inflation. Therefore, rate of interest gives the effects negative significant to the value traded in stock market

Limitations: Following research paper has been restricted within Pakistan. Because the scope of this research paper is restricted therefore it is not possible to generalizing the results of this study. On the other hand, the deviation and minor changes has been observed while taken out data from the respective websites for the research, but it is assumed that the data is authentic. Meanwhile it is also assumed in this research paper that the government has constant economic policies.

Keywords: Macro-economic Variables, indicators of macro-economic, value traded in the stocks market, Capitalization in the stocks market.

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