

# **HOW OIL PRICES, INFLATION AND GEOPOLITICAL RISK IMPACT ISLAMIC AND CONVENTIONAL STOCKS**

**BY**

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## MBA Thesis 2nd Half-Semester Progress Report & Thesis Approval Statement

### Supervisor – Student Meeting Record

S#	Date	Place of Meeting	Topic Discussed	Signature of Student
01	14-10-2020	Cubicle	Topic selection and Discussion	
02	04-06-2021	Cubicle	Result Analysis/Test Run	
03	20-06-2021	Cubicle	Final Review	

### APPROVAL FOR EXAMINATION

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at \_\_\_ that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Business Studies

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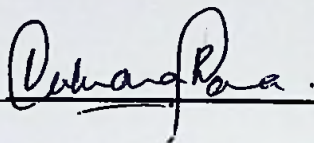
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**Declaration of Authentication**

I, hereby, declare that no portion of the work referred to in this thesis has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

**Student's Signature:**

A handwritten signature in black ink, appearing to read "Dhara Rana", written over a horizontal line.



## **Dedication**

I dedicate my dissertation work to my family and many friends. A special feeling of gratitude to my loving parents, Babar Rana and Amira Babar whose words of encouragement and push for tenacity ring in my ears. I will always appreciate all they have done for helping me develop my technology skills and for helping me to master the leader dots. I dedicate this work and give special thanks to my supervisor for being there for me throughout the entire doctorate program and helping me at each step of completing the thesis.

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## Abstract

### Purpose:

Experts and analysts are currently working hard in their investigations on this totally different exhibit of asset classes but still there are areas of research that are unexplored. The main motivation of this study is to make speculations and decisions regarding investments in financial markets; it has become very important to first analyze how both securities markets either conventional or Islamic differ from one another and what is the impact of factors like inflation, oil prices and geopolitical risks on these financial stock market and how they differ from the conventional stock market.

### Methodology & Design:

This research has examined the regression association between the constructs of oil prices, inflation and GPR with the stock prices as indexed by Dow Jones Islamic Market (DJIM) and Dow Jones Conventional Market (DJCS). The data was extracted from the data stream managed by Thomson Reuters and various websites like World Bank and Dow Jones Stock data webpage for a time period of 2000 to 2020. The whole study was based on empirical significance of dependent and independent variables as well as theoretical support from literature to influence the prices of stocks.

### Findings

The findings shows that Oil Price has insignificant impact on both Islamic as well as conventional stocks. Whereas Geopolitical risk has significant impact on both. Lastly, Inflation impacts significantly on Islamic Stocks but insignificantly on Conventional Stocks

### Limitations

Although this study makes a significant contribution to the conventional and Islamic stock market but still this study is not without limitations. As a matter of fact due to time limit the research was directed through a not very large sample to make conceivable generalizability for the outcome. In this manner future research can inspect these factors by utilizing a bigger sample size. Also, in this study only simple linear regression was run.



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