ABSTRACT

The research analyzes the long run relationship between the value of Chinese Yuan and stock market return in five countries of the Association of Southeast Asian Nations (Indonesia, Malaysia, the Philippines, Singapore and Thailand) from 2005-2013 by using daily data. The conditional work measured by Granger causality model. It shows the evidence that the stock market indexes granger cause the exchanges rate between China and selected countries which refers to a long-run relationship between the value of Chinese Yuan and stock market return in five countries of the Association of Southeast Asian Nations. These results can either be used in further research, or as the information to individual investors and financial institutions.

Keywords: China, Indonesia, Malaysia, the Philippines, Singapore, Thailand, stock market index, trading volume, exchange rate, Granger causality