

## TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	i
ACKNOWLEDGEMENT.....	iii
TABLE OF CONTENTS.....	iv
CHAPTER 1 : INTRODUCTION	
1.1 Objective of Study.....	1
1.2 Significance of Study.....	1
1.2.1 Why Invest in Bonds?.....	2
1.2.2 But at What Risks?.....	3
1.3 Scope of Study.....	5
1.4 Limitations of Study.....	5
1.5 Organisation of Study.....	7
CHAPTER 2 : THE RINGGIT MALAYSIAN BOND MARKET	
2.1 Introduction.....	8
2.2 Current Snapshot.....	9
2.3 Development of the Bond Market.....	12
2.4 Future Development – The Capital Market Masterplan.....	15
2.5 Issues and Challenges.....	16
CHAPTER 3 : LITERATURE REVIEW.....	19
CHAPTER 4 : RESEARCH METHODOLOGY	
4.1 Data Selection.....	24
4.2 Research Hypotheses.....	24
4.3 Data Description.....	24
4.3.1 KLSE Composite Index (KLCI).....	25
4.3.2 RAM-Quantshop MGS Bond Index (MGSI).....	25
4.3.3 RAM's Listed Bond Index (RLBI).....	26
4.4 Data Analysis.....	27
CHAPTER 5 : RESEARCH RESULTS	
5.1 Average Returns.....	29
5.2 Market Volatility.....	33

5.3	T-Test for Significance of Differences in Two Means.....	35
5.3.1	Average Returns.....	36
5.3.2	Volatility of Returns.....	36
5.4	Regression Analysis.....	37
5.4.1	Reject or "Accept" Null Hypothesis?.....	39
5.4.2	Adding a New Variable.....	40
5.4.3	Market Volatility.....	43
<b>CHAPTER 6 : CONCLUSION AND RECOMMENDATION</b>		
6.1	Summary.....	45
6.2	Recommendation.....	47
6.3	Conclusion.....	47
<b>REFERENCES.....</b>		<b>49</b>
<b>APPENDICES.....</b>		<b>52</b>