

# Example of report on review of movement of company's share price

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While analyzing the share price of KFC Holdings (Malaysia) Ltd, the movement of the share price can very well be evaluated. It can be seen that at the beginning of this year, that is around January 3, the share price for KFC Holdings (Malaysia) Ltd was somewhere between 3.8 RM. The month of January however proved to be quite low for the company and the share price plummeted below 3.5 RM. However, the month of February did see an increase in the share price momentarily recovering back to 3.8 RM. Nevertheless, the recovery was short-lived and the share prices dropped again, before finally balancing out at 3.75 RM, and staying put for the next two months to follow. Late April, the trend breaks for better and the share price shows an upward trend. The share prices touch 4RM point, before falling to 3.85RM. The month of May saw the share price of KFC Holding maintain an average of 3.85RM. Come June, however, the price falls again balancing it back within the 3.8 RM segment. Towards July end, the price rises, reaching an all time high of 4.01RM on 27th July. However, the market is not able to sustain the price at that level and the share price falls sharply soon after to touch the 3.65 RM mark. The price recovers marginally after the mid of August and rises again maintaining an average of 3.78RM. Nevertheless, the month of September proved to be ill conceived and the price of KFC Holdings (Malaysia) begins a downward trend falling beyond its first quarterly average and reaching an all time low of 3.18 RM on the 26th September (kfcholdings.com, 2011).

While the above paragraph displayed the erratic movement of the KFC Holding (Malaysia) Ltd's share price, let us understand and evaluate the reasons that led to such movements. The share price is seen as falling in the

month of February. One of the reasons that can be attributed to the same is the movement of stock market (KLSE or Kuala Lumpur Stock Exchange) in Malaysia. In general, stock market movement of a nation depends upon the economy and political situation of the country. Therefore, in order to understand the reasons for the movement of stock markets, we need to assess the country's economy as well. Stock market is seen to be low during the months of February and March (tradingeconomics. com, 2011a). This can further be attributed to the global conflict in Arab countries resulting in fall of exports, an overall increase in uncertainty pertaining to oil prices and availability and enhanced the risk factor. A few other factors resulting in the low stock market movement is decrease in industrial production during the period of February and March (tradingeconomics. com, 2011c). The second quarter saw a stable but low share price movement. This may be attributed to the negative GDP growth rate in the second quarter (-2. 8%), which may be a result of the ongoing low industrial output of the country in general (tradingeconomics. com, 2011b).

The share market seemed to recover in the months of May and June, reaching its highest in the month of July. The same can also be seen in the movement of the share price of KFC Holdings (Malaysia). The share price recovers in the month of May and maintains the position reaching highest in the month of July. Even the GDP Growth recovers recording a +2. 8% growth in this quarter (tradingeconomics. com, 2011b). This may be attributed to the fact that the business confidence among people was at an all time high in the month of July (tradingeconomics. com, 2011c), which might be due to the brighter economic figures presented by the USA. Moreover, the KLSE

goes into an oversold position, thus improving the overall business position in the country (Lee, 2011). However, the position is not to stay. The deepening political turmoil in Malaysia increasingly impacts the confidence in Malaysian economy and by mid of August, as the turmoil gains, the stock market starts falling (The Economist, 2011). The industrial production also falls by mid September and inflation is seen to be at an all time high in the months of August and September (Tradingeconomics. com, 2011e). To add further to the woes, the euro debt crisis scares the investors further and the outflow continues, dragging the stock market indexes further down (Reuters, 2011). The figures presented by America are also not promising enough and promise trouble in future (Lee, 2011). Thus, the investors become wary of the market and the bourses keep on a selling spree.

Hence, it may be seen that all the cumulative reasons, economic, political, internal and external, lead to the movement in the share price of a public company like KFC Holdings (Malaysia) Ltd.

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