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Topological Properties of Malaysian Shariah-Compliant Securities

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Abstract

This research analyses the topological structure of shariah-compliant securities listed in the Bursa Malaysia market from a network perspective. The network is established from the relationships between the top hundred shariah-compliant securities based on market capitalization from 2015 to 2019. The minimum spanning tree (MST) technique applies to produce and portrays a simpler network. Besides, topological properties are explored and examined further to extract the structure embedded and entrenched in the network. As a result, this paper reveals that shariah-compliant securities with different sectors which were interconnected in the Malaysian market., In general, the securities with the same sectors tend to cluster together in the network. The topological properties provide insight to the market participants, especially investors, for the investment strategies. © Published under licence by IOP Publishing Ltd.

Index Keywords

Commerce, Investments; Investment strategy, Malaysians, Market capitalization, Market participants, Minimum spanning trees, Research analysis, Topological properties, Topological structure; Topology

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