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An Analytical Report on the Trend Movement of a Key Indicator of the Global Economy

An Analytical Report Submitted in Contribution to 100% Module Assessment

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Assignment Title:

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"I, Tow Choon Liang, student ID: 2322637, certify this work is the result of my own investigations, except where otherwise stated. All references have been duly cited"

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Synopsis

This article reports an empirical study on the trend of movement of the Consumer Price Index (CPI) inflation in Hong Kong, the U.S., Canada, Malaysia, and China with the hope of expanding investment opportunities for a company to expand its global business. The descriptive statistics, mean, median and standard deviation are the main statistical method analyses used to determine the indicator's trend movement. The major findings show that emerging markets, Asian countries, are more resilient during difficult economic times. Additionally, the socio-political and economic environment in Malaysia makes it the best option for investment activities. Therefore, it is recommended that ABC Ltd should invest in the Malaysian stock market.

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1. Introduction

Internationalization of business activities is central to increasing profitability and expanding a company's potential market (Foroudi *et al.,* 2021). ABC Ltd ("the company") is an asset investment and management company that operates in Hong Kong but has not yet invested in the U.S., Canada, China, and Malaysia stock markets. This article reports an in-depth analysis of CPI inflation performance in this country group including Hong Kong to see if which is the best country to expand the company's global business.

1.1 Difficulties Facing of the Company

The major problem facing the company is increased losses and associated poor financial performance (Morikawa *et al.,* 2023). The latter is due to the dynamic global market, which is faced with political instability and natural disasters such as COVID-19. Additionally, the company have been facing stiff competition from traditional financial institutions and new entrants in the Hong Kong and U.S. markets (Morikawa *et al.,* 2023). The increased competition due to existing competitors and the increased number of new entrants encumber the company's success.

Apart from increased competition and new entrants, the company also facing the challenge of market volatility. The latter is associated with the dynamic nature of global politics and economic downturns due to natural pandemics (Foroudi *et al.,* 2021). Furthermore, the company the challenge of increased operational costs due to the adoption of advanced technologies. Although technological integration is associated with effective operations it causes increased operational costs (Morikawa *et al.,* 2023). Therefore, this analysis is intended to identify which of the four global stock markets provides a better investment

opportunity for the company. The aim will help answer the research question, which country has the most profitable financial market that the company can invest in?

1.2 Study Methodology

The method approach applied in gathering and analyzing data on the selected economic indicator. The method maximizes the strengths of both qualitative and quantitative approaches to provide insightful information on the overreaching topic (Morikawa *et al.,* 2023). The quantitative data on CPI inflation will be gathered from the International Monetary Fund website. The use of quantitative data helps in understanding the trend movements of a particular indicator over time (Mohajan, 2020). On the other hand, the qualitative data information is gathered from the various journal articles and other academic sources that were published in the past five years. Therefore, the mixed-methodology research design and the choice of reliable and latest data sources make this study compelling to the selected company.

1.3 Structure and Outline

This report is structured in a manner that it has three main sections: research background, analysis and discussion, and conclusion and recommendations. The research background section explores data and its sources, the performance of CPI inflation in the selected countries, and a description of the data set. Meanwhile, the analysis and discussion section explore the economic indicator's pattern in local and global trend movements. The conclusion and recommendations section are the last part of the report that summarizes the key data insights and provides several actions that the company can take to penetrate the most profitable stock market.

2. Research Background

The rationale for selecting CPI inflation as an economic indicator is that it helps in assessing the overall inflation level of a given country, making it easy to identify investment opportunities. Meanwhile, the U.S. and Canada are the chosen advanced countries. The two were chosen because of their advanced economic system and ease of doing business in them. On the other hand, the selected emerging markets, Malaysia and China, were chosen because of their proximity to Hong Kong and similar Asian culture which is favorable for business activities.

2.1 Data Definition and Sources

CPI represents the spending habits among the average consumers, indicating the economic status of a country. However, the CPI inflation rate refers to the percentage change measures in the average prices of CPI over a specific period (Özen, Özdemir and Grima, 2020). For the current empirical study, the selected timeframe is between 2000 and 2022. The chosen period is associated with major economic hallmarks and setbacks. Analyzing the CPI inflation performance from 2000 to 2022 will give succinct information on the best investment action for the company.

CPI inflation helps in understanding a country's inflation and its associated effects on business activities. Investors in stock markets use it to understand how prices rise and fall. Additionally, the CPI inflation helps investors identify assets that can act as a hedge against inflation (Özen, Özdemir and Grima, 2020). Through the indicator, assets such as real estate and certain types of stocks are identified as potential profitable investments. Furthermore, the indicator helps in understanding interest rates that are favorable to investors. Consequently,

investors are allowed to make informed decisions on fixed-income securities and other assets that are significantly impacted by the increased interest rates.

The current study utilized a data set that was gathered from the IMF's website. The analyst visited the organization's webpage, "Inflation rate, end of period consumer prices: Annual change", to generate CPI inflation data for the specified period (IMF, 2024). The choice of IMF as the main data source was anchored on its global authority in the financial context. Additionally, the organization has sufficient resources that ensure that the collected data is accurate and can be generalized in different international market contexts.

2.2 Current Performance of CPI Inflation in Selected Countries

2.2.1 The U.S.

The current CPI inflation performance in the U.S. can be described as high and persistent. Unlike many countries, the U.S. started experiencing steadily rising CPI inflation in 2021 (Kilian and Zhou, 2022). While in 2020 the rate was 1.6%, in 2022 and 2023 it registered 7.4% and 6.4% respectively. However, in 2024 the country's fiscal policies and other economic factors have reduced the rate to about 2.6% (Kilian and Zhou, 2022). Supply chain disruptions, especially during the COVID-19 pandemic, are one of the reasons for the high and persistent CPI inflation in the U.S.

2.2.2 China

Compared to the current CPI inflation performance in the U.S. and Hong Kong, China's can be described as moderate and stable. The country's CPI inflation target is 3%, and it has maintained a performance below it in past years. Government interventions, through fiscal and other policies, have helped in stabilizing prices in China. Another factor that has

contributed to the current moderate and stable CPI inflation in China is the overall slow economic growth at the global level (Kilian and Zhou, 2022). The country exports the majority of its products and services, but the stunted global economic growth has led to reduced demand-side pressures on its inflation.

2.2.3 Malaysia

Compared with the other three selected countries, the current CPI inflation performance in Malaysia is moderately elevated. Before COVID-19, the country's rate was at 0.2% and 1% in 2018 and 2019, respectively. However, in 2023 and 2024 the country's CPI inflation has been hovering around 3.8% and 2.7% (Sek et al., 2023). The higher-than-normal inflation in Malaysia can be attributed to the rise in fuel prices upon the government's withdrawal of the subsidies. Moreover, the weakening of the Malaysian Ringgit against the U.S. dollar has led to increased costs of importing products and services into the country.

2.2.4 Canada

Similar to Malaysia, Canada has a moderately elevated CPI inflation performance. Before COVID-19 the rate was at 2.1% in both 2018 and 2019. However, it increased to 4.7% and 6.6% in 2021 and 2023. The Canadian government has, however, taken measures that have reduced the current CPI inflation to about 2.1% in 2024 (Sek et al., 2023). Volatile fuel prices and persistent global food inflation are some of the major factors contributing to Canada's moderately elevated CPI inflation.

2.2.5 Hong Kong

Compared with the four countries, the CPI inflation in Hong Kong can be described as moderate. Hong Kong recorded the lowest CPI inflation, -4%, in 1999 with the highest rate,

11.6%, in 1996 (IMF, 2024). However, the rate declined between 2019 and 2020 due to the onset of COVID-19. Unlike other economies, Hong Kong's rate increased after the pandemic and is estimated to range between 2-3% in future. The moderate trend is associated with effective economic measures taken by the government to counter the COVID-19 impact.

2.3 Data Set

Table 1 Consumer inflation rates of the selected countries: prices (Annual percentage change): 2000 to2022

Year	Hong Kong	Canada	The U.S.	China	Malaysia
2000	-2.1	3.1	3.4	1.9	1.2
2001	-3.5	1.1	1.6	-0.5	1.2
2002	-1.6	3.8	2.6	-0.4	1.6
2003	-1.8	1.7	1.9	3.3	1.2
2004	0.3	2.3	3.2	2.4	2.2
2005	1.4	2.3	3.7	1.7	3.2
2006	2.2	1.4	2.2	2.9	3.1
2007	3.8	2.5	4.1	6.6	2.3
2008	2.1	1.8	0.7	1.2	4.5
2009	1.5	0.8	1.9	1.6	1
2010	3	2.2	1.7	4.5	2.1
2011	5.7	2.7	3.1	4.1	3
2012	3.6	1	1.8	2.4	1.2
2013	4.3	1	1.3	2.6	3.2
2014	4.9	2	0.5	1.5	2.7
2015	2.3	1.3	0.7	1.7	2.7
2016	1.2	1.4	2.2	2.1	1.7
2017	1.7	1.8	2.2	1.7	3.5
2018	2.5	2.1	1.9	1.8	0.2
2019	2.9	2.1	2.1	4.5	1
2020	-0.9	0.8	1.6	0.2	-1.4
2021	2.4	4.7	7.4	1.4	3.2
2022	2	6.6	6.4	1.8	3.8
Source: https://www.imf.org/external/datamapper/PCPIEPCH@WEO/OEMDC/ADVEC/WEOWORLD					

3. Analysis and Discussion

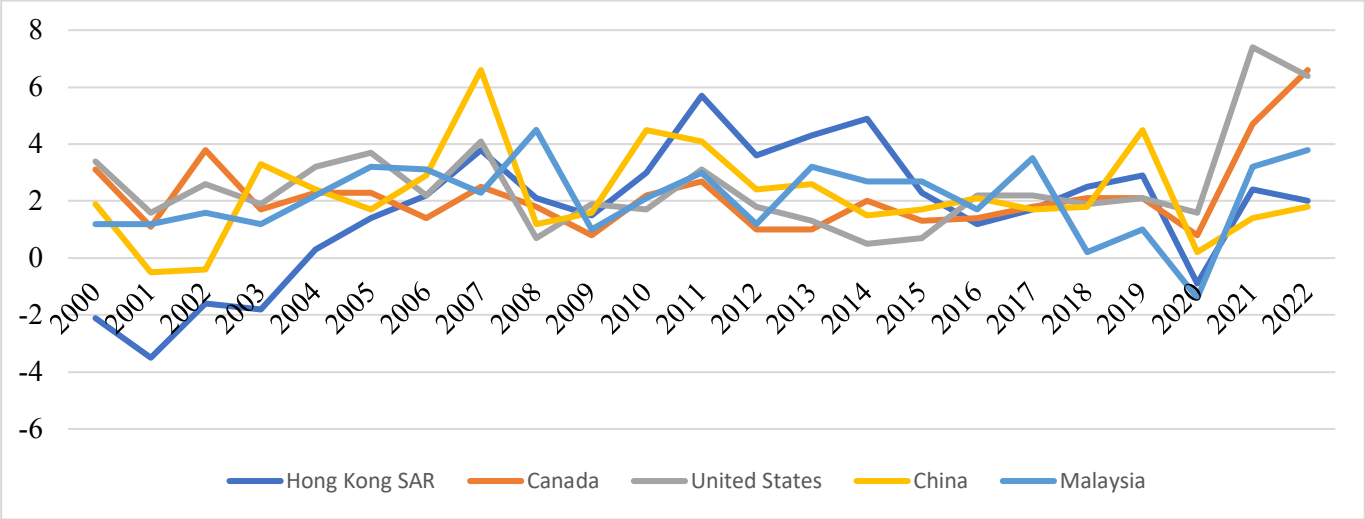
The data on CPI inflation, gathered from the IMF website, is subjected to analysis in this section. As previously mentioned, a mixed-method methodological approach is adopted for the overarching analytical research. The numerical data on the economic indicators are subjected to statistical analysis. After that, the recent research journals and other academic sources are used to augment the findings of the quantitative analysis. This section is divided into three sub-sections with each addressing a particular area of the selected topic. The global and local trend analyses are conducted to gain insights into the overarching patterns of the selected economic indicator for informed strategic decision-making (Zhao, Zhu and Zhang, 2022). For this paper, a time-series analysis through time plotting is the method adopted to conduct the global and local trend analysis of CPI inflation.

3.1 Pattern of the Global Trend Movement

3.1.1 Graphical analysis

The raw data presented in Table 1 represents the annual percentage change of inflation in the selected countries. Consequently, there was no need to calculate the changes in CPI inflation over the provided period, 2000 to 2002. Figure 1.0 below shows the raw data in Table 1.0., represented in a graphical format. The latter mode of data representation provides a better visual representation of the information on Hong Kong, U.S., Canada, China, and Malaysia's CPI inflation (Sek *et al.,* 2023). Additionally, it is easy to identify trends in the changes of the indicator between the years 2000 and 2022.

Figure 1: CPI inflation (2000-2022)



The data in Table 1 and its respective Figure 1 provide insights into the global trend movement of CPI inflation between 2000 and 2022. Yin, Hong and Yao (2023) explored the impacts of the 1997 East Asian Financial Crisis. According to the researchers, the crisis led to increased prices of commodities and services, making it difficult for individuals to afford. Consequently, the demand side of the supply chain was negatively affected, leading to lower-than-normal CPI inflation for the periods after 1997. On the other hand, Yin, Hong and Yao (2023), argue that the rapidly growing technology revolution and the invention of advanced production machinery and processes kept the production process low. Consequently, consumer prices in Hong Kong remained stable for the period of the technology revolution. Meanwhile, for the global pattern, CPI inflation was relatively low for the periods between 2000 and 2006 and 2008 and 2019. Research by Notteboom, Pallis and Rodrigue (2021), argues the findings of Yin, Hong and Yao (2023), that the advancements in technology kept prices low. Additionally, the onset of global pandemics, such as the 2007-2008 Global

Financial Crisis (GFC) led to high rates in 2007 and 2008 because of increased production costs and consequent high commodity prices. On the other hand, COVID-19 had the most impact on the indicator. The strict social distance regulations and border control measures caused the countries to over-rely on their commodities. Therefore, the increased demand for the limited available commodities and services led to price hikes and high CPI inflation for the periods after 2018.

Although all five countries recorded a decreasing CPI inflation during COVID-19, the post-pandemic data indicate positive change. According to Figure 1.0, the period between 2020 and 2022 was marked with increased CPI inflation. While all the other four countries recorded increasing CPI inflation until 2022, the U.S. had a fall for the period from 2021. The changes in the economic indicator post-COVID-19 illustrate the various measures that governments took to counter the pandemic's negative effect on inflation (Yin, Hong and Yao, 2023). Following the closure of businesses, loss of lives, and other negative impacts of COVID-19, fiscal and monetary policies were re-structured to favor the failing economy. Monetary policy adjustment, tightening fiscal policies, and wage and price controls are some of the measures taken to address inflation concerns. For the monetary policy adjustment, the central banks of the five countries reduced interest rates and adopted open market operations to encourage spending by consumers. Meanwhile, countries such as the U.S. reduced government spending and introduced several subsidies to boost both small and giant businesses in the U.S. The use of subsidies led to reduced costs of items, encouraging more spending and consequent increase in CPI inflation (Yin, Hong and Yao, 2023). The use of

wage and price controls also ensured that corporations did not exploit the consumers after the pandemic.

3.1.2 Analysis of major summary statistics

Apart from the time plot of the selected economic indicator, descriptive statistics present further insights into the outliers in the raw data. Consequently, the mean, standard deviation, maximum units, and minimum units are calculated to reveal the insights (Elyassi, 2021). The means provides an overview of the average CPI inflation among the selected countries. Meanwhile, the standard deviation helps compare the units that are within and without the average. Calculating minimum and maximum units helps identify which period had the highest and the lowest CPI inflation rate. Table 2 below shows the calculated statistical summary of the CPI inflation between 2000 and 2022 in Hong Kong, U.S., China, Canada, and Malaysia.

Table 2: Major summary statistics of CPI inflation in selected countries: 2000 to 2022

Summary statistics	Hong Kong	Canada	The U.S.	China	Malaysia
Mean (units)	1.65%	2.2%	2.53%	2.2%	2.10%
Standard deviation Coefficient of variation (CV=SD/Mean)	2.33%	1.35%	1.67%	1.61%	1.33%
Maximum (units)	5.70%	6.60%	7.40%	6.60%	4.50%
Minimum (units)	-3.50%	0.80%	0.50%	-0.50%	-1.40%
Sources: Calculated from the dataset listed in Table 1					

Table 2 provides the statical summary of the selected economic indicator between the chosen periods. From the calculated data, Hong Kong has the lowest CPI inflation mean while the U.S. has the highest. Additionally, the U.S. presents the highest maximum units of CPI inflation over the reported period. When compared to Hong Kong, China, Malaysia, and

Canada, the U.S. has unique factors contributing to its CPI inflation mean. Malkin (2020) conducted a systematic literature on the roles of the U.S. in a global economy. According to the author, many countries including China, Canada, Malaysia, and Hong Kong are dependent on American companies for services and supply of goods (Elyassi, 2021). Therefore, the U.S. economic sectors are more advanced and offer commodities at high prices due to high demand at the global level.

Meanwhile, Hong Kong and Malaysia present lower CPI inflation compared to the other three countries. Although Malaysia's average is higher than that of Hong Kong, it has the lowest standard deviation and least maximum CPI inflation. Moreover, Malaysia presents the most predictable and stable CPI inflation due to the lowest standard deviation. This means that the country has better business opportunities due to its stable and predictable economy. Taskinsoy (2020) describes Malaysia as a 'Crouching Tiger, Hidden Dragon' due to its effective economic policies. The country is the major exporter of oil and palm oil which are in demand in various countries. Moreover, unlike other governments, the Malaysian one uses subsidies to protect its economy from global downturns. Therefore, the statistical summary of the data indicates that Malaysia has the best business environment compared to others.

3.2 Patterns of the Local Trend Movement

3.2.1 Graphical analysis

The above section provides an overview of the economic performance in the listed countries over 22 years. However, an analysis of the same for a short period, 4 to 5 years is central to understanding the current business environment of the five countries. Therefore, for the local

trend, the characteristics of CPI inflation in the most recent period, 2019 to 2022 are captured. Figure 2.0 below shows the graphical representations of CPI inflation in Hong Kong, the U.S., Canada, China, and Malaysia in the recent period. The data used to create the graph is generated from Table 1.0.

Figure 2: CPI inflation local trend, 2019-2022

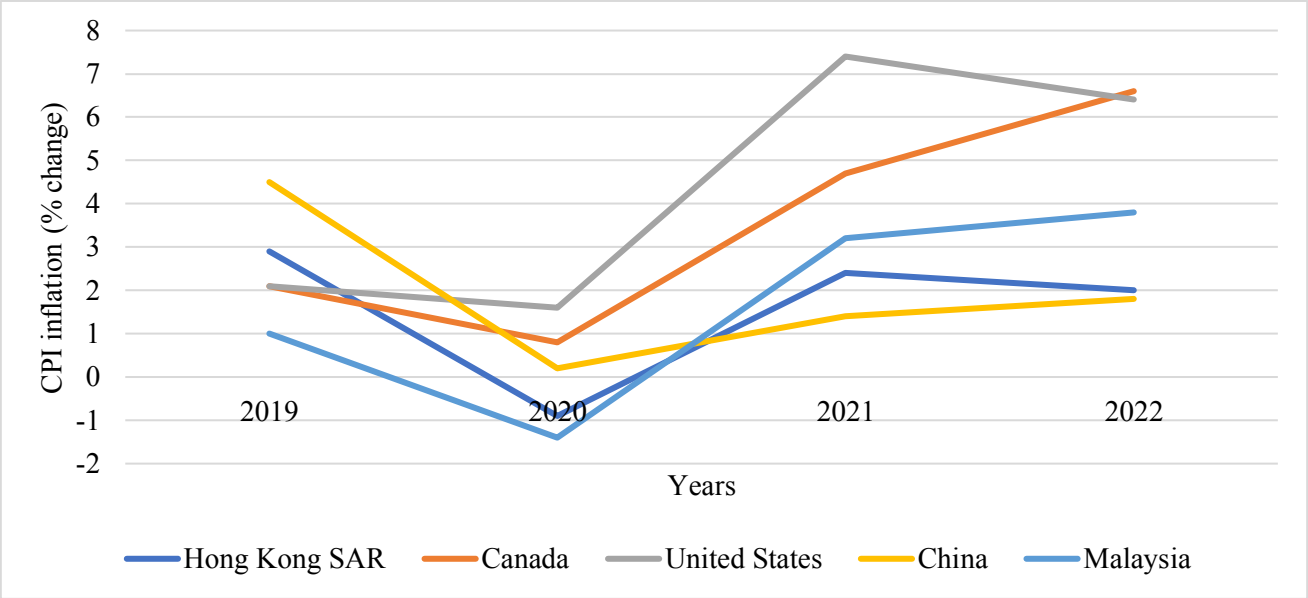


Figure 2 shows a time plot of CPI inflation in the selected countries in the recent period. The latter is associated with COVID-19 and the Russian invasion of Ukraine (Elyassi, 2021). From Figure 1, both countries recorded a downward trend between 2019 and 2020. Meanwhile, they recorded an upward trend between 2020 and 2021. Further, the decline in CPI inflation can be observed for the period 2021 to 2022. The three highlighted interesting patterns of CPI inflation local trends can be associated with the various political and economic conditions during the reported periods.

The decline in CPI inflation between 2019 and 2020 can be due to the emergence of COVID-19. Nizar et al. (2022) investigated the effects of U.S. stock markets on the Malaysian ones

during the COVID-19 pandemic. Upon analyzing the daily closing price of the Malaysian stock market indexes and those of the U.S., it was established that return spillover is found to be unidirectional from the US stock market to the Malaysian stock market (Nizar et al., 2022). One of the explanations given by the author is that the 2019-2020 period was associated with economic downturns that affected the U.S. more than Malaysia. Given the U.S. is a crucial player in the global economy, the strict measures led to declined business activities and consequent drop in prices of commodities.

Apart from the major economies being pegged on the U.S., increased demand shock explains the declined CPI inflation between 2019 and 2020. According to Zakeri et al. (2022), the pandemic was associated with lockdowns and social distancing measures that encumbered physical business activities. The latter was worsened by the change in consumers who were more concerned about their safety than luxury (Nizar et al., 2022). Consequently, commodities such as fuel that are central to high CPI inflation were in low demand, leading to declined prices of the same. Bawa et al. (2021) applied a Non-Linear Autoregressive Distributed Lag (NARDL) approach to quarterly data spanning 1999 to 2018 and confirmed that changes in oil prices significantly affect inflation. Therefore, a decline in demand for oil and other commodities due to COVID-19 led to declined inflation between 2019 and 2020.

Between the periods 2020 and 2021, as seen in Figure 2 above, the CPI inflation rose. While the U.S. recorded the highest change, Malaysia had the lowest, a phenomenon that can be explained by the unique business environment in the two countries. Compared to the other four selected countries, Malaysia had existing fiscal and monetary policies that favored its response to COVID-19. For instance, the existing subsidies on important commodities

allowed businesses to quickly pick up and regain their performance (Elyassi, 2021). The period between 2021 and 2022 marked further response to the pandemic. Compared to other countries, the U.S. recorded the sharpest decline in CPI inflation, gaining stability in the global market. The falling and rising of CPI inflation between 2019 and 2022 was due to the emergence of COVID-19 and the counter-measures taken by the selected countries.

3.2.2 CPI Analysis major summary Statistics

The summary statistics of the economic indicators for the recent period are crucial in identifying the country that remained economically resilient during COVID-19. The descriptive statistics mean and standard deviation, are calculated and compared with the individual country's dataset. Moreover, calculating maximum and minimum units helped in understanding which of the five markets had either the worst or best economic performance during 2019 and 2022. Table 3.0 shows the statistical summary of CPI inflation between 2019 and 2022 in Hong Kong, China, Canada, Malaysia, and the U.S.

Table 3: CPI inflation local trend summary statistics

Summary Statistics	Hong Kong	Canada	The U.S.	China	Malaysia
Mean (units)	1.60%	3.55%	4.38%	1.98%	1.65%
Standard deviation Coefficient of variation (CV=SD/Mean)	1.71%	2.60%	2.95%	1.82%	2.36%
Maximum (units)	2.90%	6.60%	7.40%	4.50%	3.80%
Minimum (units)	-0.90%	0.80%	1.60%	0.20%	-1.40%
Sources: Calculated from the dataset listed in Table 1					

Table 3 shows the different statistical characteristics of CPI inflation in the selected countries. From the data, the U.S. had the highest mean of 4.38% compared to the other four markets. Meanwhile, Hong Kong and Malaysia had low CPI inflation during the reported period.

Canada's performance is close to that of the U.S. with its highest rate being at 6.60%. The calculated data provides further insights into the CPI inflation trend movement of an individual country. Each of the selected markets has unique characteristics and business environment that determined how they responded to various factors affecting inflation between 2019 and 2022.

The major key observation made from the data in Table 3.0 is that the U.S. had the highest CPI inflation in terms of mean, standard deviation, and maximum unit. One of the explanations for this observation is that being a key player in the global economy, the U.S. is affected by the changes in business activities in other countries (Nizar et al., 2022). The COVID-19 pandemic was associated with supply chain disruptions in the five countries. The strict social distancing measures and declined business activities led to reduced demand for the products and services from the U.S. The latter had a ripple effect on similar activities in the U.S. since there was restricted movement of goods and services (Elyassi, 2021). Moreover, the use of the U.S. dollars as the global reserve currency made the country experience the worst impact of COVID-19 (Nizar et al., 2022). Therefore, the COVID-19 pandemic had the worst effect on U.S. CPI inflation in the recent period.

Another key observation for the local trend movement is that Hong Kong and Malaysia maintained stable and moderate inflation between 2019 and 2022. Consequently, it can be concluded that the two countries had the best mechanisms that cushioned them from the harshness of the pandemic which occurred during the period under report. The trend can be associated with the implemented subsidy policies and increased exportation from the two countries (Kilian and Zhou, 2022). Aw et al. (2021) investigated the pandemic effect from the

population density perspective. According to them, lower inflation in Asian countries compared to the U.S. and Canada was due to the availability of a hardworking population. The latter is involved in rigorous economic activities that helped in maintaining the performance of businesses amidst the pandemic. It was easier to do business in China, Hong Kong, and Malaysia compared to the U.S. and Canada.

The last important establishment from the CPI inflation local trend movement in Table 3.0 is that only Canada and the U.S. have means higher than that of the period between 2000 and 2022. On the other hand, the two emerging markets, Malaysia and China, have means that are lower than those of global trends. The increased volatility in global politics, including the recent Russian invasion of Ukraine, made the U.S. and Canada's inflation rates unstable (Elyassi, 2021). Meanwhile, the Asian countries adopted resilient economic policies and strategies that reduced their dependence on other countries (IMF, 2024). Consequently, businesses in the three Asian countries thrived despite the ongoing global pandemic. However, it is worth noting that it is only the U.S. that recorded a sharp decline in CPI inflation between 2021 and 2022. The latter can be attributed to better economic measures and policies adopted by the country.

3.3 Summary of major findings

The empirical analysis presents various findings that are central to ensuring that the research objectives are achieved. The main aim of the empirical study was to identify the best stock market the company can invest in its quest to internationalize its activities. Additionally, the study was conducted to identify favourable business conditions in the selected stock markets that the company can maximize for its increased profits and improved overall performance in

the global market. The statistical analysis conducted in the above section led to three major findings that helped achieve the research objectives.

Firstly, the analysis of the data shows that Asian countries, the emerging markets, were more resilient during COVID-19 than developed ones. According to the analysis in Table 3, Hong Kong, Malaysia, and China had an average of 1.60%, 1.65% and 1.98% between 2019 and 2022 which was lower than that of the Western countries. Unlike in China, Malaysia, and Hong Kong, the low population densities in Canada and the U.S. make it difficult for companies to source employees during pandemics (Kilian and Zhou, 2022). Meanwhile, in the emerging markets investigated, their CPI inflation moderately fluctuates due to the availability of sufficient human resources during economic crises. Therefore, investing in the stock markets of China and Malaysia can be a viable option for the company.

Secondly, although both China and Malaysia have better investment environments when inflation is considered, Malaysia is the best option. When compared to China, Malaysia's CPI inflation indicates better future business opportunities. The country is selected as the best option for the company because it exhibits consistent economic growth despite the major economic crises in 2007-2008 and 2019-2022. Compared to other countries, Malaysia recorded the lowest rate and had consistently lower rates than others. There is a need for the company to further investigate the Malaysian market for its investment activities.

Thirdly, it was established that apart from the CPI inflation, other economic indicators can be used to better understand inflation in the selected country. The finding was prompted by the U.S.'s better performance post-2021 where it recorded a sharp decline in its highest CPI inflation. While other countries projected a rise in the same, the U.S. recorded a decreasing

trend which indicated that better economic measures may have been taken. Given that the country has an influential position in the global market, the responsive actions taken by other countries may have had an impact on it (Nizar *et al.,* 2022). The company may need to further investigate the U.S. market for a more informed investment decision.

4. Conclusion and Recommendations

4.1 Conclusion

The empirical study established those Asian countries are more economically resilient than Western nations. The improving economy is associated with effective government measures in emerging economies. Additionally, the Western countries under investigation exhibited poorer economic growth and resilience, eliminating them as the best investment option. Although the emerging economies exhibited a positive trend, Malaysia recorded the best. Consequently, Malaysia is chosen as the potential profitable financial market for the organization. Although CPI inflation is an effective economic indicator, it is important to consider others for decisive investment activities.

The study was conducted with the central aim of identifying the best investment option for the company. The objective was met since the Malaysian stock market is considered the most viable option of the five countries under investigation. The rationale for selecting the country is that it has a predictable economy due to a consistent trend in CPI inflation. Consequently, the research question that which stock market can provide the best investment of opportunity to the selected company was answered.

4.2 Recommendations

The selected company deals with asset management and investment services in Hong Kong. The firm needs to take various key actions for a successful investment activity in the Malaysian market. First, in-depth research on the other factors that influence inflation and other economic conditions should be done. This is because the present study was only limited to the findings made on CPI inflation between 2000 and 2022. Investigating other factors such as GDP would offer more insightful information to the company. It is recommended that the research be conducted for a period long enough to gather as much information as possible. Additionally, before investing in the Malaysian stock markets the company can consult experts in the same. Although the present research utilized data from reliable sources, the information presented falls short of Malaysian market experts' opinions. Consulting companies and individuals who have been in such a market for a long time will help identify strategies that are unique to the selected stock market. The opinions of the experts can be used to review the findings of this study for a better-informed decision. Understanding the new market from a different perspective is key to avoiding and countering challenges that may be faced by the company in Malaysia.

Furthermore, an intensified internal assessment of the firm should be conducted to identify its strengths and weaknesses. This report was limited to reporting the firm's internal business environment factors that can encumber its investment activity in the Malaysian stock market. The assessment may involve a survey among employers, employees, and other stakeholders on their organizational culture and the problems faced by them. The assessment results can be compared to the Malaysia stock market research to establish internal business strategies for

investment success. The internal business assessment is central to understanding how the company's organizational culture and performance will be favorable in the Malaysian stock market. Adopting the highlighted recommendations will lead to successful investment in the new market.

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