

**THE EFFECTS OF STOCK MARKET PERFORMANCE ON  
FOREIGN DIRECT INVESTMENT IN OIL SECTOR OF  
PAKISTAN; AN INVESTIGATION INTO PAKISTAN STOCK  
EXCHANGE**

By

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## **Abstract**

**PURPOSE OF THE STUDY:** The purpose of the study is to find out the effects of stock market performance on foreign direct investment in the oil sector of Pakistan. The study helps to understand the relationship of stock market with foreign direct investment that helps to attract the foreign inflows and boost the stock prices, profitability and earnings per share of the oil firms of Pakistan.

**RESEARCH METHODOLOGY/SAMPLING:** The data was collected for this study from three listed oil firms in Pakistan Stock Exchange. 10 years (2006 – 2015) of data has been collected for each organization. In this research, the data was collected from secondary resources, and used the time series study approach and applied regression analysis to check the relationship among independent, dependent and intermedicator variables.

**FINDINGS:** The findings of this research shows that there is no significance and positive relationship found among any variable while testing each of the firm's data separately but combine data of each firm was tested and found significance and association of two variables (stock prices and net income) with foreign direct investment but no impact over FDI.

**PRACTICAL IMPLICATIONS:** Stock market is the best indicator of any economy and it can be boosted by providing funds and investors. If the stock market of the country is stable so foreign investors will definitely get the attraction and they will invest in. Therefore, stock market plays vital role to attract the foreign inflows in the country which will improves the overall economy as well as the profitability of the firms, boost in stock prices, betterment in sectors and industries.

**KEYWORDS:** Foreign Direct Investment, Pakistan Stock Exchange, Stock Market, Stock Prices, Net Income and Profitability.

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