

11. M1 equals currency in circulation plus demand deposits held by would be the non-bank private sector. M2 equals M1 plus savings, fixed deposits, Central Bank Certificates, NCDs and repos at commercial banks.
12. For brevity, we do not report the full results here but they are available upon request from the first author.
13. Results using 8 and 12 lags are available from the authors. The results are qualitatively similar.
14. Annuar *et al.* (1994) showed that at the micro level and using higher frequency data, the EMH cannot be rejected for the KLSE.

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