



**FACTORS AFFECTING GOLD PRICE IN MALAYSIA**

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**(2017684234)**

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**JULY 2020**

**DECLARATION OF ORIGINAL WORK**



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I am Muhamad Hakim Bin Suratnam @ Lokman .

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **ACKNOWLEDGEMENT**

First and foremost, I would like to express my gratitude towards Allah S.W.T for give me the wisdom, strength and blessings given to me in completing in this project. Peace and blessing of Allah ne upon His Messenger, Muhammad S.A.W.

I would like to give my appreciation towards my advisor, Sir Amirudin Bin Mohd Nor for helping me throughout the process of finishing my project paper. His suggestion and comments have assisted me to complete this project paper. He has made a significant contribution and provided me with his timely response for this project.

Besides, I would like to express my deepest gratitude to all who are assisted in one way or another way in the completion of this research paper. I want to sincere thanks to all my friends for their morale support and also during the time undertook to complete this project paper. Last but not least, my deepest gratitude to my beloved parents for unwavering support and sincere blessing.

Thank you.

## **ABSTRACT**

Gold prices have become volatile in recent developments. Nevertheless, owing to its hedging properties, gold continues to be a popular choice among investors. There are many studies regarding the behaviour of gold prices that had been conducted by researchers all around the world, but the results show an inconclusive findings. This study tries to determine the factors that influence gold prices in Malaysia, specifically the macroeconomic variables namely oil price, inflation rate and interest rate. Adopting the Multiple Linear Regression Model on monthly data from 2017 until 2019 collected from DataStream and BNM, the empirical result shows that oil price and inflation is significantly related to the gold price in a negative and positive manner respectively. Meanwhile, interest rate is insignificant and has no relationship with gold prices. Several recommendations are highlighted amongst others to add other variables such as gross domestic product, money supply, and house price index and to increase the time period of the study.

## TABLE OF CONTENTS

	<b>Page</b>
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF SUBMISSION	iii
ACKNOWLEDGMENT	iv
TABLE OF CONTENTS	v-vii
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
<b>CHAPTER 1: INTRODUCTION</b>	
1.1 Research Background	1-3
1.2 Problem and The Gap	4
1.3 Study Objective	
1.3.1 General Objective	5
1.3.2 Specific Objective	5
1.4 Research Questions	5
1.5 Significant of Study	6
1.6 Scope of Study	6
1.7 Definition of Terms	7
1.8 Conclusion	8
<b>CHAPTER 2: LITERATURE REVIEW</b>	
2.1 Introduction	9
2.2 Importance of Gold	9
2.3 Review of Literature	
2.3.1 Oil Price	10-11
2.3.2 Inflation Rate	11-12