



THE EFFECT OF MACROECONOMIC DETERMINANTS TOWARDS
EURO-DOLLAR EXCHANGE RATE

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DECLARATION OF ORIGINAL WORK



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ABSTRACT

In this study, the research is focusing on the effect of macroeconomic determinants towards Euro-Dollar exchange rates movement. The purpose of the study is to study the relationship between dependent variable and independent variables and identify which factor has the most significant influence towards the movement of Euro-Dollar exchange rates. This study use secondary data from 1999 to 2013. The data are tested for detecting any trend influence and normality distribution using Unit Root Test and Normality Test respectively. Then, to identify the relationship between two variables (independent variables and dependent variable), the data is tested using Single Linear Regression. This study conducted to examine the macroeconomic determinants towards Euro-Dollar exchange rates such interest rate (IR), consumer price index / inflation (CPI), crude oil price (COP), gross domestic profit (GDP) and government spending (GS). In Single Linear Regression Analysis found that interest rate, consumer price index, gross domestic profit and government spending has significance towards Euro-Dollar exchange rate movement except crude oil price. However, in Multiple Linear Regression Analysis found the most significance is crude oil price.

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