



اَوْنُوْرْسِيْتِي تِيْكْنُوْلُوْجِي مَارَا  
UNIVERSITI TEKNOLOGI MARA  
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**THE DYNAMIC RELATIONSHIP BETWEEN PRICE OF CRUDE  
PALM OIL AND INTEREST RATE IN MALAYSIA:  
COINTEGRATION AND GRANGER CAUSALITY TEST**

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## **ABSTRACT**

Crude Palm Oils (CPOs) is one of commodity that plays as important role in terms of production and the economy and it has a specific background and history. The crude palm oil has various relationships with the others commodity such as exchange rate, interest rate, price of soybean oil, and ringgit Malaysia. In this study, the researcher will be focus more in the dynamic relationship between the price of Crude Palm Oils and interest rate in Malaysia. To know the effect interest rate towards Crude Palm Oil price, the researcher will do research to get the result which are the study will be support by literature review and regression result. In this study, the researchers make the research about the relationship of interest rate towards the price of Crude Palm Oil in Malaysia. The researcher uses the data from 2006 until 2013 in monthly data that collected from internet and research books. Based on this study, researcher was trying to make a conclusions and some recommendation that hopefully it can help our country to know how far the interest rate can give effect to Crude Palm Oil price in Malaysia. E-views7 was used to analyze the data and all the document of study. That is to examine the dynamic relationship between dependent and independent variables. To analyze this study, researcher used description statistics, and regression analysis method.

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