UNIVERSITI TEKNOLOGI MARA

FACTORS AFFECTING EXCHANGE RATE FLUCTUATION OF THE SELECTED ASEAN COUNTRIES

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Thesis submitted in fulfilment
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AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

This project paper involved on identifying the factors affecting exchange rate fluctuation of the selected Asean countries which are Thailand, Vietnam, Indonesia, Philippines and Malaysia as sample of this study within ten years on 2006 until 2015. The selected 5 of Asean countries were chosen due to there are involved in developing countries. The goal is to determine the relationship between variable which is the exchange rate that proxy based on national currencies per US dollar toward the independent variable which are inflation rate, import, export, interest rate, industrial production and money supply. The sources of data used on this study are collected from International Monetary Fund and World Bank Data. Besides that, journal and article were obtained to supported the literature review. E-Views 8 are the software to run the statistical data for this study. For this study were used Panel Least Squares Regression to estimates the results or findings. In this study, the researcher used descriptive analysis, unit root test, correlation analysis, normality test, and multiple regression analysis. The result of this study indicates that interest rate has a significance relationship with exchange rate. Meanwhile, other factors are insignificance. There also have a highly correlated between import and export.

Keyword: Asean countries, exchange rate, inflation rate, import, interest rate.

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