



**EFFECTS OF ECONOMIC DETERMINANTS TOWARDS THE SAVING DEPOSITS**

**IN MALAYSIA**

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## ABSTRACT

The changes in several major macroeconomics variables may cause a huge impact on the movement of Malaysian saving deposits (SD) The aim of this paper is to examine the “effect of economic determinants towards the saving deposits in Malaysia”. The saving deposits in Malaysia was chosen as the dependent variable in this study. There are five independent variables to be use in the study which are base lending rate ( BLR ), Kuala Lumpur composite index ( KLCI ), money supply ( M3 ), consumer price index (CPI) and gross domestic product (GDP).Based on expected previous findings, this study expecting the significant findings on the variables, the findings shows that , most researchers found that there are significant related between all the variables with the saving deposits. As has been tested by (Kim, 2010), (Beckmann, Hake, & Urvova, 2013), (Davidson & MacKinnon, 1983), (Ahmad & Atiq, 2006), (Er, Tugcu, & Coban, 2014), (AbuAl-Foul, 2010), (Mun, Ee, & Tan, 2008), (Haron, 2006) and (Fadhilah Hamsani, 2011), However negative relationship resulted on variables as has been tested by (Adeolu O.Adewuyi, 2007),(Thomas Harjes, 2008),(Michael, 2013), (Pinchawee Rasmidatta & Lin, 2011), (Tim Callen and Christian Thinmann, 1997), (Fortna, 2000) and (Siew-ling, Mansor, & Khim-sen, 2012)

The data were gathered from monthly data year 2004 -2014. The data was gathered from Bank Negara Malaysia and data Stream. A multiple linear regression is used in this study. In addition, the econometric tests are employed to observe the relationship of the economic variables to the saving deposits in Malaysia . The interactive package E-View is used in order to run the test and analysis on the data collected.

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