THE DETERMINATION OF FACTORS AFFECTING PRICE OF GOLD IN MALAYSIA

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ABSTRACT

Price of gold is become so important to the investor. It is because, it will show the signal whether the economy is doing well or not. Therefore, in this study the researcher tries to examine the factor that influence the price of gold. From this study, there are four determinant factor that could influence the price of gold, which are Exchange rate, Inflation, Composite stock price index and Crude oil price. The study implied Multiple Linear Regression Method to analyze the relationship between all the two independent variables and the dependent variable, price of gold by using time series data from 1996 to 2014. The total data collected are 228. All the data are collected by monthly basis. Interactive software package E-views would be used for testing and analyzing the data collected.

Finding from previous research paper mostly on developed market indicate that independent variables do play a significant role in determination of price of gold. The result of this research paper would provide an indicative view and form an important basis for investors to make their decision whether to invest in gold or other assets perfectly.

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