



THE DETERMINANT THAT INFLUENCE THE PRICE
OF FUTURES CRUDE PALM OIL IN MALAYSIAN
MARKET DERIVATIVES

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TABLE OF CONTENTS

	Page	
TITLE PAGE	i	
DECLARATION OF ORIGINAL WORK	ii	
LETTER OF SUBMISSION	iii	
ACKNOWLEDGEMENT	iv	
TABLE OF CONTENT	v	
LIST OF FIGURES	vii	
LIST OF TABLES	viii	
LIST OF ABBREVIATIONS	ix	
ABSTRACT	x	
CHAPTER 1	INTRODUCTION	1
	1.1 Background of study	1-2
	1.2 Problem Statement	3
	1.3 Research Objectives	4
	1.4 Significance of Study	4-5
	1.5 Scope of Study	5
	1.6 Limitation of Study	5
CHAPTER 2	LITERATURE REVIEW	6
	2.0 Introduction	6-9
	2.1 Overview of Malaysian Futures Market	9
	2.1.1 The Crude Palm Oil Futures Market	9-11
	2.2 The factors influence the Malaysian FCPO price	11-12
	2.2.1 Open Interest	12
	2.2.2 Trading Volume	12
	2.2.3 Settlement	12
	2.3 Conclusion of Chapter	12
CHAPTER 3	METHODOLOGY	13

3.0	Data	13
3.1	Data and Methodology	13-14
3.1.1	Data Collection Procedures	13
3.1.2	Data Analysis	13
3.1.3	HADRI unit root test	14
3.1.4	Johansen Co-integration	14
3.1.5	Vector Error Correction Model (VECM)	14
3.1.6	Multiple Regression	14
3.2	Empirical Model	15
3.3	Conceptual Framework	16
3.3	Measurement of Independent Variable	17
3.3.1	Open Interest	17
3.3.2	Trading Volume	17
3.3.3	Settlement	17
3.4	Estimation Procedures	18
3.4.1	Research Design	18
3.5	Hypothesis Testing	19
3.6	Statistical Software	19
3.7	Flow of Research Methodology	20
CHAPTER 4	FINDING AND ANALYSIS	21
4.0	Introduction	21
4.1	Descriptive Statistics	21
4.2	HADRI unit root test	22-23
4.3	Johansen Co-integration	23-24
4.4	Vector Error Correction Model (VECM)	24-27
4.5	Multiple Regression	27-28
4.6	Hypothesis Testing Result	29
CHAPTER 5	CONCLUSION	30
5.1	Conclusion	30
REFERENCES		31-33
APPENDICES		34-52

ABSTRACT

The futures market which is the place that the people can trade the futures contract known as financial exchange centre. The futures contract is a contract about the people or company make a purchase the specific quantity of commodities or instrument of financial at agreed price and the delivery of asset at specified time. The Malaysian Market Derivatives is a Malaysian Derivatives Exchanges (MDEX). The derivative market is a security that the price depends on underlying assets. The financial derivatives which is a contract between two or more people for example buyers and sellers or borrowers or lenders and also can called as a ways of slicing and dicing financial contracts. The common underlying asset such as commodities, currencies, stocks, bonds, interest rates and market indexes. This purpose of study which is to determine the factors that can influence the price of futures crude palm oil in Malaysian Market Derivatives. The futures crude palm oil is under commodity futures that can be trade by the company or individual to get the higher profit. There are factors that can affect the FCPO price such as open interest, trading volume and settlement. In addition, this study also give valuable information to trader or investor that involve in commodity market. This research which is conducted by collecting the data from secondary data (Bursa Malaysia) in monthly basis for 18 years from 27th January 1997 to 27th December 2014. The result show the relationship between the independent variable with dependent variable.