THE IMPACT OF MACROECONOMIC VARIABLES ON LOAN DEFAULT FOR SELECTED ASEAN COUNTRIES OF INDONESIA, MALAYSIA, PHILIPPINES, SINGAPORE AND THAILAND

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ABSTRACT

This research paper holds a purpose to study about the impact of macroeconomic variables on loan default for selected ASEAN countries of Indonesia, Malaysia, Philippines, Singapore and Thailand. Lending interest rate, unemployment rate, inflation rate, exchange rate and gross domestic product are the macroeconomics variables chosen to conduct the research. The data was gathered on quarterly basis and the period starts from quarter one of 2012 and end at quarter four 2017. The total data gathered from Data Stream is 85. Ordinary Least Square regression method is practiced to evaluate the regression. E-Views version 10 are the program used to diagnose the econometric issues. There are few solutions adopted to solve the issues encountered during the research. The outcomes turned out to be convincing and issues are being solved. The final results obtained from every tests in this paper matches with the results and findings.