



THE DETERMINANTS OF INFLATION RATE IN MALAYSIA

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ABSTRACT

The objective of this study is to examine the significant relationship between money supply, exchange rate, oil price and unemployment rate with inflation rate in Malaysia. In order to achieve the objective, this study applies the Ordinary Least Square by using Multiple Linear Regressions (MLR) Model and used quarterly data over the period quarter 4 2006 until quarter 1 2017 from authorized sources. The data in this study are collected from DataStream. The study revealed that in MLR Model there is a significant positive relationship between money supply and exchange rate with inflation rate in Malaysia. This study is important for those market participants, especially investor and government to discover and determine Malaysia inflation rate.