



**UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN**

**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT**

DECLARATION OF ORIGINAL WORK

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Hereby declare that:

- This work has not been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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ACKNOWLEDGEMENT

“In the name of Allah, the Merciful, the Beneficent”



Glory to Allah S.W.T., the most gracious, the most merciful and peace to upon his messenger Holy Prophet Muhammad S.A.W. the worship belongs to only Allah S.W.T

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Abstract

Recently, due to the fluctuation of global economic and financial health, the world had witnessed the declines of many financial assets from as traditional as equities to the modern as mortgage. In contrast, the gold commodity impressively exposed to roughly doubling their price that had derived by many factors. Based on other research theories, it is said that the currency exchange rate, price of silver, stock market (KLCI) and Lagged gold price has a positively influence upon the gold price change. Except interest rate, some said it has positively influence upon the gold price while some said oppositely, relying on the substitution relationship of the gold and interest rate in a country. If the interest rate has positive influence upon the gold price, it means gold is not an alternative to interest rate and vice versa. Because these determinants' influence upon the vary of gold prices were based on the researches and theories, it does not prove how approximate the robustness of each factors' influence upon the gold price. Based on this research's results, overall, these independent variables were proven to be positively correlated with gold price along with a high degree of total variable explanation to the gold price change (R^2)

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