



اُنْبُورْسِيَّتِي تِيكْنُولُوجِي مَارَا

UNIVERSITI TEKNOLOGI MARA  
CAWANGAN KELANTAN

**BURSA MALAYSIA DERIVATIVES PRODUCT  
(FACTORS AFFECTING PRICE MOVEMENT OF CRUDE PALM OIL  
FUTURES (FCPO) )**

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## LETTER OF TRANSMITTAL

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Dear Sir,

### **SUBMISSION OF FINANCE PROJECT PAPER**

Attached is the copy of Finance Project Paper entitled "Bursa Malaysia Derivatives Product (Factors Affecting Price Movement of Crude Palm Oil Futures (FCPO) ) to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA (UiTM).

Thank you.

Yours faithfully,

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## ACKNOWLEDGEMENT



“In the name of Allah, The most Gracious and Peace be upon His Messenger, the holy Prophet Muhammad SAW.”

First and foremost, Alhamdulillah, at last I am able to complete the thesis paper. It has been the most profitable experience to have been talented to do this research.

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## TABLE OF CONTENTS

TITLE	PAGE NO.
TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v - vii
LIST OF TABLES	viii
LIST OF FIGURE	ix
ABSTRACT	x
<b>CHAPTER 1: RESEARCH OVERVIEW</b>	
1.1 Introduction	1 – 5
1.2 Background of the Study	6 – 9
1.3 Problem Statement	9 – 11
1.4 Objectives of the Study	
1.4.1 General Objective	12
1.4.2 Specific Objective	12 – 13
1.5 Research Questions	13
1.6 Research Framework	14
1.7 Hypothesis Testing	
1.7.1 Soybean oil price	15
1.7.2 Exchange rate	16
1.7.3 Crude Palm Oil (CPO) production	17
1.7.4 Overall factors affecting	17
1.8 Scope of Study	18
1.9 Limitation of Study	
1.9.1 Limited sources of data frequency	19
1.9.2 Accuracy and reliability of information	19
1.9.3 Reliability of expertise	19

## ABSTRACT

*This paper study on Bursa Malaysia Derivatives Product which examines the relationship between the movement of Crude Palm Oil Futures (FCPO) price and the factors affecting which consist of soybean oil price, exchange rate and Crude Palm Oil (CPO) production. This paper is employed time-series data covered from January 2001 to December 2010. Each of the variables contains a monthly data set of 120 observations. This paper employs Simple Linear Regression Analysis, Multiple Linear Regression Analysis and Hypothesis Testing to determine the statistical relationship. For the diagnostic checking, there is relationship existence between Crude Palm Oil Futures (FCPO) price movement and factors affecting which are soybean oil price, exchange rate and Crude Palm Oil (CPO) production. The result demonstrated that there is a direct relationship between soybean oil price and FCPO price movement. For the exchange rate and CPO production showed that there is an inverse relationship with the movement of FCPO price. The results indicate that FCPO price movement is consistently examined by soybean oil price, exchange rate and CPO production.*

*Keywords: FCPO price movement, soybean oil price, exchange rate, CPO production*