



**THE DETERMINANTS OF EXCHANGE RATE AND
MACROECONOMIC VARIABLES IN MALAYSIA**

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ABSTRACT

Exchange rate play the important significant role to the economic growth, have many macroeconomic variables that can be a factors to the exchange rate movement such as a gross domestic product, inflation, interest rate, import and export. These studies focusing on one of country which is Malaysia because now we see that there is agitation in the Malaysian economy today and it is affecting the country's exchange rate fluctuations. The objectives of this paper is to determine the relationship between exchange rates and the macroeconomics variable in Malaysia and to determine the significant of exchange rate in Malaysia. The finding make return show the researcher answering the objective that there have strong relationship and weak relationship between macroeconomic variable and exchange rate. The result show has strong relationship gross domestic product, interest rate, import and export except inflation no relationship between exchange rate. The inflation result show maybe because lack of data because the inflation is should be the one factors important to make change movement exchange rate. The finally we proposed to generate more years and more data to support and being a significant result.

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