A STUDY ON DETERMINANT FACTORS OF CRUDE PALM OIL PRICE ININDONESIA

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ABSTRACT

The main reason of this research is to determine the factors that contributed to the changes in the price of CPO and to estimate the price volatility and flexibility from time to time. The study is going to focus on crude palm oil price CPO as the dependent variable, also an independent variables that could determine crude palm oil price positively and or negatively related which are based on lending rate, exchange rate between rupiah and dollar, olive oil price, and also soybean oil price. The main tool of analysiswhich is single regression will be to allow the researcher to analyse the relationship between the independent variables and dependent variable using time series data from 2000 to 2013, the data collected will be based on monthly basis which is 168 months. The data gathered from Index Mundi, Data Stream, and also the World Bank Data for the data of interest rate, exchange rate, and price of crude palm oil, price of olive oil, and price of soybean oil.The researcher chooses the sampling frame of agriculture industry in Indonesia.In this research the researcher expected that the five factors will have a strong significant relationship positively towards the crude palm oil price as the best result.