



**DETERMINANTS OF CRUDE PALM OIL PRICE IN
MALAYSIA**

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ABSTRACT

Crude Palm Oil is a vegetable oil that is use in our daily life. Main usage of CPO is for cooking purposes, but it also can be used to make soap, washing powders, personal care products, and biodiesel. Crude Palm Oil production is vital for Malaysia, as it had been the backbone of Malaysia economic for years. There are many internal and external factors that may affect the changes of Crude Palm Oil (CPO) prices in Malaysia. The purpose of this study is to find main factors that affecting the Crude Palm Oil (CPO) price in Malaysia. In this study, it focused on four independent variables. Which are Crude Oil Price, Interest Rate, Exchange Rate, and Demand of palm oil. Total of 91 observations each variable from January 2007 until July 2014 monthly basis has been used in this research. The variability of the price of CPO may impact the economy growth of the country in terms of trade balance.

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