



**THE FACTORS THAT AFFECTING CRUDE PALM OIL PRICE  
CHANGES IN MALAYSIA**

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## ABSTRACT

This paper aim to examine the relationship between the crude palm oil prices and the independent variables that affecting the crude palm oil prices changes in Malaysia. This study required 125 observations of data for each variable which are CPO price, production of CPO, exchange rate, soybean oil price and export spanning from January 2008 to May 2018 were utilized. Methodology used for this study is Multiple Linear Regression with time series data. Thereafter, T-Statistics and coefficient test is to be conducted to observe the relationship of the independent variables with CPO. Software package econometrics views (E-Views) was used for testing and analyzing the data collected. The finding showed that the only export of CPO was insignificant towards CPO price. On the other hand, exchange rate, soybean oil prices and production of CPO have significant relationship towards CPO prices. In addition, only soybean oil prices have positive relationship while production of CPO, exchange rate and export of CPO have negative relationship towards CPO price. For future researcher, it is recommended to exclude export of CPO as variable because it has insignificant relationship. Therefore, future researcher also can use this paper as literature review for improvement of result regarding this scope.

**Keywords:** Crude Palm Oil Price, Production of Crude Palm Oil, Exchange Rate, Export of Crude Palm Oil.