



**UNIVERSITI TEKNOLOGI MARA**

**THE IMPACT OF MACROECONOMICS  
VARIABLES TOWARDS GOLD PRICES: THE CASE  
OF BEFORE AND DURING PANDEMIC**

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## **ABSTRACT**

This research studies the impact of macroeconomics variables towards gold price for case of before and during pandemic. Next, the goal of this research studies to take a look into the relationships and impacts of the independent variables, which are inflation rate (INF), exchange rate (EXR), and the stock market index (KLCI) on the Malaysia gold price (MGP). This research studies use 6 years of data collection from year 2016 to year 2021. Furthermore, this research studies are using the secondary sources such as the journal and articles from Google Scholar. In addition, the raw data are be collected from the yahoo finance, Macro trends and others. Then, this research studies have run the descriptive analysis, multiple linear regression, and correlation analysis test to determine whether the independent variables are significant or insignificant towards the dependent variables, and it also to determine whether the it has a positive or negative relationship. The findings show there are significantly positive correlation relationship between inflation rate and Malaysia gold price before the pandemic covid-19 and there is significant negative relationship between stock market and Malaysia gold price and there are insignificant relationships for other variables.

**Keywords:** Malaysia gold price, inflation rate, exchange rate, stock market index.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Overview Chapter**

First, this chapter will introduce gold by discussing its duties as well as its significance. Aside from that, the subtopics that follow will describe the problem statement, study objectives, and research questions. This chapter will also discuss the significance of the study in order to provide a better understanding of the purpose of this research. Furthermore, the scope of the investigation and its restrictions will be stated in order to confine the emphasis of the study to the research's true objective. Last but not least, this chapter will define crucial words in order to create a clear image of the study.

#### **1.2 Background of Study**

Since thousands of years, gold has been a symbol of riches and prosperity. Gold was utilized as a currency long before fiat money was invented, and it is now used as an investment in both computers and jewelry. Furthermore, gold has the property of serving as an inflation hedge, which means that the gold price rises when the inflation rate rises. In other words, gold's worth was protected despite inflation (Hashim et al., 2017).

Moreover, gold is a wonderful investment for both the short and long term. One of the benefits of gold is that it is regarded as valuable by the entire human race. It is also a valuable asset that may be transformed into cash. There are no other assets that can compete with gold in terms of liquidity. Gold owners can turn their gold into cash at any moment. It can be diluted not only in Malaysia, but also elsewhere in the world because it is tolerated by other people (Sukri et al., 2015).

In addition, the pricing of gold has been the most contentious issue in recent decades. For many decades, investors have considered gold to be a safe haven. Gold is regarded as the most popular, safe, and valuable metal for investment, and in times of economic crisis and uncertainty, it is regarded as the most stable asset among others (Himani & Manisha, 2017).