ABSTRACT

The objective of this study is to determine the factors that affect Gold Price in Thailand during 2005 to 2015. The correlations among the variables are also determined.

The influencing factors used in this study are World Gold Price, Oil Price, Dow Jones Industrial Average, USD Index, Consumer Price Index, SET Index, Interest Rate, Exchange Rate, and Time Lag. They are hypothesized to have impact on the Gold Price in Thailand. Multiple Regression analysis was used to find the impact of these variables.

The data tested are made stationary based on ADF unit root test. The model is significant to predict the Gold Price in Thailand; the F test significant is equal to 0.0000. The adjusted $R^2$ is equal to 0.3893 which implies that model can explain 38.93% of the changes in the Gold Price in Thailand. The autocorrelation was identified and corrected by using Newey-West method. The findings show that the Gold Price in Thailand is significantly negative correlated with Dow Jones Industrial Average, USD Index, and SET Index; only Oil Price was found to have insignificant impact on the Gold Price in Thailand. On the other hand, the Gold Price in Thailand is significantly positive correlated with World Gold Price, Consumer Price Index, and Time Lag; Interest Rate and Exchange Rate were found to have insignificant impact on the Gold Price in Thailand.

The results of this study can be useful to investors, individual buyers, and sellers for their analysis and decision making on trading gold profitably. The results of this study could be useful for academics in constructing a better model to predict the Gold Price in Thailand.