

IMPACT OF OIL AND GOLD PRICES ON STOCK MARKET INDEX

By
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16616

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Karachi Campus, in partial fulfillment of the requirements
of the MBA degree



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Fall 2015	16616
3.7 Research Population	12
3.8 Data Type.....	12
3.9. Research Variables.....	12
3.10. Theoretical Framework:	13
Independent variables:	13
Dependent variable:	15
3.11 Treatment of Data.....	15
3.12 Research Model	16
3.13 Hypotheses	16
Chapter 4	17
Data Analysis	17
4.1. Data Analysis.....	17
Table 4.1	17
4.2. Multiple Regression Analysis	17
Table 4.2	17
Table 4.3	18
Table 4.4	18
Table 4.5	19
Chapter 5	20
Critical Analysis.....	20
5.1. Analysis of Results.....	20
5.1.1. Gold Price	20
5.1.2. Crude Oil Price	20
Chapter 6	21
Conclusion and Recommendations	21
6.1. Conclusion	21
6.2. Recommendations	22
Chapter 7	23
References	23

Fall 2015	16616
3.7 Research Population	12
3.8 Data Type.....	12
3.9. Research Variables.....	12
3.10. Theoretical Framework:.....	13
Independent variables:	13
Dependent variable:	15
3.11 Treatment of Data.....	15
3.12 Research Model	16
3.13 Hypotheses	16
Chapter 4	17
Data Analysis.....	17
4.1. Data Analysis.....	17
Table 4.1.....	17
4.2. Multiple Regression Analysis.....	17
Table 4.2.....	17
Table 4.3.....	18
Table 4.4.....	18
Table 4.5.....	19
Chapter 5	20
Critical Analysis.....	20
5.1. Analysis of Results.....	20
5.1.1. Gold Price	20
5.1.2. Crude Oil Price	20
Chapter 6	21
Conclusion and Recommendations	21
6.1. Conclusion	21
6.2. Recommendations	22
Chapter 7	23
References	23



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2nd Half-semester Progress Report & Thesis Approval Statement

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Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1				
2				
3	NOV-17-16	Mohsin House	Collected data checked by sir and guided about SPSS.	<i>[Signature]</i>
4	30-01-16	Supervisor's House	SPSS Results checked by sir and guided about interpretation.	<i>[Signature]</i>
5	06-02-16	IOBM	Conclusion and recommendation.	<i>[Signature]</i>

APPROVAL FOR EXAMINATION

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Thesis Title: Impact of Oil and Gold Prices on Stock Market Index.

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 13% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: _____ Date: 08-April-16

Name: Usman Ali Warraich

Abstract

Problem Statement - To examine the impact of Oil & Gold prices on stock market index.

Purpose- Stock Market Index is considered to be reflection of economic performance of the country and it has vital role in economy. Stock Market index takes impact of many important factors including macroeconomic variables. This research is conducted to examine the impact of Gold and Crude Oil prices on stock market index. The aim of the research is to study the relationship between prices of gold and crude oil and stock market index. This research is Explanatory Research by nature and relies on secondary data.

Methodology/sample-Gold and Crude oil are selected as independent variables and Stock Market Index (KSE 100 Index) is dependent variable in this research. Monthly data of last 20 years (January 1995 to December 2015) was used in this research. Multiple Linear Regression was conducted to study the relationship between the independent variables and dependent variables.

Findings- Test was conducted using SPSS and results were interpreted. The results of my research show that Gold Price has significant positive relation with Karachi Stock Exchange 100 index while Crude Oil has insignificant positive relation with Karachi Stock Exchange 100 Index. However, often they require government intervention to be retained at level that is most suitable for an economy.

Practical Implications-These variables have direct impact on the overall economy therefore it is very imperative that these variables not only remain in control of the government but the government should also be able to steer these variables for the betterment of the economy

Keywords: Crude Oil Price, Gold Price, Stock Market, Index.