SUMMARY

NOVIYANTI ELIZABETH. Behaviors of Spot and Futures Olein Prices Against Macroeconomic Variables. Supervised by NOER AZAM ACHSANI and TRIAS ANDATI.

Palm oil is one of the plantation commodities that have an important role in the national economy. Other than as major source of vegetable oil, palm oil also contributed as a foreign exchange earner in the country. Establishment of world palm oil prices are closely linked with the production, domestic consumption, government policy, international prices, export and import.

Based on data Jakarta Futures Exchange (BBJ), the global financial crisis that occurred in support with rising world oil prices led to an increase in the spot price and the futures Olein in the first quarter amounted to Rp 11,020 per kg and then decline in the fourth quarter of 2008 amounted to Rp 5100 per kg lower than the third quarter of Rp 8380 per kg (www.bbj-jfx.com). Olein price reduction was in line with the decline of CPO price of $ 512 per ton to $ 934.3 per ton, the decline in oil prices, slowing economic growth reduced demand cancellation of the contract marked Olein Olein. In some of the factors the currency economic activity, interest rates, and oil prices are affecting the movement of spot and futures prices Olein and considered important to investigate.

The aim of this research was to explain the dynamic of spot and futures price Olein and to analyze the impact of macroeconomic variables spot and futures prices movement of olein. While the particular objectives of this study were 1) to see the dynamic relationship spot and futures prices, 2) analyze the changes of macroeconomic variables to the spot and futures prices. The methods used in this research were Granger Causality, VECM, IRF and FEVD.

This research uses a quantitative approach. The data used in this study are a secondary data spot prices, futures prices in nearby (Futures1), farthest monthly futures prices (Futures2) taken from the Jakarta Futures Exchange (BBJ). Definition of spot price is the price prevailing in the market today while the futures price is an agreement or contract about the quantity, date of payment implemented in the future. Nearest futures contract price is held before the due date while the contract settlement of transactions executed on the date of maturity of the product followed by the delivery month futures price is the furthest futures contract price.

As for the macroeconomic variables in this research were the real exchange rates, the real interest rate and world oil prices WTI in addition to the spot dan futures prices. Futures prices were divided by settlement time nearest and farthest. The period of each variables used monthly which was started January 2001 to August 2012. Granger causality showed no relationship spot prices to futures price nearest and farthest of olein and vice versa. In short terms showed the real exchanges rates affect on the spot and futures prices but the real interest rate, world oil prices affect on the spot and futures prices in long term. Response of macroeconomic variables showed, in the period ahead spot price variability was dominated by the spot price of olein itself, followed by the real exchange rate, real interest rates and oil prices. As well as the spot prices, the nearest futures price variability itself gave a greater proportion, followed by oil prices, the spot price, the real exchange rate, and the rest of the real interest rate. The opposite was the farthest futures prices; the real exchange rate provides a greater proportion than the real interest rate, spot prices and oil prices.

Key words: FEVD, Futures, Granger Causality, Spot, VECM.