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| Title | Effects of Macroeconomic Variables on the Performance of Mutual Funds: Evidence from Bangladesh Financial Market |
| Author(s) | Dr Md Kutub Uddin, Quazi Nur Alam, Md Abdur Razzak Khan, Sivlee Rahman, Kamrul Hasan Ashik |
| Contact Email(s) | nur.alam@aiub.edu |
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| Abstract |
| Using multiple regression analysis in this research paper, this is examined that these macroeconomic variables (Money Supply-M2, Inflation Rates and Exchange Rates) have significant relationships with the performance of mutual funds (represented by monthly return based on NAV) in Bangladesh. According to this project paper, money supply M2 has negative relationship with the performance of mutual funds in the financial market of Bangladesh. Because, higher level of money supply in the market weaken the monetary value of taka which makes the market more vulnerable. And this vulnerable market leads a negative impact on the whole financial market as well as mutual fund industry. Interest rates have positive relationship with the performance of mutual funds in the financial market of Bangladesh because higher level of interest rate increases the tendency of savings in the ultimate consumers and they try to consume less and save more. This savings is going to be invested in the capital market as well as in mutual fund industry which leads the market to a better position for the fund managers. Inflation rates have negative relationship with the performance of mutual funds in the financial market of Bangladesh as the higher level of inflation make the price of commodities higher and the monetary price of the taka lower. This tendency of making the less value of money, most of the investors want to withdraw their investment from the market which leads a downturn in the financial market as well as in the mutual fund industry. At the end, exchange rates have positive relationship with the performance of mutual funds as the higher level of exchange rate makes the Bangladeshi taka more powerful in the international market. |
| Sustainable Development Goal(s) (SDG) |
| Example: Goal 8: Decent Work and Economic Growth |