*International Journal of Engineering Research and Modern Education (IJERME)*
*Impact Factor: 7.018, ISSN (Online): 2455 - 4200*
*(www.rdmodernresearch.com) Volume 6, Issue 1, 2021*

# IMPACT OF KEY ECONOMIC INDICATORS ON THE CAPITAL MARKETS OF OMAN

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**Cite This Article:** Dr. Jayaram Kanzal, "Impact of Key Economic Indicators on the Capital Markets of Oman", International Journal of Engineering Research and Modern Education, Volume 6, Issue 1, Page Number 1-8, 2021.



**Abstract:**

The capital market is one of the very important ways for countries to raise money, along with debt markets which are generally more imposing but do not trade publicly. The main aim of the study is To determine the significance of macro-economic indicators in predicting capital market price. The study is based on Secondary data; The study aims to show how the institutional and macro-economic factors impact on share price. This study is a descriptive research. The collected data has been analysed multiple regression analysis and regression. The findings of the study would help the Oman country in making a linkage between the capital market and micro economic variables influencing the performance of the capital market.

**Key Words**: Capital, Market, Sector, IT, Sector, Financial, Performance, Economic, Share, Country, Trade, Position, Etc.,

**Introduction:**

The capital market is one of the important barometer of the Oman economy. It is the very important function of the financial system of any economy. A capital market, equity market or share market is the aggregation of buyers and sellers of capitals ; these may include securities listed on a capital exchange as well as those only traded privately. The capital market is one of the very important ways for Oman country companies to raise money, along with debt markets which are generally more imposing but do not trade publicly. This allows businesses to be publicly traded, and raise additional financial capital for expansion by selling shares of ownership of the company in a public market. The liquidity that an exchange affords the investors enables their holders to quickly and easily sell securities. This is an attractive feature of investing in capitals, compared to other less liquid investments such as property and other immoveable assets. Some companies actively increase liquidity by trading in their own shares. Rising share prices, for instance, tend to be associated with increased business investment and vice versa. Capital market prices also affect the wealth of households and their consumption. Therefore, central banks tend to keep an eye on the control and behavior of the capital market and, in general, on the smooth operation of financial system functions. Exchanges also act as the clearinghouse for each transaction, meaning that they collect and deliver the shares, and guarantee payment to the seller of a security. This eliminates the risk to an individual buyer or seller that the counterparty could default on the transaction.

**Statement of the Problem:**

The individual investor is facing many risks in investing their funds in a share market. There are many risks involved in predicting share price of a company in a market to the share holders. If a share price is predicted it will be helpful for the investor to invest in the capital market. So that predicting the share price plays a major role in investments.

**Objectives:**

- To find the impact of key economic indicators on the capital markets of Oman.
- To examine out the movement of share price in the capital market.
- To determine the significance of macro-economic indicators in predicting capital market price.

**Scope of the Study:**

This study helps to reduce the risks which are involved in capital market while investing to the investors. It gives a clear idea about how the fluctuations happen in the share market. It helps to predict the share price of the companies in Oman Countries.

**Limitations of the Study:**

- This study is confined to the extent of interpreting the data is collected only from 17 companies.
- This study is done within one year data.
- This study based on the historical data and information provided in the reports.
- The entire financial position of the company cannot be disclosed.

**Review of Literature:**

Melvin and Sultan (1990) examined the relation between oil prices, gold prices and capital market indexes using different econometric approaches, countries and sample periods. The results of the study revealed that political unrest in South Africa in addition to oil price volatility is significant factors that constitute the gold

spot price forecast errors. In this study selection commodities are tested using correlation with the time period from ApSaud Bahwan Group 1960 to November 1985. The study concluded that demonstrate that there exist significant correlation between oil and gold.

Maysami and Koh (2000) examined the long-term equilibrium relationships between selected macroeconomic variables and capital indices using a VECM model through yearly data between 1988-2003. They found that changes in capital market levels cause a co-integrating relationship with changes in price levels, money supply, short- and long-term interest rates, and exchange rate except industrial production and trade. And also they detected that capital market is significantly and positively co-integrated with capital markets.

Khalid Mustafa (2013) investigated the relationship between money supply, interest rate and capital prices. Monthly basis data are chosen from January 1992 to June 2009. To attain the objective for the study models applied are error correction model, co-integration and Granger Causality test to check the relationship between money supply and share prices. The suggestions given by the researcher of the study are there exits uni-directional association between share prices and supply of money. The study also results that money supply is negatively affected by share prices in a short run relationship.

Salma Akter and Naznin Sultana Chaity (2013) examined the impact of financial and macro-economic variables on determination of share prices of private commercial bank sat the secondary market in Bangladesh. The data needed for the study from banking sector are analyzed by multiple regression analysis using Statistical Package for Social Science (SPSS 16.0). To achieve the objective of the study a sample of 24 commercial banks of Dhaka Capital Exchange (DSE) for the period 2008 -2012 was analyzed by multiple regressions. The study concluded that that market price of capital is negatively related with money supply and lending interest rate.

Shafie Mohamed Zabri and Khaw Khai Wah (2016) analysed on corporate governance practices among Top 100 public listed companies in Bursa Malaysia. Descriptive and correlation analysis were used to examine the hypotheses in this study. There main objective of the study is to investigate the corporate governance practices among Top 100 listed companies to study the relationship between corporate governance and firm performance. The first objective of the study was achieved by using descriptive analysis whereas the second objective which consisted of four hypotheses was achieved by using correlation analysis.

**Research Methodology:**

The study aims to show how the institutional and macro-economic factors impact on share price. This study is a descriptive research. This study contains a secondary data from internet for one year from 2017 to 2018 period. The financial data of the institutions have been collected from website of money control, morning star, finance, yahoo. The economic data have been collected from website of investing and banking solutions. For the research purpose, independent. Variables are identified and grouped. Group of variables are "Macro-economic Variables"- the economic indicators of the country.

Macro-economic Variables:

- Gold
- Silver
- US dollar
- Crude oil

To examine the significance of factors that may have effect on share price movement, two step analyses have been done. For studying the two relationships multiple regression analysis was conducted and co linearity among the variables was examined.

**Multiple Regression Analysis:**

Multiple regression analysis is a powerful technique for predicting the unknown value of a variable from the known value of two or more variables also called as predictors.

**Assumptions:**

- Data must be normally distributed
- A linear relationship is assumed between the dependent variable and the independent variables.
- Absence of multi co linearity is assumed in the model, so that the independent variables are not too highly correlated.
- At the center of the multiple linear regression analysis is the task of fitting a single line through a scatter plot.

In general, the multiple regression equation of Y on $x_1$, $x_2$, $x_3$…

Equation would be $Y= C + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4$

Y = Share price (Dependent Variable)
C = Constant
$X_1$ = Gold
$X_2$ = Silver
$X_3$= Crude oil
$X_4$ = US dollar

**List of Companies in Oman Countries:**

- **IT Sector:**
  - Bahwan Cybertek LLC
  - Gulf Infotech LLC

- Lemon Technologies
- MAFTCO
- Krish It Solutions Pvt Ltd
- Gulfcybertech E Solutions

- **Real Estate Sector:**
  - Cluttons
  - Al Habib Co LLC
- **Oil, Gas, Petroleum Sector:**
  - Al Baraka Oilfield Services Saoc
  - Al Ghalbi International Engineering Contracting
  - Arabian Industries LLC
  - Grand DSaud Bahwan Group ling Petroleum Service
  - Mohammed Bin Jama Bin Esmail Trading
  - Pipeline Supply Company
  - W J Towell and Co
- **Automobile Sector:**
  - Saud Bahwan Group
  - Suhail Bahwan Automobiles LLC

**Analysis and Interpretation:**

**IT Sector:**

Table 1: Table showing multiple regression value for IT Sectors

| Company | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Bahwan Cybertek LLC | 0.737 | 0.544 | 0.537 | 79.148 | 0.544 | 76.262 | 4 | 256 | 0 |
| Gulf Infotech LLC | 0.637 | 0.406 | 0.396 | 294.905 | 0.406 | 43.656 | 4 | 256 | 0 |
| Lemon Technologies | 0.839 | 0.703 | 0.699 | 29.532 | 0.703 | 151.78 | 4 | 256 | 0 |
| MAFTCO | 0.793 | 0.629 | 0.623 | 15.0905 | 0.629 | 108.63 | 4 | 256 | 0 |
| Krish It Solutions Pvt Ltd | 0.575 | 0.331 | 0.32 | 10.6494 | 0.331 | 31.623 | 4 | 256 | 0 |
| Gulfcybertech E Solutions | 0.487 | 0.237 | 0.225 | 54.3243 | 0.237 | 19.888 | 4 | 256 | 0 |

Table 1 shows that model summary R representing the multiple correlation coefficient, shows the linear correlation between all the independent and dependent variables. The maximum the value of R, there will be a strong relationship between the predictor and criterion variables. In this Lemon Technologies, the value of R is .876, which is high, representing a correlation among the variables. R- Square is a square is a squared value of multiple correlation coefficients. The value of R- square is 0.703, which depicts that 70.3% of the variance in share price can be predicted through gold, silver, crude oil and US dollar.

Similarly for all companies in this sector like BAHWAN CYBERTEK LLC, GULF INFOTECH LLC, LEMON TECHNOLOGIES, KRISH IT SOLUTIONS PVT LTD and GULFCYBERTECH E SOLUTIONS.

Table 2: Table Showing Coefficients of IT Sectors

| Company | Model | Un standardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| Bahwan Cybertek LLC | (Constant) | 4203.954 | 440.329 | | 9.547 | 0 |
| | Gold | 0.009 | 0.017 | 0.021 | 0.493 | 0.623 |
| | Silver | -10.008 | 2.474 | -0.194 | -4.046 | 0 |
| | Crude oil | 3.642 | 1.094 | 0.299 | 3.331 | 0.001 |
| | US dollar | -23.97 | 6.354 | -0.353 | -3.773 | 0 |
| Gulf Infotech LLC | (Constant) | 8075.706 | 1640.664 | | 4.922 | 0 |
| | Gold | 0.068 | 0.064 | 0.052 | 1.052 | 0.294 |
| | Silver | 54.652 | 9.217 | 0.325 | 5.93 | 0 |
| | crude oil | 3.805 | 4.075 | 0.096 | 0.934 | 0.351 |
| | US dollar | -137.734 | 23.673 | -0.621 | -5.818 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Lemon Technologies Tech | (Constant) | 1513.819 | 164.297 | | 9.214 | 0 |
| | Gold | 0 | 0.006 | -0.002 | -0.054 | 0.957 |
| | Silver | -12.223 | 0.923 | -0.513 | -13.244 | 0 |
| | crude oil | 2.011 | 0.408 | 0.357 | 4.928 | 0 |
| | US dollar | -4.517 | 2.371 | -0.144 | -1.905 | 0.058 |
| Maftco | (Constant) | 1272.613 | 83.954 | | 15.158 | 0 |
| | Gold | 0.002 | 0.003 | 0.018 | 0.458 | 0.647 |
| | Silver | 1.47 | 0.472 | 0.135 | 3.116 | 0.002 |
| | crude oil | -0.775 | 0.209 | -0.301 | -3.718 | 0 |
| | US dollar | -15.79 | 1.211 | -1.099 | -13.035 | 0 |
| Krish It Solutions Pvt Ltd | (Constant) | 726.624 | 59.246 | | 12.264 | 0 |
| | Gold | -0.001 | 0.002 | -0.014 | -0.264 | 0.792 |
| | Silver | 0.852 | 0.333 | 0.149 | 2.559 | 0.011 |
| | crude oil | -1.613 | 0.147 | -1.193 | -10.962 | 0 |
| | US dollar | -8.064 | 0.855 | -1.069 | -9.433 | 0 |
| Gulfcybertech E Solutions | (Constant) | 2101.889 | 302.226 | | 6.955 | 0 |
| | Gold | -0.015 | 0.012 | -0.07 | -1.262 | 0.208 |
| | Silver | 1.795 | 1.698 | 0.066 | 1.057 | 0.291 |
| | crude oil | -4.979 | 0.751 | -0.771 | -6.633 | 0 |
| | US dollar | -14.602 | 4.361 | -0.405 | -3.348 | 0.001 |

Table 2 depicts the coefficients between variables when multiple regression analysis is applied. Beta coefficient reflects the change in the dependent variable for each unit change in the independent variable. It can be used to compare the relative strength of various predictors within the model. Larger will be the beta coefficient, the smaller will be the significant level.

As per the table 2, BAHWAN CYBERTEK LLC - Gold (Beta = .021, $p > 0.01$), Silver (Beta = - 0.194, $P < 0.01$), Crude oil (Beta = .299, $p < 0.01$) and US dollar (Beta = - . 353, $p < 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold and share price and there is no relationship between silver, crude oil and US dollar in predicting the share price.

As per the table 2, GULF INFOTECH LLC -Gold (Beta = .052, $p > 0.01$), Silver (Beta = - 0.325, $P < 0.01$), Crude oil (Beta = .096, $p < 0.01$) and US dollar (Beta = - . 621, $p < 0.001$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, crude oil and share price and there is no relationship between silver and US dollar in predicting the share price.

As per the table 2, LEMON TECHNOLOGIES TECH- Gold (Beta = -.002, $p > 0.01$), Silver (Beta = -0.513, $P < 0.01$), Crude oil (Beta = .357, $p < 0.01$) and US dollar (Beta = - . 144, $p > 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, US dollar and share price and there is no relationship between silver and crude oil in predicting the share price.

As per the table 2, MAFTCO - Gold (Beta = .018, $p > 0.01$), Silver (Beta = 0.135, $P < 0.01$), Crude oil (Beta = -.301, $p < 0.01$) and US dollar (Beta = - 1.099, $p < 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver and share price and there is no relationship between US dollar and crude oil in predicting the share price.

As per the table KRISH IT SOLUTIONS PVT LTD - 4.2, Gold (Beta = -.014, $p > 0.01$), Silver (Beta = 0.149, $P < 0.01$), Crude oil (Beta = .147, $p < 0.01$) and US dollar (Beta =. 855, $p > 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver and share price and there is no relationship between US dollar and crude oil in predicting the share price.

As per the table 2, GULFCYBERTECH E SOLUTIONS Gold (Beta = -.070, $p > 0.01$), Silver (Beta = 0.066, $p > 0.01$), Crude oil (Beta = -.771, $p < 0.01$) and US dollar (Beta = -.405, $p > 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver and share price and there is no relationship between US dollar and crude oil in predicting the share price.

**Automobile:**

Table 3: Table showing multiple regression value for Automobile Sector

| Company | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Saud Bahwan Group | .713 | 0.509 | 0.501 | 52.9484 | 0.509 | 66.34 | 4 | 256 | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Suhail Bahwan Automobiles LLC | .719 | 0.517 | 0.510 | 19.90648 | 0.517 | 68.535 | 4 | 256 | 0 |

Table 3 shows that model summary R representing the multiple correlation coefficient, shows the linear correlation between all the independent and dependent variables. The maximum the value of R, there will be a strong relationship between the predictor and criterion variables. In this, the value of R is .719, which is high, representing a correlation among the variables. R- Square is a square is a squared value of multiple correlation coefficients. The value of R- square is .517, which depicts that 51.7 % of the variance in share price can be predicted through gold, silver, crude oil and US dollar. Similarly for all companies in this sectors like SAUD BAHWAN GROUP.

Table 4: Table showing Coefficients of Refineries

| Company | Model | Un standardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| Saud Bahwan Group | (Constant) | 635.101 | 294.571 | | 2.156 | .032 |
| | Gold | -.021 | .012 | -.081 | -1.815 | .071 |
| | Silver | -.890 | 1.655 | -.027 | -.538 | .591 |
| | crude oil | -5.213 | .732 | -.664 | -7.125 | .000 |
| | US dollar | 2.393 | 4.250 | .055 | .563 | .574 |
| Suhail Bahwan Automobiles LLC | (Constant) | 1213.600 | 110.747 | | 10.958 | .000 |
| | Gold | -.007 | .004 | -.071 | -1.615 | .108 |
| | Silver | -5.401 | .622 | -.429 | -8.682 | .000 |
| | crude oil | -3.075 | .275 | -1.034 | -11.181 | .000 |
| | US dollar | -7.315 | 1.598 | -.441 | -4.578 | .000 |

Table 4 depicts the coefficients between variables when multiple regression analysis is applied. Beta coefficient reflects the change in the dependent variable for each unit change in the independent variable. It can be used to compare the relative strength of various predictors within the model. Larger will be the beta coefficient, the smaller will be the significant level.

As per the table 4, SAUD BAHWAN GROUP - Gold (Beta = -.081, $p > 0.01$), Silver (Beta = - 0.027, $P > 0.01$), Crude oil (Beta = -.664, $p < 0.01$) and US dollar (Beta = - . 055, $p > 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver, US dollar and share price and there is no relationship between crude oil in predicting the share price.

As per the table 4, SUHAIL BAHWAN AUTOMOBILES LLC - Gold (Beta = -.071, $p > 0.01$), Silver (Beta = - .429, $P < 0.01$), Crude oil (Beta = -1.034, $p < 0.01$) and US dollar (Beta = - .441, $p < 0.01$) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold and share price and there is no relationship between silver, US dollar and crude oil in predicting the share price.

**Real Estate Sector:**

Table 5: Table showing multiple regression value for Real Estate Sector

| Company | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Cluttons | 0.632 | 0.399 | 0.39 | 7.09633 | 0.399 | 42.499 | 4 | 256 | 0 |
| Al Habib Co LLC | 0.578 | 0.334 | 0.323 | 5.05631 | 0.334 | 32.047 | 4 | 256 | 0 |

Table 5 shows that model summary R representing the multiple correlation coefficient, shows the linear correlation between all the independent and dependent variables. The maximum the value of R, there will be a strong relationship between the predictor and criterion variables. In this, the value of R is .632, which is high, representing a correlation among the variables. R- Square is a square is a squared value of multiple correlation coefficients. The value of R- square is .399, which depicts that 39.9 % of the variance in share price can be predicted through gold, silver, crude oil and US dollar. Similarly for all companies in this sectors like Al Habib Co LLC

Table 6: Table showing Coefficients of Real estate sector

| Company | Model | Un standardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| Cluttons | (Constant) | 514.831 | 39.479 | | 13.040 | .000 |
| | Gold | .000 | .002 | .011 | .217 | .829 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Silver | .492 | .222 | .122 | 2.218 | .027 |
| | crude oil | -.490 | .098 | -.515 | -4.995 | .000 |
| | US dollar | -5.757 | .570 | -1.085 | -10.107 | .000 |
| Al Habib Co LLC | (Constant) | 378.538 | 28.130 | | 13.457 | .000 |
| | Gold | .002 | .001 | .081 | 1.562 | .119 |
| | Silver | .616 | .158 | .226 | 3.897 | .000 |
| | crude oil | -.353 | .070 | -.549 | -5.054 | .000 |
| | US dollar | -3.822 | .406 | -1.065 | -9.417 | .000 |

Table 6 depicts the coefficients between variables when multiple regression analysis is applied. Beta coefficient reflects the change in the dependent variable for each unit change in the independent variable. It can be used to compare the relative strength of various predictors within the model. Larger will be the beta coefficient, the smaller will be the significant level.

As per the table 6, CLUTTONS - Gold (Beta = .011, p > 0.01), Silver (Beta = .122, P > 0.01), Crude oil (Beta = -.515, p < 0.01) and US dollar (Beta = -1.085, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver and share price and there is no relationship between US dollar and crude oil in predicting the share price.

As per the table 4.8, AL HABIB CO LLC - Gold (Beta = .081, p > 0.01), Silver (Beta = .226, P < 0.01), Crude oil (Beta = -.549, p < 0.01) and US dollar (Beta = -1.065, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold and share price and there is no relationship between silver, US dollar and crude oil in predicting the share price.

**Oil, Gas, Petroleum Sector:**

Table 7: Table showing multiple regression value for Oil, Gas, Petroleum Sector

| Company | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| Al Baraka Oilfield Services Saoc | 0.938 | .879 | .877 | 85.47687 | .879 | 464.617 | 4 | 256 | .000 |
| Al Ghalbi International Engineering Contracting | 0.729 | .531 | .524 | 10.95389 | .531 | 72.534 | 4 | 256 | .000 |
| Arabian Industries LLC | 0.868 | .753 | .749 | 23.63718 | .753 | 195.091 | 4 | 256 | .000 |
| W J Towell and Co | 0.589 | .347 | .337 | 59.05728 | .347 | 34.029 | 4 | 256 | .000 |

Table 7 shows that model summary R representing the multiple correlation coefficient, shows the linear correlation between all the independent and dependent variables. The maximum the value of R, there will be a strong relationship between the predictor and criterion variables. In this, the value of R is .938, which is high, representing a correlation among the variables. R- Square is a square is a squared value of multiple correlation coefficients. The value of R- square is .879, which depicts that 87.9 % of the variance in share price can be predicted through gold, silver, crude oil and US dollar.

Similarly for all companies in this sectors like AL BARAKA OILFIELD SERVICES SAOC, AL GHALBI INTERNATIONAL ENGINEERING CONTRACTING, EVEREST, W J TOWELL AND CO.

Table 8: Table showing Coefficients of Oil, Gas, Petroleum Sector

| Company | Model | Un standardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| Al Baraka Oilfield Services Saoc | (Constant) | 8179.581 | 475.539 | | 17.201 | .000 |
| | Gold | .020 | .019 | .023 | 1.055 | .293 |
| | Silver | -34.580 | 2.671 | -.320 | -12.944 | .000 |
| | crude oil | 3.772 | 1.181 | .148 | 3.193 | .002 |
| | US dollar | -87.683 | 6.862 | -.616 | -12.779 | .000 |
| Al Ghalbi International Engineering Contracting | (Constant) | 733.116 | 60.940 | | 12.030 | .000 |
| | Gold | -.001 | .002 | -.022 | -.502 | .616 |
| | Silver | .978 | .342 | .139 | 2.857 | .005 |
| | crude oil | -.491 | .151 | -.295 | -3.244 | .001 |
| | US dollar | -9.548 | .879 | -1.030 | -10.858 | .000 |
| Arabian Industries LLC | (Constant) | 1791.609 | 131.502 | | 13.624 | .000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Gold | .005 | .005 | .029 | .905 | .366 |
| | Silver | -8.240 | .739 | -.394 | -11.155 | .000 |
| | crude oil | -.333 | .327 | -.067 | -1.020 | .308 |
| | US dollar | -18.514 | 1.897 | -.672 | -9.757 | .000 |
| W J Towell and Co | (Constant) | 3411.093 | 328.557 | | 10.382 | .000 |
| | Gold | -.008 | .013 | -.034 | -.655 | .513 |
| | Silver | -3.359 | 1.846 | -.105 | -1.820 | .070 |
| | crude oil | -4.692 | .816 | -.618 | -5.750 | .000 |
| | US dollar | -41.848 | 4.741 | -.988 | -8.827 | .000 |

Table 8 depicts the coefficients between variables when multiple regression analysis is applied. Beta coefficient reflects the change in the dependent variable for each unit change in the independent variable. It can be used to compare the relative strength of various predictors within the model. Larger will be the beta coefficient, the smaller will be the significant level.

As per the table 8, AL BARAKA OILFIELD SERVICES SAOC - Gold (Beta = .023, p > 0.01), Silver (Beta = -.320, P < 0.01), Crude oil (Beta = .148, p > 0.01) and US dollar (Beta = -.616, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, crude oil and share price and there is no relationship between US dollar and silver in predicting the share price.

As per the table 8, AL GHALBI INTERNATIONAL ENGINEERING CONTRACTING - Gold (Beta = -.022, p > 0.01), Silver (Beta = .139, P > 0.01), Crude oil (Beta = -.295, p > 0.01) and US dollar (Beta = -1.030, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver crude oil and share price and there is no relationship between US dollar in predicting the share price.

As per the table 8, EVEREST - Gold (Beta = .029, p > 0.01), Silver (Beta = -.394, P < 0.01), Crude oil (Beta = -.067, p > 0.01) and US dollar (Beta = -.672, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, crude oil and share price and there is no relationship between US dollar and silver in predicting the share price.

As per the table 8, W J TOWELL AND CO - Gold (Beta = -.034, p > 0.01), Silver (Beta = -.105, P > 0.01), Crude oil (Beta = -.618, p < 0.01) and US dollar (Beta = -.988, p < 0.01) has largest beta coefficient which is statistically significance at the 1% and 0.1 % significance level. There is a relationship between gold, silver and share price and there is no relationship between US dollar and crude oil in predicting the share price.

**Findings of the Study:**

**IT Sector:**

The value of R is highly predictable for the companies like BAHWAN CYBERTEK LLC, GULF INFOTECH LLC, LEMON TECHNOLOGIES and MAFTCO with Gold, Silver, Crude oil and US dollar. The value of R is predictable for the companies like KRISH IT SOLUTIONS PVT LTD, GULFCYBERTECH E SOLUTIONS, with Gold, Silver, Crude oil and US dollar.

**Automobile Sector:**

The value of R is highly predictable for the companies like SAUD BAHWAN GROUP, SUHAIL BAHWAN AUTOMOBILES LLC with Gold, Silver, Crude oil and US dollar.

**Real Estate Sector:**

The value of R is highly predictable for the company CLUTTONS with Gold, Silver, Crude oil and US dollar. The value of R is predictable for the company AL HABIB CO LLC with Gold, Silver, Crude oil and US dollar.

**Oil, Gas, Petroleum Sector:**

The value of R is highly predictable for the companies like AL BARAKA OILFIELD SERVICES SAOC, AL GHALBI INTERNATIONAL ENGINEERING CONTRACTING and ARABIAN INDUSTRIES LLC with Gold, Silver, Crude oil and US dollar. The value of R is predictable for the company W J TOWELL AND CO with Gold, Silver, Crude oil and US dollar.

**Conclusion:**

The study would be quite useful in understanding the relationship between the share price and macro economic variables like gold, silver, crude oil, US dollar. Share price is the benchmark index of the Oman capital market (SENSEX) representing 17 companies. The study would help the investors in taking rational financial decisions considering the changes in the macro scenario of the economy. The capital market is influenced by various micro and macro factors, which affect the Oman capital prices to a great extent. The findings of the study would help the Oman country in making a linkage between the capital market and micro economic variables influencing the performance of the capital market.

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