International Journal of Psychosocial Rehabilitation, Vol. 24, Issue 05, 2020
ISSN: 1475-7192

Measuring Successful Leadership VIA A Seven Factor Model on Net Profit – A Case of Amazon in Commercial Banking Industry in Vietnam

Phuong Huu Tung, Dinh Tran Ngoc Huy, Le Thi Thanh,
Nguyen Van Tri, Nguyen Gia Tho and Thuong Truong Linh

Abstract--- *Since 2019, Amazon, e-commerce giant, has surpassed Walmart, becoming the largest retailer in the world. It has made very positive contributions to the overall achievements of the online retail industry, deserving of its position as one of the leading retailer in the US. Movement of stock price in retail industry in developed countries such as USA will reflect the business health of retail system and the whole economy. Good business management requires us to consider the impacts of multi micro and macro factors on stock price, and it contributes to promoting business plan and economic policies for economic growth and stabilizing macroeconomic factors. By data collection method through statistics, analysis, synthesis, comparison, quantitative analysis to generate qualitative comments and discussion; using econometric method to perform regression equation and evaluate quantitative results, the article analyzed and evaluated the impacts of SEVEN (7) micro and macroeconomic factors such as: stock price, risk free rate, lending rate, inflation, US GDP growth, S&P500, cost, net profit, etc. on net profit of a e-commerce giant, Amazon (AMZN) in the US in the period of 2014-2019, both positive and negative sides. The results of quantitative research, in a seven factor model, show that the decrease in inflation, GDP and cost reduction and increasing sale has a significant effect on improving AMZN net profit with the highest impact coefficient, the second is decreasing stock price. This research finding and recommended policy also can be used as reference in policy for company and retail industry.*

Keywords--- *Retail Stock Price, GDP Growth, Inflationary, Risk Free Rate, Market Interest Rate.*

JEL: *M21, N1.*

I. INTRODUCTION

Amazon (AMZN) in the US maintained a higher growth rate than the industry average on all indicators of scale, quality, efficiency, and labor productivity. It expanded business operation in various fields to maintain the position of leading retail giant.

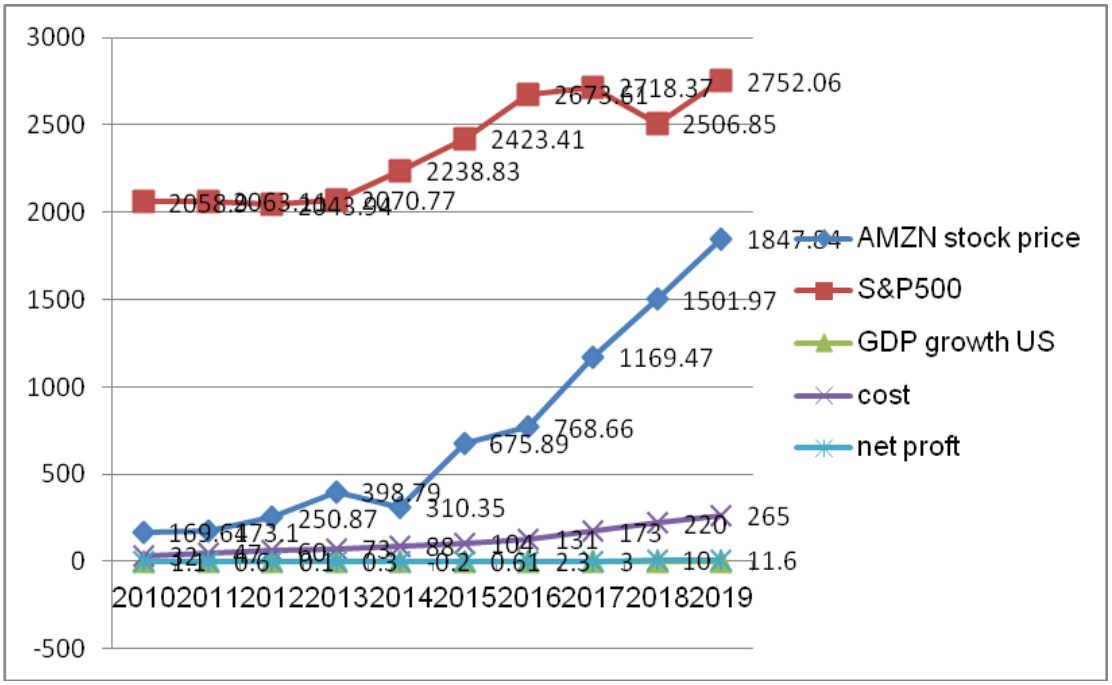
In 2018, Amazon achieved a profit of up to $ 10 billion, far exceeding the $ 3 billion of 2017. To achieve its leading position in online commerce nowadays, it gained competitive advantage though increasing customer experience by low price, broad product category and fast delivery.

Phuong Huu Tung, Faculty of Human Resource Management, Hanoi University of Home Affairs. E-mail: phuonghuutung@gmail.com
Dinh Tran Ngoc Huy, MBA, Banking University of Ho Chi Minh City Vietnam – GSIM, International University of Japan, Niigata, Japan. E-mail: Dtnhuy2010@gmail.com
Le Thi Thanh, Faculty of Human Resource Management, Hanoi University of Home Affairs. E-mail: delideuce@gmail.com
Nguyen Van Tri, Faculty of Human Resource Management, Hanoi University of Home Affairs. E-mail: nguyentridhnv@gmail.com
Nguyen Gia Tho, Faculty of Economics of Natural Resources and Environment, Hanoi University of Natural Resources and Environment. E-mail: nguyengiatho88@gmail.com
Thuong Truong Linh, Traditional Medicine Hospital, Ministry of Public Security. E-mail: linhthuongtruong@gmail.com

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Walmart and Amazon are two giants in retail industry in the US. Commercial bank system in Vietnam in recent years plays a key role in helping the whole economy. In the context that GDP growth in the US keeps stable during 2014-2019 and China-US commerce war increased good price for consumers, it is necessary to evaluate impacts of seven (7) internal and external macro economic factors on AMZN performance, esp. AMZN net profit. From these analytical results, we could suggest firm, bank and government policies to encourage and stabilize the growth of retail system and stock market.

Looking at the below chart, we find out that Amazon (AMZN) stock price moves in the same trend with S&P500 and cost, although it is more sensitive to cost in recent years. Also, its net profit moves int he same trend with US GDP growth.



This study will calculate and figure out the impacts of seven (7) macro economic factors such as inflation, GDP growth, market interest rate, cost, net sale, S&P500 and stock price on Amazon net profit (AMZN).

The paper is organized as follows: after the introduction it is the research issues, literature review and methodology. Next, section 3 will cover methodology and data and section 4 presents main research findings/results. Section 5 gives us some discussion and conclusion and policy suggestion will be in the section 6.

II. Body Of Manuscript

2.1 Research issues

The scope of this study will cover:

Issue 1: What are the correlation and relationship among many economic factors: AMZN stock price, interest rate, lending rate, inflation, cost, S&P 500 and GDP growth?

Issue 2: What are the impacts of above 7 macro economic factors on AMZN net profit?

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Issue 3: Based on above discussion, we recommend some solutions regarding to retail management in incoming period.

This paper also tests two (2) below hypotheses:

Hypothesis 1: An increase in lending rate will make AMZN net profit declines.

Hypothesis 2: An increase in inflation can increase pressure in AMZN net profit.

2.2 Literature review

Lina (2012) indicated that both the change of inflation rate and the growth rate of money supply (M2) are positive but insignificant to the banking industry stock return, the exchange rate is positive and significant to banking industry stock return and interest rate is negative and significant to banking industry stock return. Next, Sadia and Noreen (2012) found out exchange rate, and Short term Interest Rate have significant impact on Banking index. Macroeconomic variables like Money Supply, Exchange Rate, Industrial Production, and Short Term Interest Rate affects the banking index negatively where as Oil prices has a positive impact on Banking index.

Manisha and Shikha (2014) stated that Exchange rate, Inflation, GDP growth rate affect banking index positively whereas Gold prices have negative impact on BSE Bankex but none of them have significant impact on Bankex. Then, Winhua and Meiling (2014) confirmed that macroeconomic do have a substantial influence to the earning power of commercial banks.

Krishna (2015) investigated the nature of the causal relationships between stock prices and the key macro economic variables in BRIC countries. The empirical evidence shows that long-run and short-run relationship exists between macro economic variables and stock prices, but this relationship was not consistent for all of the BRIC countries. And Kulathunga (2015) suggested that all macroeconomic factors influence the stock market development. More precisely, volatile inflation rate and exchange rate together with higher deposit rate have curtailed the stock market development in Sri Lanka. Moreover, positive optimism created by the economic growth and the stock market performance during the previous periods tend to enhance stock market performance. Moreover, Duy (2015) mentioned through the evolution of interest rates and the VNI could see that the relationship between these two variables in the period 2005-2014 is the opposite. This relationship is shown in specific periods of the year the stock market proved quite sensitive to interest rates. When interest rates are low or high but the bearish stock market rally, and vice versa when the high interest rates the stock market decline.

Last but not least, Quy and Loi (2016) found that 3 economic factors (inflation rate, GDP growth rate, and exchange rate) impact significantly on real estate stock prices; but the relationship between 10-year Government bond yield and trading volume, and real estate stock prices was not found. Ahmad and Ramzan (2016) stated the macroeconomic factors have important concerns with stocks traded in the stock market and these factors make investors to choose the stock because investors are interested to know about the factors affecting the working of stock to manage their portfolios. Abrupt variations and unusual movements of macroeconomic variables cause the stock returns to fluctuate due to uncertainty of future gains.

Until now, many researches have been done in this field, however, they just stop at analyzing internal macroeconomic factors on stock price.

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Within the scope of this paper, we measure impacts of both internal and external macro factors on Amazon net profit and suggest policies for firm, retail system, US government, Fed and relevant government bodies. We also analyze data through out time series from 2014-2019.

III. METHODOLOGY AND DATA

This research paper establishes correlation among macro economic factors by using an econometric model to analyze impacts of seven (7) macro and micro economic factors in USA such as: GDP growth, inflation, interest rate, cost,… on Amazon net profit.

In this research, analytical method is used with data from the economy such as inflation in USA and market interest rate, GDP growth rate, lending rate. Data are included from 2014 -2019 with semi-annual data (10 observations in total). Data is estimated based on lending interest rates as macroeconomic data. S&P 500 index data is from USA Stock exchange, data source (inflation, GDP) is from macroeconomic. Beside, econometric method is used with the software Eview. It will give us results to suggest policies for businesses and authorities.

We build a regression model with Eview software to measure impacts of factors. Amazon net profit is a function with 7 variables as follows:

Y (AMZN net profit) = f (x1, x2, x3, x4, x5, x6, x7) = ax1 + bx2 + cx3+dx4+ ex5 + fx6 + gx7 + k

With: x1 : GDP growth rate (g), x2 : inflation, x3: VNIndex, x4: lending rate, x5: cost, x6: net sale; x7: S&P500

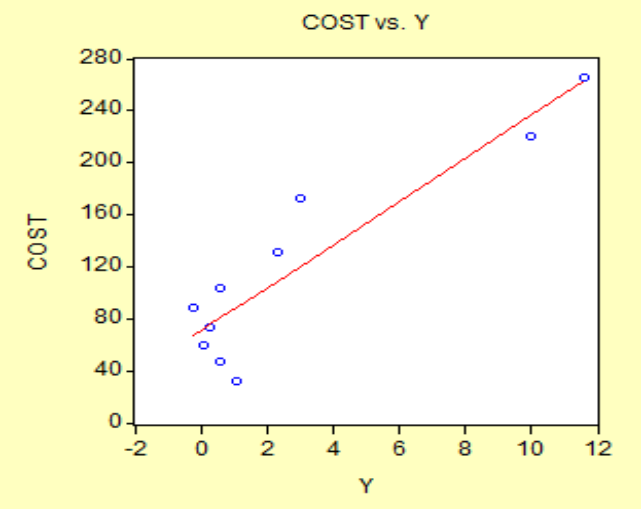
Beside, this paper also uses analytical and general data analysis method to measure and generate comments on the results, then suggest policies based on these analyses.

IV. MAIN RESULTS

4.1- General data analysis

First of all, The below chart 1 shows us that Y has a positive correlation with Cost:

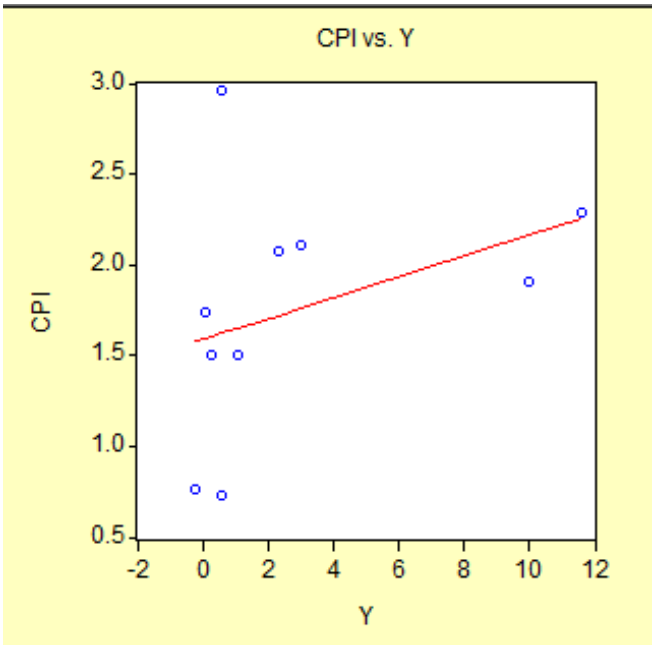
Chart 1: Net Profit (Y) vs. Cost (C)



DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

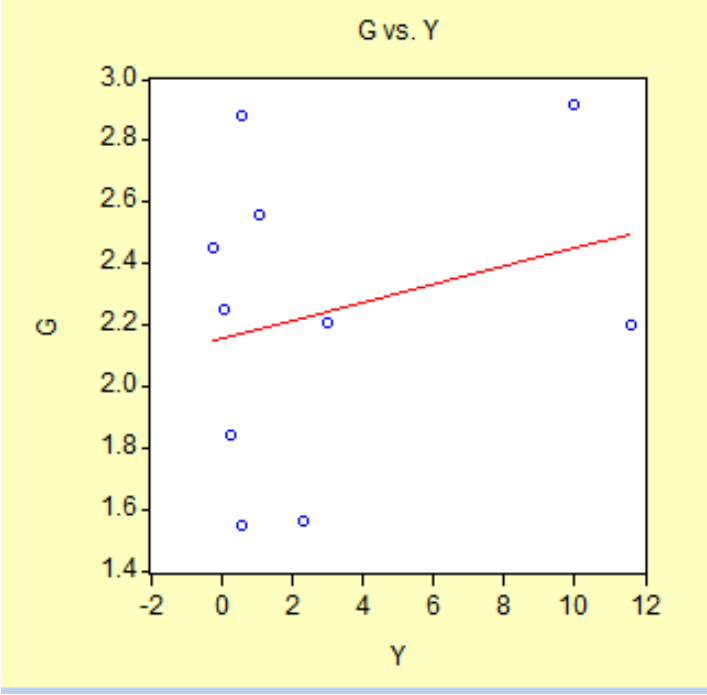
Chart 2: AMZN net profit (Y) vs. Inflation (CPI)

Next we find out that, based on the below scatter chart, Y (AMZN net profit) has slightly positive correlation with inflation (CPI).



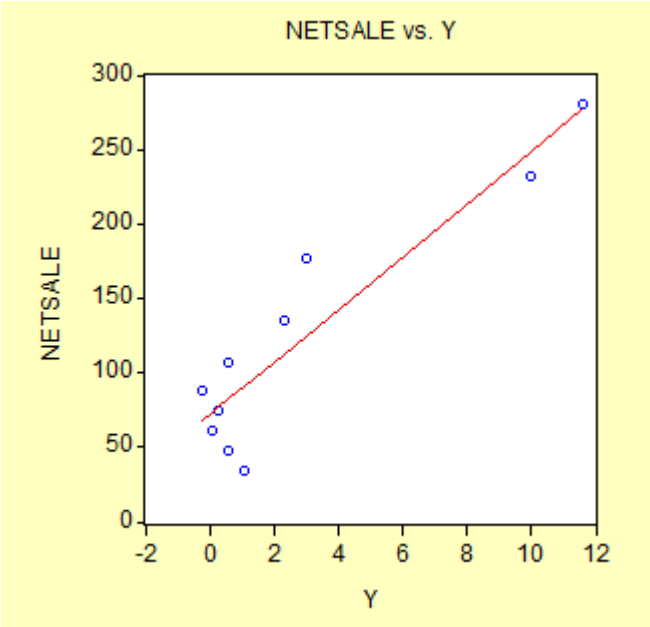
Looking at the below chart 3, we also recognize that AMZN net profit (Y) and GDP growth have positive correlationship.

Chart 3: Y vs. GDP Growth



DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Chart 4: Y vs. sale



On the other hand, we could see statistical results with Eview in the below table with 7 variables:

Table 1: Statistics for macro and micro economic factors

Unit: %

	Net profit	Net sales	Cost	AMZN stock price	Lending rate US	GDP growth - US	Inflation US (CPI)	S&P500
Mean	2.94	123.60	119.30	726.66	0.04	2.24	1.76	2354.99
Median	0.855	97.5	96	537.34	0.0325	2.23	1.825	2331.12
Maximum	11.6	280	265	1847.84	0.0525	2.92	2.96	2752.06
Minimum	-0.2	34	32	169.64	0.0325	1.55	0.73	2043.94
Standard dev.	4.274	82.232	77.540	594.648	0.008	0.485	0.680	294.931

Looking at the above table, we recognize that standard deviation of stock price and SP500 are the highest values. Whereas standard deviation of GDP growth and lending rate are the lowest values.

If we want to see correlation matrix of these 8 macro variables, Eview generate the below result in table 2:

Table 2: Correlation matrix for eight (8) micro and macro-economic variables (GDP growth, inflation in VN, market interest rate, cost, net sale and AMZN stock price)

Correlation Matrix								
	Y	NETSALE	STOCKPRICE	SP500	R	COST	CPI	G
Y	1.000000	0.921967	0.924344	0.777711	0.987821	0.912794	0.360425	0.256605
NETSALE	0.921967	1.000000	0.992954	0.950709	0.951833	0.999704	0.240124	0.230284
STOCKPRICE	0.924344	0.992954	1.000000	0.936605	0.951516	0.991736	0.253568	0.250540
SP500	0.777711	0.950709	0.936605	1.000000	0.832833	0.956211	0.093920	0.173181
R	0.987821	0.951833	0.951516	0.832833	1.000000	0.945606	0.358286	0.251969
COST	0.912794	0.999704	0.991736	0.956211	0.945606	1.000000	0.233933	0.226165
CPI	0.360425	0.240124	0.253568	0.093920	0.358286	0.233933	1.000000	-0.612037
G	0.256605	0.230284	0.250540	0.173181	0.251969	0.226165	-0.612037	1.000000

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

The above table 2 shows us that correlation among 8 micro and macro variables. An increase in exchange rate and increase in lending rate might lead to an increase in AMZN net profit. It also indicates that correlation between AMZ net profit (Y) in US and lending rate in the US (0.98) is higher than that between Y and G (0.25) or between Y and CPI (0.36).

The below table 3 shows us that covariance matrix among eight (8) micro and macro economic variables. AMZN net profit (Y) has a positive correlation with lending rate, CPI, and GDP growth.

Table 3: Covariance matrix for 8 micro and macro economic variables

Covariance Matrix								
	Y	NETSALE	STOCKPRICE	SP500	R	COST	CPI	G
Y	16.44373	291.6594	2114.537	1896.268	0.028779	272.2827	0.942493	0.479058
NETSALE	291.6594	6085.840	43698.94	44595.32	0.533476	5736.920	12.07980	8.270800
STOCKPRICE	2114.537	43698.94	318246.1	317701.7	3.856485	41155.22	92.24436	65.07015
SP500	1896.268	44595.32	317701.7	361545.2	3.597767	42294.33	36.41678	47.94057
R	0.028779	0.533476	3.856485	3.597767	5.16E-05	0.499748	0.001660	0.000833
COST	272.2827	5736.920	41155.22	42294.33	0.499748	5411.210	11.09690	7.659400
CPI	0.942493	12.07980	92.24436	36.41678	0.001660	11.09690	0.415841	-0.181704
G	0.479058	8.270800	65.07015	47.94057	0.000833	7.659400	-0.181704	0.211956

4.2 Regression model and main findings

In this section, we will find out the relationship between eight macro economic factors and public debt.

4.2.1 Scenario 1: Regression model with single variable: analyzing impact of cost (c.o) on AMZN Net profit (Y)

Note: C: constant

Using Eview gives us the below results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:54
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	0.050318	0.007960	6.321353	0.0002
C	-3.061969	1.115648	-2.744565	0.0253

R-squared	0.833193	Mean dependent var	2.941000
Adjusted R-squared	0.812342	S.D. dependent var	4.274437
S.E. of regression	1.851667	Akaike info criterion	4.246906
Sum squared resid	27.42936	Schwarz criterion	4.307423
Log likelihood	-19.23453	F-statistic	39.95950
Durbin-Watson stat	1.047038	Prob(F-statistic)	0.000227

Hence, Y = 0.05 * cost – 3.06, R^2 = 0.83 SER = 1.85

(0.007) (1.11)

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Within the range of 10 observations (2014-2019) as described in the above scatter chart 1, coefficient 0.05, when cost increases, AMZN net profit will increase.

4.2.2 Scenario 2 - Regression model with 2 variables: analyzing impact of Inflation (CPI) on AMZN Net profit (Y):

Running Eview gives us below results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:54
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	0.048314	0.008132	5.941536	0.0006
CPI	0.977185	0.927600	1.053456	0.3271
C	-4.539814	1.787687	-2.539490	0.0387

R-squared	0.856019	Mean dependent var	2.941000
Adjusted R-squared	0.814882	S.D. dependent var	4.274437
S.E. of regression	1.839093	Akaike info criterion	4.299747
Sum squared resid	23.67583	Schwarz criterion	4.390522
Log likelihood	-18.49873	F-statistic	20.80878
Durbin-Watson stat	1.486731	Prob(F-statistic)	0.001133

Therefore, Y = 0.04 * cost + 0.97*CPI – 4.5, R^2 = 0.85, SER = 1.83
(0.008) (0.92) (1.78)

Hence, this equation shows us AMZN net profit has a positive correlation with cost and CPI in US. Esp., it is highly positively affected by inflation.

4.2.3. Scenario 3 - Regression model with 3 variables: adding GDP growth (g) into the above model

Eviews generates below statistical results :

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:55
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	0.041442	0.008135	5.094475	0.0022
CPI	2.388477	1.142999	2.089657	0.0816
G	2.810156	1.597965	1.758584	0.1291
C	-12.50001	4.790548	-2.609307	0.0402

R-squared	0.904990	Mean dependent var	2.941000
Adjusted R-squared	0.857486	S.D. dependent var	4.274437
S.E. of regression	1.613646	Akaike info criterion	4.084043
Sum squared resid	15.62311	Schwarz criterion	4.205077
Log likelihood	-16.42022	F-statistic	19.05052
Durbin-Watson stat	1.942568	Prob(F-statistic)	0.001808

Hence, Y = 292.0.049 * cost + 2.3 * CPI + 2.8*G - 12.5, R^2 = 0.9, SER = 1.61
(0.008) (1.14) (1.59)

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

The above regression equation shows us that AMZ net profit (Y) has a positive correlation with GDP growth (G) and cost and inflation (CPI). And the coefficient (with cost) is the highest, the 2nd highest is with CPI. GDP growth increases together with cost increases will lead to an increase in AMZN net profit.

4.2.4. Scenario 4 - regression model with 5 macro and micro variables: adding sale into the above model:

Eviews presents the below results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:56
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	-0.746244	0.136532	-5.465701	0.0028
CPI	0.649353	0.543573	1.194602	0.2858
G	0.542780	0.744560	0.728994	0.4987
NETSALE	0.749358	0.129852	5.770842	0.0022
C	-3.010471	2.509778	-1.199497	0.2841

R-squared	0.987598	Mean dependent var	2.941000
Adjusted R-squared	0.977676	S.D. dependent var	4.274437
S.E. of regression	0.638660	Akaike info criterion	2.247963
Sum squared resid	2.039431	Schwarz criterion	2.399256
Log likelihood	-6.239815	F-statistic	99.53623
Durbin-Watson stat	2.291820	Prob(F-statistic)	0.000059

Therefore, Y = -0.74*COST + 0.64*CPI + 0.54*G + 0.74* NETSALE - 3.01, R^2 = 0.98, SER = 0.6

(0.13) (0.54) (0.74) (0.12)

We find out impacts of 4 macro and micro variables, with the new factor: net sale, shown in the above equation, AMZN net profit (Y) has negative correlation with cost, whereas it has positive correlation with CPI, GDP and net sale. When inflation goes down, cost increases, this will increase investment in market, as a result, AMZN net profit will increase.

4.2.5. Scenario 5 - regression model with 5 macro and micro variables: adding AMZN stock price onto the above model.

Running Eviews gives us results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:56
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	-0.765702	0.128358	-5.965362	0.0040
CPI	0.840496	0.527986	1.591891	0.1866
G	0.834819	0.729856	1.143814	0.3165
NETSALE	0.796515	0.126446	6.299252	0.0032
STOCKPRICE	-0.004121	0.003130	-1.316481	0.2584
C	-4.513750	2.607186	-1.731273	0.1584

R-squared	0.991347	Mean dependent var	2.941000
Adjusted R-squared	0.980530	S.D. dependent var	4.274437
S.E. of regression	0.596429	Akaike info criterion	2.087997
Sum squared resid	1.422911	Schwarz criterion	2.269548
Log likelihood	-4.439985	F-statistic	91.65119
Durbin-Watson stat	1.997118	Prob(F-statistic)	0.000325

Hence, Y = -0.76*COST + 0.8*CPI + 0.8*G + 0.7* NETSALE - 0.004*STOCKPRICE - 4.5,
R^2 = 0.99, SER = 0.5

(0.12) (0.52) (0.72) (0.12) (0.003)

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Here we see impacts of 5 macro factors, with the new variable: stock price, the above equation shows that AMZN net profit (Y) has negative correlation with cost and stock price, whereas it has positive correlation with lending rate, GDP growth and CPI. We also recognize that GDP growth and CPI have the highest impact on AMZN net profit. When CPI declines, it will increase investment in stock as well as financial market, then it will lead to an increase in AMZN net profit.

4.2.6. Scenario 6 - regression model with 8 macro variables: adding S&P500 onto the above model.

Running Eviews gives us results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:57
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	-0.757124	0.204261	-3.706655	0.0341
CPI	0.799091	0.912211	0.875994	0.4455
G	0.786699	1.154088	0.681663	0.5444
NETSALE	0.789134	0.189568	4.162801	0.0252
STOCKPRICE	-0.004029	0.003916	-1.028872	0.3792
SP500	-0.000166	0.002730	-0.060988	0.9552
C	-4.168918	6.404726	-0.650913	0.5615

R-squared	0.991358	Mean dependent var	2.941000
Adjusted R-squared	0.974073	S.D. dependent var	4.274437
S.E. of regression	0.688271	Akaike info criterion	2.286758
Sum squared resid	1.421149	Schwarz criterion	2.498567
Log likelihood	-4.433789	F-statistic	57.35363
Durbin-Watson stat	1.992123	Prob(F-statistic)	0.003479

Y = -0.75*COST + 0.79*CPI + 0.78*G + 0.78* NETSALE - 0.004* STOCKPRICE
- 0.0001*SP500 -4.1,

R^2 = 0.99, SER =0.6

(0.2) (0.9) (115) (0.18) (0.003)

Therefore, we see impacts of 6 macro factors, with the new variable: SP500, the above equation shows that AMZN net profit (Y) has negative correlation with cost and stock price, whereas it has positive correlation with net sale, CPI and GDP growth. We also recognize that GDP growth and net sale, then CPI have the highest impact on AMZN net profit, while stock price just has a slightly impact on net profit.

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

4.2.7. Scenario 7 - regression model with 7 micro and macro variables: adding lending rate (r) onto the above model.

Running Eviews gives us results:

Dependent Variable: Y
Method: Least Squares
Date: 02/26/20 Time: 09:58
Sample: 1 10
Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
COST	-0.465968	0.170794	-2.728242	0.1122
CPI	-0.226849	0.691309	-0.328144	0.7740
G	-0.342103	0.835533	-0.409443	0.7219
NETSALE	0.475670	0.170981	2.781999	0.1086
STOCKPRICE	-0.001275	0.002624	-0.486057	0.6750
SP500	-0.001060	0.001696	-0.625079	0.5957
R	334.7777	135.0718	2.478517	0.1314
C	-8.423945	4.249676	-1.982256	0.1859

R-squared	0.997877	Mean dependent var	2.941000
Adjusted R-squared	0.990448	S.D. dependent var	4.274437
S.E. of regression	0.417760	Akaike info criterion	1.082741
Sum squared resid	0.349046	Schwarz criterion	1.324809
Log likelihood	2.586296	F-statistic	134.3157
Durbin-Watson stat	2.262660	Prob(F-statistic)	0.007410

Y = -0.34*G – 0.22*CPI + 334*R - 0.001* SP500 - 0.46* COST - 0.22*CPI +0.47*NETSALE -0.001*STOCKPRICE -8.4,

R^2 = 0.99, SER =0.4

(0.83) (0.69) (135) (0.001) (0.17) (0.69) (0.17)

Therefore, we see impacts of 7 micro and macro factors, with the new variable: lending rate (R), the above equation shows that AMZN net profit (Y) has negative correlation with GDP growth, inflation, SP500 and cost, whereas it has positive correlation with lending rate, and net sale. We also recognize that GDP growth, cost and lending rate, then net sale have the highest impact on AMZN net profit, while SP500 just has a slightly impact on net profit.

V. Discussion And Further Researches

Through the regression equation with above 7 macroeconomic variables, this research paper used updated data from 2014-2019 to analyze the regression equation via Eview in order to show that an increase in GDP growth and decrease in lending rate has a significant impact on reducing AMZN net profit (Y) with the highest coefficient of impact, followed by an increase in cost, then an increase in inflation, a decrease in net sale, as well as an increase in SP500.

DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Data are from observations in the past 10 years, it is partly based on the market economic rules, and the research results are also affected by socio-economic characteristics in USA such as: efficiency of public investment, waste of public investment, enterprise bankruptcy, and investment in areas that increase GDP such as production, electricity, etc. or investing in healthcare, environment and education sectors. We have not yet considered the impact of these factors.

Beside, we can analyze impact of another macro factor, for example, deposit rate when we add this variable into our regression model of net profit. Furthermore, we can add unemployment rate or public debt increase into our econometric model to measure the impact of these extra factors on AMZN net profit.

VI. Conclusion And Policy Suggestion

Based on the above data analysis from our regression model, although low inflation during 2015-2016 is a good signal for AMZN net profit, we would suggest the government, Fed consider to control inflation and GDP growth more rationally, i.e not increasing too much and suitable with each economic development stage. Governmental bodies and bank system also need to apply macro policies to stimulate economic growth, however not decreasing lending rate too much, together with credit, operational and market risk management, corporate governance and controlling bad debt.

Next, it is necessary to coordinate synchronously between the management and administration of commercial bank policies with fiscal policies, monetary policies (used as effective tools to stimulate bank stock price) and other economic development policies to limit the negative effects of lending rate, risk free rate and CPI, shown by above equation. Lending policy of bank system need to be selective and increase interest rates for acceptable high risk high return projects.

Generally speaking, managing AMZN and retailers net profit depends on many factors, so the government need to use fiscal policy combined with monetary policies and socio-economic policies to reduce unemployment and stimulate economic growth, toward a good stock price management.

In specific, for firm management, AMZZ can realize that cost management is much more important than stock price management from the above equation.

Finally, this research paper also helps to direct further future researches, for instance, we could add deposit rate and unemployment rate into our above econometric model to measure impacts of them on retailer net profit.

Acknowledgements

I would like to take this opportunity to express my warm thanks to Board of Editors and Colleagues at Citibank – HCMC, SCB and BIDV-HCMC, Dr. Chen and Dr. Yu Hai-Chin at Chung Yuan Christian University for class lectures, also Dr Chet Borucki, Dr Jay and my ex-Corporate Governance sensei, Dr. Shingo Takahashi at International University of Japan. My sincere thanks are for the editorial office, for their work during my research. Also, my warm thanks are for Dr. Ngo Huong, Dr. Ho Dieu, Dr. Ly H. Anh, Dr Nguyen V. Phuc, Dr Le Si Dong, Dr Nguyen Ngoc Thach., Dr Le thi Man and my lecturers at Banking University – HCMC, Viet Nam for their help.

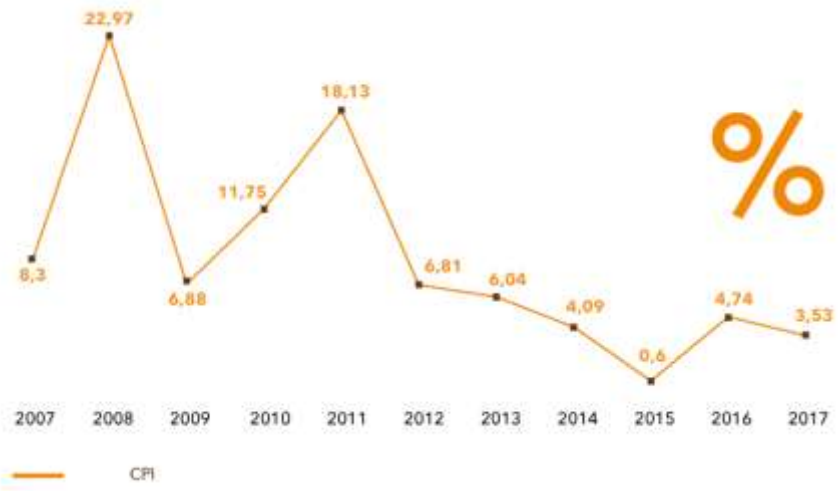
Lastly, thank you very much for my family, my father – Mr Dinh Van Tai, my Mum – Mrs Tran Thi Manh, my grandmothers, Mrs Man and Mrs Ut, my colleagues, a friend indeed - Ms Do Thi Sang, and brother – Mr Dinh Tran Ngoc Hien in assisting convenient conditions for my research paper.

REFERENCES

[1] Ahmad, N., & Ramzan, M. (2016). Stock Market Volatility and Macroeconomic Factor Volatility, *International Journal of Research in Business Studies and Management,* 3(7), 37-44.
[2] Arshad, Z., Ali, R. A., Yousaf, S., & Jamil, S. (2015). Determinants of Share Prices of listed Commercial Banks in Pakistan, *IOSR Journal of Economics and Finance,* 6(2), 56-64.
[3] Ayub, A., & Masih, M. (2013). Interest Rate, Exchange Rate, and Stock Prices of Islamic Banks: A Panel Data Analysis, MPRA Paper No. 58871.
[4] Cherif, R., & Hasanov, F. (2012). Public Debt Dynamics: The Effects of Austerity, Inflation, and Growth Shocks, IMF Working paper WP/12/230.
[5] Krishna, R.C. (2015). Macroeconomic Variables impact on Stock Prices in a BRIC Stock Markets: An Empirical Analysis, *Journal of Stock & Forex Trading,* 4(2).
[6] Kulathunga, K. (2015). Macroeconomic Factors and Stock Market Development: With Special Reference to Colombo Stock Exchange, *International Journal of Scientific and Research Publications,* 5(8), 1-7.
[7] Ihsan, H., Ahmad, E., Muhamad, I.H., & Sadia, H. (2015). *International Journal of Scientific and Research Publications,* 5(8)
[8] Jarrah, M., & Salim, N. (2016). The Impact of Macroeconomic Factors on Saudi Stock Market (Tadawul) Prices, *Int'l Conf. on Advances in Big Data Analytics.*
[9] Luthra, M., & Mahajan, S. (2014). Impact of Macro factors on BSE Bankex, *International Journal of Current Research and Academic Review,* 2(2), 179-186.
[10] Ndlovu, M., Faisal, F., Nil, G.R., & Tursoy, T. (2018).The Impact of Macroeconomic Variables on Stock Returns: A Case of the Johannesburg Stock Exchange, Romanian Statistical Review, 2, 88-104.
[11] Pan, Q., & Pan, M. (2014). The Impact of Macro Factors on the Profitability of China's Commercial Banks in the Decade after WTO Accession, *Open Journal of Social Sciences,* 2, 64-69.
[12] Quy, V.T., & Loi, D.T.N. (2016). Macroeconomic factors and Stock Price – A Case Of Real Estate Stocks on Ho Chi Minh Stock Exchange, *Journal of Science Ho Chi Minh City Open University,* 2(18), 63-75.
[13] Saeed, S., & Akhter, N. (2012). Impact of Macroeconomic Factors on Banking Index in Pakistan, *Interdisciplinary Journal of Contemporary Research in Business,* 4(6), 1200-1218.
[14] https://www.sbv.gov.vn
[15] https://nif.mof.gov.vn

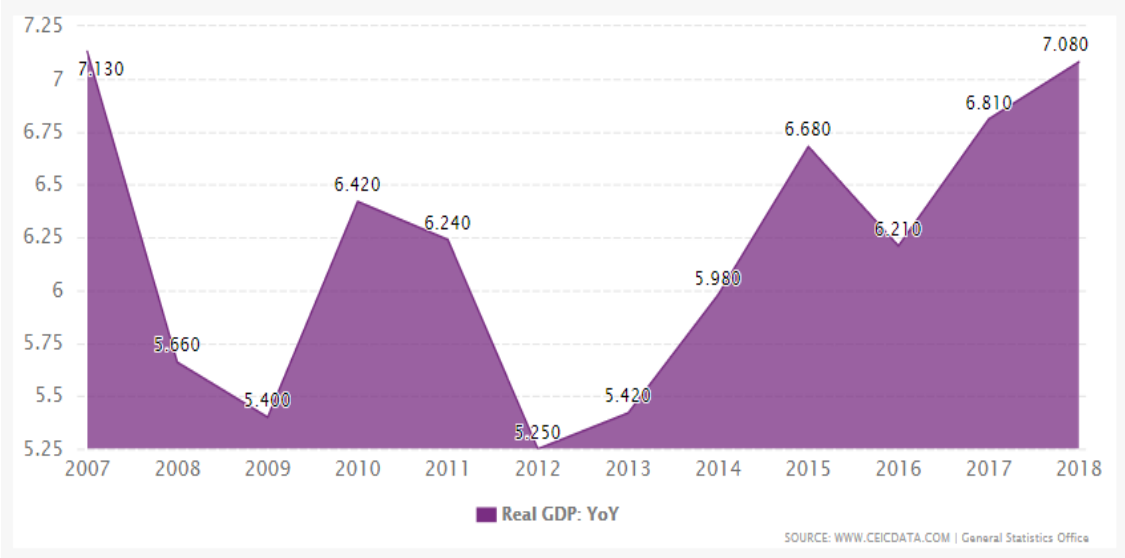
EXHIBIT

Exhibit 1 – Inflation, CPI over past 10 years (2007-2017) in Vietnam



DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020

Exhibit 2 – GDP growth rate past 10 years (2007-2018) in Vietnam



DOI: 10.37200/IJPR/V24I5/PR201971
Received: 23 Feb 2020 | Revised: 18 Mar 2020 | Accepted: 30 Mar 2020