ABSTRACT

Exchange rate crises represent a form of economic instability that can have systemic impacts on national economies. This study aims to analyze the influence of macroeconomic indicators on the potential occurrence of exchange rate crises in Indonesia. The independent variables include foreign exchange reserves, Bank Indonesia's policy interest rate, money supply (M2), exports, and inflation, while the dependent variable is the exchange rate crisis, represented as a dummy variable. This research applies logistic regression using monthly data from 1997 to 2023.

The results indicate that foreign exchange reserves and money supply have a negative and significant effect on exchange rate crises, suggesting that increases in these variables can reduce crisis risks. In contrast, the policy interest rate has a positive and significant influence, implying that higher interest rates may raise the likelihood of exchange rate instability. Export and inflation variables do not show a statistically significant effect. Model fit testing demonstrates that the logistic regression model has strong classification ability and can serve as an early warning system for exchange rate crises. These findings are expected to contribute to policymaking efforts aimed at maintaining macroeconomic stability and enhancing Indonesia's external resilience.

Keywords: exchange rate crisis, logistic regression, foreign exchange reserves, interest rate, M2, early warning system.