

ABSTRACT

Capital market is one of today's economic instrument that has developed very rapidly. One way to measure the performance of capital market is a stock index. Many factors can affect the stock index, such as domestic interest rates, foreign exchange rates, international economic conditions, the country's economic cycle, inflation rates, tax regulations, the amount of money in circulation (M. Samsul, 2008). During the observation period between the years 2000-2009 occurs a phenomenon in which the relationship between macroeconomic variables with the JCI movement is not in accordance with the theory. This is supported by the discrepancy of the results of previous research. The purpose of this study was to analyze the effect of variable rate Interest Rates, Oil Prices, World Gold Prices, Exchange Rate of Rupiah, the Nikkei 225 Index, and Dow Jones against IHSG.

The analytical method used in this study is multiple regression analysis performed with SPSS 16. Before doing multiple regression analysis, we must do a classic assumption test. This is necessary so that the regression equation is BLUE (Best, Linear, Unbiased, Estimator). In addition to assessing the goodness of fit from a model, we use coefficient of determination test, F test and t test. This research using a monthly data from 2000 – 2009 for each variable.

Results from this study indicate that the SBI Interest Rates, and Rupiah Exchange rate, negatively affect the IHSG. While the variables of Oil Prices, Gold Prices, Nikkei 225 Index, and Dow Jones index had a positive effect on IHSG. The value of adjusted R square is 96.1%. This means that 96.1% IHSG movement can be predicted from the movement of the seven independent variables.

Keywords: IHSG, macro economy, the world capital market integration, globalization