

ABSTRACT

Technology development in the stock market soared so today not only domestic investors but which can make the investments and foreign investors can easily make an investment in the stock market in Indonesia. This gives positive impact and can also give a negative impact on the movement of capital market. Because of that, in these studies of how big the influence of investment conducted by the foreign investors to stock return gained and if macroeconomic variables as inflation. Interest rates, and rate affect the foreign investors investment and storck return.

This research using the value of the transaction conducted by foreign investors, returns on stocks price, rate, exchange rate and inflation which taken at January 2003 to December 2013, so acquired data obeservasi a total of 132 data. This research using a vector autoregressive (VAR) with use software evIEWS 8.

The results of these studies show that for a significant relation between the value of the transaction of foreign investor to stock return, stock return to the value transaction of foreign investor and there is a significant relation between the exchange rate to stock return. Meanwhile, the link between exchange rate, rates and inflation will not have a significant relation to the value of the transaction foreign investors and then interest rates and inflation are also do not have a significant stock return.

The keywords: transaction value of foreign investors, stock return, macroeconomics, VAR