

ABSTRACT

Fluctuations in stock prices traded in Indonesia Stock Exchange can be seen from the JCI so we can know whether the market is bullish (strong) or bearish (weak). The inconsistency of previous studies regarding JCI raises the research gaps as well as irregularities in the trend that occurred in January 2003 - May 2013 does not correspond to the theoretical relationship of variables. This study aims to analyze the factors that affect the JCI.

The population of this research is all the data of SBI interest rate, exchange rate Rupiah / U.S. \$, the world oil price, the world gold price, the Dow Jones index, Nikkei Index 225, Hang Seng Index and JCI since the data existed until now (historical price). Samples were taken by using purposive sampling method so that obtained 125 samples. This study used a descriptive analysis method, stationary test, the classic assumption test (test for normality and autocorrelation test), analysis model of Generalized Autoregressive Conditional Heteroscedasticity in Mean (GARCH-M), the best model selection test (Akaike Information Criterion (AIC) test and the Schwarz Information Criterion test (SIC), significance test, the coefficient sign test, ARCH effect test), the hypothesis test (F-statistic test, Z-statistic test and coefficient of determination (R^2) test) by using Eviews 6.

From the analysis we found the best model is the model of the Generalized Autoregressive Conditional Heteroscedasticity in Mean (GARCH-M) 0.3. Based on the results of hypothesis testing shows that the world oil price, Dow Jones and Hang Seng Index has a positive and significant effect on the JCI, exchange rate Rupiah / U.S. \$ has a negative and significant effect on JCI. While the SBI interest rate, the world gold price and the Nikkei 225 index has no significant effect on JCI.

Keywords: JCI, macroeconomic, DJIA, Nikkei 225, HSI, GARCH-M