ABSTRACT

The capital market is one of investment alternative that able to yield optimal advantage for investor. Each investor is requiring of relevant information with transaction development in stock. This is very important to be made in consideration in compiling strategy and decision making of investment in capital market. In taking decision to conduct a require to be paid attention two matter that is return of stock and Trading Volume. The objectives of this research to analyze the influence of BI Rate, Exchange Rate of mutual effect between Return of stock and trading volume (Study on Stock of Mining Sector that listed on Indonesia Stock Exchange in 2007 – 2015 periods).

This research using time series data from BEI and Indonesian Bank monthly published on BEI in January 2007 until December 2015. Population in this research is the mining sector in Indonesia during the observation period January 2007 until December 2015. The priority selection of the sample is by using purposive sampling method that is data takes by required criteria. Totality of the sample which has been used in this study was 108 samples (period January 2007 until December 2015 which consists of 52 issuers. In this study, the research method is by using descriptive analysis, stationary test, VAR analysis, Granger causality test, Impulse response anlysis, and variance decomposition analysis. Hypothesis test (t-statistic test, F-statistics test, and coefficient of determination test (R^2)).

The result of this research shows that BI Rate variable has a negative and significant to stock return, exchange rate variable has a positive and not significant to stock return, BI Rate variable has a negative and significant to Trading volume, Exchange rate variable has a negative and not significant to Trading volume, Stock return(-1)& Stock return(-2) variable has a positive and significant to Trading volume, Trading volume(-1)& Trading volume(-2) variable has a negative and not significant to stock return.

Keywords: BI Rate, Exchange rate, Return of stock, Trading volume

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