

ABSTRACT

In a country's economy, Financial System Stability have important role. Therefore the Government and Indonesia Bank must be able to maintain the smooth running of Financial System Stability of the country's economy, one of which is by carrying out macroprudential policy and microprudential policy. With the smooth running of Financial System Stability, the allocation of funds will be properly absorbed and able to overcome all risk that might occur in the future.

This study aims to determine the impact of factors affecting Financial System Stability. This type of research is quantitative research using secondary data sources. The research analysis method used is Multiple Linear Regression with the dependent variable namely Inflation and the independent variables namely the Money Supply, Interest Rates and Exchange Rates. The period used in the analysis is January 2020 to December 2022. This research analysis give the result that partially the Money Supply, Interest Rates have a significant positive effect on Inflation and Exchange Rates have a not significant positive effect on Inflation.

Keywords : Inflation, the Money Supply, Interest Rates, Exchange Rates

