

ABSTRACT

Subhi, Citra Putri.2014 , SKRIPSI . Title : " Analysis of Capital Market
Integration of Asia - Pacific Region (APEC) : Implications of
International Diversification "
Supervisor : Fitriyah, S.Sos.,MM

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In cooperation Asia- Pacific Economic (APEC) has set a goal of free trade and investment for developed countries by 2010 and developing countries in 2020 as a form of trade and investment liberalization is one of the key pillars in the achievement of its objectives . Nowadays some emerging capital markets of APEC members showed good growth in the Asia- Pacific region . Therefore , in response to the liberalization of trade and investment to developing countries by 2020 is needed to determine the relationship of the variables market index . The purpose of this study was to determine the presence of capital market integration in the Asia Pacific region which has implications for portfolio diversification opportunities internationally . Based on this background, the research will be conducted , entitled " Analysis of Capital Market Integration Asia - Pacific Region : Implications Diversified International .

This study uses quantitative methods to the analysis of the model using VECM (Vector Error correction model) with a stationary test level level , different stationary , cointegration and correlation . The population is the entire country in the Asia -Pacific (APEC) which has a capital markets while the sample is 10 APEC countries which include U.S. state (^DJIA),Australia (^AORD),Hong Kong(^HSI),Japan(^N225),Singapore(^STI),Singapore (^KS11), New Zeland(^NZ50), Indonesia(^JKSE), Malaysia(^KLSE),Chinese(^SSEC) .

The results of these studies demonstrate that there are capital market integration in the Australian state of capital market (^AORD)- Malaysia (^ KLSE) and Hong Kong (^HSI)-South Korea (^ KS11) and there are opportunities in the area of portfolio diversification proficiency level shows that there are 20 pairs market index has a negative correlation coefficient .

