

ABSTRACT

Ismyati, 2012, Thesis. Title: “Analysis of The Effect of Macro Variables and Dow Jones Index on Composite Stock Price Index at Indonesia Stock Exchange (BEI) in the Period 2005-2011”.

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Keywords : Macroeconomic variables, Dow Jones Index, IHSG BEI

The movement of IHSG is influenced by various factors, either internally by the macroeconomic variables or externally by foreign stock index. The objective of research is to analyze and acknowledge the effect of gross national product (GNP), inflation, SBI interest rate, exchange rate, and Dow Jones Index on the movement of IHSG at Indonesia Stock Exchange. The data source is taken from secondary data including GNP, inflation, SBI, exchange rate, Dow Jones Index, and IHSG from January 2005 to December 2011. Model used in this research was quantitative with descriptive approach. Multiple linear regression was considering normality and three classical assumptions such as multicollinearity, heteroscedasticity, and autocorrelation.

The result of research indicated that F_{count} is $61.494 > F_{\text{table}}$ by the significance of 0.000. It seems that simultaneously, macroeconomic variables and Dow Jones Index are significantly affecting the price of IHSG BEI. T-test shows that each variable have significant effect on the movement of IHSG. Indeed by number, GNP is 0.000, SBI interest rate is 0.000, inflation is 0.048, exchange rate was 0.005, and Dow Jones Index is 0.000. All these variables had significance rate < 0.05 . At $R^2 = 0.785$ (78.5%), it can be concluded that based on Test of Goodness of Fit, the relatively good fit is obtained. Only 0.215 (21.5 %) of determinants affecting IHSG is explained by other variables excluded from the research model.