

## **ABSTRACT**

*Financial crisis has significant influences on economy as it was in 1997/1998 and the supprime mortgage crisis in 2007/2008. This research aims at finding out the ways in building crisis index and leading indicator of the existing stock market crisis in Indonesia. The data used in this research is a secondary data of monthly time series since 2006M01-2016M12. The variables used to build Stock Market Vulnerability Index (SMVI) are Composite Stock Price Index and Exchange Rate. The analysis model used was signal approach method.*

*Based on the research result, stock market in Indonesia experienced two crisis periods that were in 2007 and in 2009/2010. The are four variables becoming the important indicators in stock market crisis signal formation that are inflation, interest rate, DJIA and HSI. The variable of interest rate has the smallest NSR that Bank Indonesia must be careful in deciding the interest rate policy.*

*Keywords: Crisis, Stock Market, Early Detection System*