

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

A. Conclusion

Based on data analysis and discussion that has been done by the researcher in the previous chapter, then obtained some conclusion as follows:

1. Variable the fed rate obtained results with the coefficient value of the fed rate is -0.160751 means If there is a change in the fed rate one point then it will lower the JII Index of -0.160751 . besides the significance value is 0.0862 , in this probability value shows greater than 0.05 ($0.0862 > 0.05$). From the result, it can be concluded that the fed rate has a negative and not significant effect to the JII index.
2. Gold Price variable obtained with the coefficient value is 0.262046 means that if there is an increase in the gold price of one point then it will raise the JII Index of 0.262046 , the value of the gold price is 0.0051 , the value of this probability show smaller than 0.05 ($0.0051 < 0.05$). From these results can be concluded that the price of gold has a significant and positive effect to the index JII.
3. Variable Inflation obtained with the coefficient value is 0.007167 means that if there is an increase in inflation of one point of so will raise the JII Index of 0.007167 , in this study the significance value 0.6020 , the value of this probability shows greater than 0.05 ($0.6020 > 0.05$). From these

results can be concluded that Inflation positively insignificant positive to index JII.

4. Variable money supply (M2). In variable M2 obtained with the result of coefficient value equal to 0.597157 means if variable M2 rise by one point hence will raise also variable index JII equal to 0.597157, in this research value of significance 0.0000, at this probability value show smaller than 0,05 ($0.0000 < 0.05$). From the result, it can be concluded that M2 has a significant positive effect on JII index.
5. And the last is the result of F-statistic 0.0000 means the fed rate, gold price, inflation and money supply simultaneously significant impact toward JII equal to 0.597157, in this research value of significance 0.0000, at this probability value show smaller than 0,05 ($0.0000 < 0.05$). From the result, it can be concluded that M2 has a significant positive effect on JII index.

B. Suggestion

Based on this research, the authors will give suggestions as follows:

1. For Investors

- a. For investor who want to invest the money by the stock, especially those listed in the JII index category, should consider the state of the economy first, especially with regard to macroeconomic and monetary variables. Because these variables have been shown to affect the JII index. This variable can be used as consideration to determine future investment strategy. Because the movement of

the fed rate, gold price, inflation and money supply will affect the movement of index and stock price.

2. **For Further Research**

- a. For further research who want to continue this research should add an independent variable or replace some with other independent variables in the research. Because the movement of the JII index is not only influenced by the fed rate, gold price, inflation and money supply, The evident from the coefficient of determination R^2 is still relatively small. So it is possible to other variables that can influence the movement of JII.
- b. In addition to adding research variables, for further research should make research with different periods so the selected variables can better reflect the movement of JII index.