THE ANALISIS OF EXCHANGE RATE, INFLATION, AND BANK RATE INFLUENCE TOWARD INDONESIAN COMPOSITE INDKES IN INDONESIAN STOCK EXCHANGE PERIOD 2007-2015.

ABSTRACT

This search aims to investigate the effected of selected macroeconomic variables, i.e,.exchange rate on IDR, inflation, and Bank rate on Indonesia composite indeks in indonesian stock exchange. The period used in this study is nine years, ie from 2007 to 2015. The paper employs a Error correction Model analysis.

The result indicates that only exchange rate on IDR significantly effects to Indonesian composite indeks. This is evidenced by a significance value of 0,0019. The inflation and bank rate do not effects to Indonesian composite indeks. This is evidenced by a significance 0,6431 and bak rate significance 0,9478. This research only covers three selected macroeconomic variables, therefore, further research should examine other potential macroeconomic variables.

Keywords: exchange rate, inflation, Bank rate, Indonesia composite indeks