

ABSTRACT

Capital market is an investment alternative for investors who want to invest their funds. Investment can be done with real investments and financial investments. Financial investment can be made directly and indirectly, while real investment itself can be done by purchasing assets that traded in the capital market. Investors will look at whether the state of the market is good or bad. Registered several factors that can affect the market return including inflation, exchange rates and stock returns.

The aim of this study is to examine the effect of inflation, exchange rates and stock returns to market return, both in simultaneous and partial way. This research was conducted on 10 food and beverage companies that listed in Indonesian Stock Exchange within 2011-2014 which had chosen by purposive sampling method. The observation period is four years by using software Eviews 8 as panel data regression analysis method.

The results of this study shows that simultaneously the variables of inflation, exchange rates and stock return have significant influence the market return. Partially, inflation and exchange rate variables significantly influence market return. Whereas stock returns has no significant effect on the market return.

Keywords : inflation, exchange rate, stock return and market return.