

ABSTRACT

The Composite Stock Price Index is defined as an index that summarizes the development of prices on the Indonesia Stock Exchange. The composite stock price index is one indicator used to assess market conditions in general to measure whether stock prices in Indonesia have increased or decreased.

In this research the independent variables are inflation, rupiah exchange rate, interest rate, and economic growth. The dependent variable in this research is composite stock price index. This research aims to examine the effect of Inflation, Rupiah Exchange Rate, Interest Rate, and Economic Growth on the Composite Stock Price Index on Indonesian Stock Exchange Period 2009-2018.

The population of this research are all quarterly data on the composite stock price index for the period 2009-2018. The sample selection technique uses a total sampling technique or census. The sample in this research is a combined quarterly stock price index data of 4 data/year for 10 years so that 40 samples were observed. The analysis technique used in this study is multiple linear regression analysis using the Eviews Version 9.0 application.

The results shows that Inflation, Rupiah Exchange Rate, Interest Rate and Economic Growth had an effect on the Composite Stock Price Index. While partially, Inflation and Economic Growth have no effect on composite stock price index, rupiah exchange rate has an effect on the positive direction of the composite stock price index and the interest rate has an adverse effect on the composite stock price index. So that interest rates and the rupiah exchange rate can be considered because it can affect the movement of the composite stock price index.

Keywords: Inflation, Rupiah Exchange Rate, Interest Rate, Economic Growth, Composite Stock Price Index.