

ABSTRACT

Investors who will conduct transactions in the capital market require information intaking a decision to buy or sell a stock. There is some information that investors often consider before buying or selling shares, such as inflation, interest rates and exchange rates.

This study aims to determine the level of inflation, interest rates, and exchange rates against stock prices and see the long-term and short-term effects between the rate of inflation, interest rates, and exchange rates against stock prices. The study was conducted at a manufacturing sector company listed on the Indonesia Stock Exchange (IDX).

The population in this study is a manufacturing company listed on the Indonesia Stock Exchange (IDX). The sample selection technique is non probability sampling (saturated sample technique). The method used is descriptive and verifikatif. Data analysis techniques used are Error Correction Model test and hypothesis testing using Eviews v.8 for Windows software.

The inflation rate has a probability value of 0.8625 and greater than 0.05 so that H_0 is accepted, meaning the inflation rate does not significantly affect the stock price. The interest rate has a probability value of 0.1260 and greater than 0.05 so that H_0 is received, meaning that the exchange rate does not significantly affect the stock price. The exchange rate has a probability value of 0.07510 and greater than 0.05 so that H_0 is accepted, ie the exchange rate has no effect on the stock price.

The results of this study indicate that in short-term relationships the stock price adjusts the inflation rate with the elasticity of 0.0761. The stock price also adjusts the interest rate with the elasticity of 0.6097, and the stock price adjusts the exchange rate with an elasticity of 5.7893. Long-term relationship of inflation rate is not significant to stock price with total influence 3,79%, the rest 96,21% influenced by other factors. Inflation rate is insignificant to stock price with total influence of 70.09%, the rest 29.91% is influenced by other factors, and exchange rate does not influence significantly to stock price with total influence 24,80%, the rest 75,2 % Influenced by other factors

Keywords: Inflation Rate, Interest Rate, Exchange Rate, Stock Price