

ABSTRACT

In 2019 global economic growth has been downgraded to 3 percent. As recent softness abates, world growth is projected to edge up to 3,4 percent in 2020 and to 3,6 percent in 2021. One of the indicators of recession is the inverted yield curve of the United States during trade war between the United States and China. Hong Kong, Japan and South Korea are representative reference for Asian stock market movement. The slowdown of global economic growth also effecting Singapore in all areas. In this research used quantitative approach by using time series over January 2nd, 2009 to October 31st, 2019. Variables of this research are; Indonesia Composite Indeks (^JKSE) as dependent variable, Japan (Nikkei 225), Korea (KOSPI), Hong Kong (Hang Seng) and Singapore (Straits Times Index) as independent variables. Engle-Granger co-integration test implemented in this research in three steps; first is descriptive test to know the data, second unit root test used to selecting the stationary data after get the stationary data moved to third step co-integration test using Engle-Granger. The result is there are co-integration relation between Indonesia and the United States. But Japan, Korea, Hong Kong and Singapore is none.

Keyword: Economic Growth; Recession; Stock Price Indices; Co-integration; Engle-Granger