ABSTRACT

Inflation is one of the macroeconomic indicators used to measure the stability of a country's economy. Inflation is a process of increasing prices of general goods continuously. The higher the inflation rate, the worse the economy will be. There are several factors that can affect inflation such as Financial Technology (Fintech), interest rates, exchange rates, and the money supply.

This research aims to find out the result of the influence of Financial Technology (Fintech), interest rate, and exchange rate on money supply and inflation, as well as finding at the money supply as an intervening variable from the influence of Financial Technology (Fintech), interest rate, and exchange rate on inflation. This study used time series data from 2008 to 2018. The number of research samples is 11 data of inflation recorded at Bank Indonesia. The data was obtained by purposive sampling technique. Data analysis method in this research is path analysis.

The results of this research indicate that partially Financial Technology (Fintech) has a significant effect on the money supply, the interest rate and the exchange rate does not have a significant effect on the money supply. Partially, interest rates have a significant effect on inflation, Financial Technology (Fintech) and the exchange rate does not have a significant effect on inflation. While simultaneously the results of this study indicate that Financial Technology (Fintech), interest rates, and exchange rates affect the money supply and inflation in Indonesia in the period 2008-2018. Furthermore the exchange rate affects inflation through the money supply, while Financial Technology (Fintech) and interest rates do not affect inflation through the money supply.

Keywords: Exchange rate, Financial Technology (Fintech), Inflation, Interest rate, Money supply