ABSTRACT

Stock investment is one way for investors to invest and generate profits through dividends and capital gains. Investors in the stock market have a wide selection of indexes available to them, allowing them to track the price movements of selected stocks based on specific criteria and serve as a benchmark for investment. The Jakarta Composite Index (JCI) measures the performance of all stock prices listed on the Indonesia Stock Exchange. In 2020, the COVID-19 pandemic negatively impacted the JCI, as investors faced uncertainty. Furthermore, JCI movements are also driven by macroeconomic factors such as the BI Rate, inflation, gold prices, and the IDR/USD exchange rate. Therefore, investors must consider numerous factors when making investment decisions.

This study aims to determine the long-term and short-term effects of the Bank Indonesia Interest Rate (BI Rate), inflation, gold prices, and the IDR/USD exchange rate on the JCI listed on the IDX from 2010 to 2024.

This study used quantitative methods with secondary data obtained from the websites of Bank Indonesia, BPS, the Ministry of Trade, bullion rates, and Yahoo Finance. The population in this study was data on the BI Rate, Inflation, Gold Price, and the IDR/USD exchange rate for the years 2010-2024. In this study, all populations were used as samples. A total of 180 data were processed using the Error Correction Model method with Eviews software.

The results of this study indicate that in the long term, the BI Rate has a significant negative effect on the Jakarta Composite Index (JCI). Inflation, Gold Price, and the IDR/USD exchange rate have a significant positive effect on the JCI in the long term. Meanwhile, in the short term, the BI Rate and Gold Price have no significant effect on the JCI. Inflation and the IDR/USD exchange rate have a significant negative effect on the JCI in the short term. Based on this research, it is hoped that future researchers can use this study as a reference and conduct further research, which can be used by investors in decision-making.

***Keywords**: bi rate, inflation, gold price, idr/usd exchange rate, idx composite*