ABSTRACT

This study aims to analyze the relationship between macroeconomic variable with stock price index volatility that registered at BEI in the year 2000 to 2015. The result during research period does not always match the existing theory. This results are supported by results from studies conducted by some of the previous researches.

This study used monthly data macroeconomic variable, such as Jakarta Composit Index (JCI), Industrial Production Index (IPI), exchange rate, money supply, Gross Domestic Product (GDP), inflation, interest rate dan stock price index from various sector, i.e agriculture; mining; basic industry and chemicals; miscellaneous industry; consumer goods industry; property, real estate and building construction; infrastructure, utilities and transportation; finance; trade, services and investment from January 2000 to December 2015. The analytical method that has been used in this research are data stationary test and used GARCH method because this study used time series data.

The result of this study showed a negative effect from JCI to stock price index volatility of agriculture and had no effect from JCI to stock price index volatility in other sectors, IPI had a negative effect to stock price index volatility of miscellaneous industry and dan IPI had no effect to stock price index volatility of other sector, exchange rate had no effect to stock price index volatility of all sectors, money supply had a positif effect to stock price index volatility of basic industry and chemicals; miscellaneous industry; consumer goods industry; property, real estate and building construction; trade, services and investment dan money supply had no effect from JCI to stock price index volatility in other sectors, while GDP had a negative effect to stock price index volatility in basic industry and chemicals and GDP had no effect to stock price index volatility in other sectors, inflation had no effect to stock price index volatility in all sectors, and interest rate had no effect to stock price index volatility in all sectors.

Key words : JCI, IPI, exchange rate, money supply, GDP, inflation, interest rate, stock price index volatility, sectoral