

SUMMARY

Indonesian Capital Market very rapidly began to grow since the end of 1988 in line with a series of deregulations of banking and capital markets in 1986-1988. Both of these deregulations, which followed by the inflow of the foreign funds to Indonesia, eventually led to the dominance of the foreign investors in Indonesian Capital Market. With the developing movement of the regional economic and global economic cooperation, has led to increasingly the integrated of the world economy year by year. This economic conditions bring the progressive impact to all of the countries included Indonesia. The main purpose of this study is to determine the effect BI rate, world oil price, Rupiah exchange rate, and inflation rate on Jakarta Composite Index (JCI) at Indonesia Stock Exchange (IDX) in January 2011-December 2015 period.

To determine whether a stock index and global economic indicators have a positive or negative effect on JCI, a tool already used in this study, which is using multiple linear regression analysis. The results of this study indicate that the Rupiah exchange rate and inflation rate significantly give the positive effect to Jakarta Composite Index, while the BI rate, world oil prices giving negative effect to Jakarta Composite Index.

Future studies wishing to examine the influence of multiple indices and global economic indicators of the condition of the Indonesian capital market can add a variable index of Asia Pacific countries such as: Hang Seng Index (Hong Kong), Kосpi Index (South Korea) and macroeconomic variables such as: GDP (Gross Domestic Product).

Keywords: Inflation rate, BI rate, World Oil Price, Rupiah Exchange rate, JCI