ABSTRACT

Analysis of the effect of macroeconomic variables and oil price to stock price index of energy

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The first objective of this study was arranging stock price index of energy. Stock price index of energy consist of all energy stocks that listed in Indonesian Stock Exchange Market. Second, index was analysed by movement patterns in some period. And third, study would see the effect of macroeconomic factors (Industrial Production Index, interest rate, Rupiah Exchange Rate, and Inflation) and world oil prices to the stock price index of energy.

The index was arranged in this research using market value weighted index, the calculation method that used in some capital market. The index used December 29th 1995 as basis year, and period of observation was January 2008 until December 2010 to see the effect of the factor to the index. This research used a multiple regression analysis.

The index showed that stocks of coal mining subsector were dominating capitalization market value and being indication the stocks were determining movement pattern of index. The movement of index had pattern resemblance with Jakarta Composite Index (IHSG) and showed raising trend since 2004. The results indicate that interest rate, rupiah exchange rate and world oil price have significant effect on stock price index of energy. On the other hand, industrial production index and inflation do not appear to have any significant effect on stock price index of energy. Investor should consider the factors before choosing the stocks of energy.