SUMMARY


Stock is one of the most popular monetary market instrument and the alternative and interesting investment in capital market because it may give the high return to the investor. The price of stock is fluctuating because the commodity of it is always changeable based on the internal and external factors of a company. The existence of fluctuation of stock demands the investor to focus on expected return degree on investment done as the risk faced in the future. APT (Arbitrage Pricing Theory) model improved by Stephen A Rose is one of the improvement of CAPM (Capital Asset Pricing Theory) in determining expected return in the market. Some experts claim that APT model is better than CAPM because the price of stock is determined not only by single market index but also by many macroeconomics factors. Based on the explanation above, the researcher will research the return and risk premium in stock exchange of Indonesia using APT model. It will be found the macroeconomics factors which may influence return and risk premium in APT Model, such as the degree of inflation of Rupiah rate exchange to US dollars and the price of world oil.

Based on the explanation of the research background, the goals of it are:
(1). Analyzing the the macroeconomics factor impact (the degree of inflation of Rupiah rate exchange to US dollars, and the price of world oil) towards stock individual return in stock exchange of Indonesia. (2). Analyzing the Macroeconomics factor impact towards stock risk premium at stock exchange of Indonesia. (3). Analyzing the Macroeconomics factor impact towards expected return stock at stock exchange of Indonesia. This research uses explanatory quantitative research method explaining the correlation between two factors or more. The data used in this research is secondary data. The data includes the price of closing stock in the last month chosen based on the biggest price of market capital in every sectors of stock exchange of Indonesia, inflation data, the data of world oil price and rupiah rate exchange to US dollar. The data of this research is also supported by literatures, government publishing, scientific journal and the previous research related to the topic of this research.

Data analyses process is started by processing the first data regressing the data time series to find \( \beta \) (stock return sensitivity) towards inflation factor, rupiah rate exchange to US dollar and price of world oil. Next step is processing the second data to find \( \lambda \) (risk premium) every month of inflation factor, rupiah rate exchange to US dollar and price of world oil. Processing data in this step is regressing data cross section between stock expected return and stock return sensitivity towards inflation factor, rupiah rate exchange to US dollar and price of world oil gotten from the previous regression. All steps of the processing data uses eviews6 software.

The result of significance test towards beta inflation, rate and oil exchange gotten from first regression of this research is different from every stock and most result gotten are not significant. Based on the result of data analyses, the
The macroeconomic factor is not affected significantly towards stock majority return chosen. From the result of the second step of regression, shows that the movement of rate risk premium from 2009 until 2013 shows positive trend. This risk premium is gotten from monthly risk premium in every year. Rate risk premium and oil exchange rate shows negative trend. The result of monthly risk premium significance from January 2009 is different. Inflation risk premium and oil exchange rate shows insignificant result.

Keywords: macroeconomics, stocks, risk premium, expected return, APT.