SUMMARY

ERNAWATI ALENA. Impact of Macroeconomic Shock to Beta Sectoral Stock Indexes in BEI Period 2001-2015. Supervised by NOER AZAM ACHSANI and TRIAS ANDATI.

Systematic risk is measured using a beta (β) market, the beta of a security relative to market risk. The use of beta as a measure of market risk due to that market beta measuring the response of each of the securities to market movements. Beta is also used to measure the volatility of a stock or portfolio return within a certain Waku. The beta value of a security is important for investors because it is through the beta value investors can mengalisis such securities and the value of beta is also a consideration in the form of a portfolio investor. The changes that occur in macro economic factors have the potential to increase or decrease the systematic risk. Research on the sector beta as a proxy yields and stock market risk indicators were by (Hadad *et al*. 2004) in the period of 1996-2004 beta value fluctuates with negative and positive values, but the average value of beta is relatively in line with the market. However, this study has not put any suspected macro economic factors have an impact on systemic risk in the capital market so interesting to do research on the impact of macroeconomic factors on beta-sector index in the Indonesia Stock Exchange in the period before the crisis, and after the global finansial crisis.

Beta stocks used were beta stock of 10 sectoral indices listed on Indonesia Stock Exchange namely agriculture, mining, basic industry, various industries, consumer goods, manufacturing, property, infrastructure, finance and trade. Macroeconomic variables used were external macroeconomic variables, fedrate, dow jones index, oil price and internal macroeconomic variables, namely inflation, industrial production index (IPI), exchange rate (Kurs) and interest rate (SBI). The method used is the analysis of VAR / VECM using impulse response function (IRF) and forecast error variance decomposition (FEVD) the study period 2001-2015.

The result of the research showed that stock of agriculture and mining sectors which classified as primary sector were aggressive stock in responding to change in market conditions because it has the highest average beta value of 1.42 and 1.4 respectively. Property and Real Estate were sectors that have defensive stock characteristics because it has a very low average beta value of 0.03. Based on the results of impulse response function (IRF) analysis it was found that agriculture, various industries, consumer goods and finance were majority sector index that responded positively to macroeconomic variable shocks. Macroeconomic variables that most influence the increase of risk / beta value were inflation, interest rates, exchange rate and oil price in the long-term period. So it is known that macroeconomic factors that contributes a lot to the movement of beta of sectoral indices is coming from within the country which are inflation

and interest rates, this condition indicates that the Indonesian capital market is not too heavily influenced by external macro variables shocks.

Managerial implication from this study is that beta value of sectoral indices can be used as a reference for the investor in forming an investment portfolio, because beta is dynamic in which it's movements can be influenced by macroeconomic conditions then, investors need to pay attention to the macroeconomic variables such as global oil price, inflation, interest rates and the exchange rate because those variables contribute the most in affecting the movement of beta sectoral indices. For stock management authority, the information on beta sectoral indices should be made available to the public or investors. For companies / issuers listed on the Stock Exchange are expected to pay attention to shocks that occur on macroeconomic variables, especially global oil price, inflation, interest rates and the exchange rate so that the company's performance is maintained and did not lead to negative sentiment by investors against shares of the company in the capital market.

Keywords: beta, forecast error variance decomposition, impulse response function, sectoral stock indexes, macroeconomic variables