

ABSTRACT

As one of economic fundamental in one country, stock exchange market should be paid attention not only by investor or public, but also government. Effective stock market perhaps difficult to be reached, but by having good knowledge of its behavior, investor's activities will be based on information that produced by issuer itself such as financial report and corporate action.

Index LQ45 has been being crucial indicator for Indonesia Stock Exchange for almost three decade. It roles very huge to be ignored after its contribution for composite stock price index (IHSG)

This research is conducted to assist stakeholders about stock market's return specially Index LQ45 since 2010-2014. Many aspects influence the price of stock market, but in this research Foreign exchange (Forex), Institutional ownership, Good Corporate Governance Index, Firm Size and Leverage as variable. Researcher use Double Linier Regression Method with twenty one company as a sample and 105 data collected for being analyzed.

As the result, foreign exchange has negative influence to index LQ45 stock's return by having regression coefficient $-0,009$ and $0,002$ significant. Institutional ownership has no influence to index LQ45 stock's return, but the other side Good Corporate Governance Index has no influence. This research has two control variables such as firm size and leverage. Both control variables has no influence to index LQ45 return with regression coefficient $-0,073$ and $0,608$ and significant coefficient $0,039$ and $0,303$.

Keyword: Foreign Exchange, Good Corporate Governance Index, Firm Size, Leverage and stock return