

ABSTRACT

The objective of this study is to analyze the effect of interest rate, inflation and exchange rate toward the return of the sector stock price index; Agriculture, Mining Basic Industry and Chemicals, Miscellaneous Industry, Consumer Goods, Construction, Property and Real Estate, Transportation and Infrastructure, Finance, Trade and Service, Investment and Manufacture as well as to identify the strongest variable most influencing the sector.

The data used is Time Series of the period of January 2008 to December 2009. The data is obtained from the websites of the Bank of Indonesia and Indonesian Stock Exchange. Technique of Analysis is to use linier regression by means of clausal index.

Before the regression is conducted, it is necessary to conduct a testing of assumption to obtain Best Linier to obtain Best Linier Unbiased Estimated (BLUE), during the time such testing is conducted Multicolonality occurs so that the inflation variable is removed or taken out from the model.

This study result shows that the interest rate and Rupiah exchange rate has an impact on the Sector stock price index of Basic Industry and Chemicals, Miscellaneous Industry, Consumer Goods industry, Transportation and Infrastructure, Finance, Trade, Service and Investment and Manufacture, and the Rupiah exchange rate variable has an impact on the sector stock price index of the sector of Agriculture, Mining, Basic Industry and Chemicals, Miscellaneous Industry, Consumer Goods, Construction, Property and Real Estate, Transportation and Infrastructure, Finance, Trade and Service, Investment and Manufacture.