**West Science Interdisciplinary Studies**
Vol. 02, No. 03, March and 2024: pp. 668-679

# Effect of Inflation, Rupiah Exchange, Dow Jones Index, Nasdaq Index, and S & P500 Index Against Combined Stock Price Index

**Abdul Manap[1], Sugito[2], Yusnindar[3], Atik Sekianti[4]**
[1,3,4] Faculty of Economics and Business, Jayabaya University and hamanap.joyo@gmail.com
[2] Administration College of Menarasiswa and hamanap.joyo@gmail.com

## ABSTRACT

This research aims to determine empirical evidence of the influence of inflation, Rupiah exchange rate, Dow Jones index, Nasdaq index, A & P500 index on the Composite Stock Price Index. The research uses quantitative methods and uses classical assumption tests, multiple regression analysis, and hypothesis testing. The data used is secondary data during the period January 2019 – November 2023, resulting in a total of 59 samples from each variable using the purposive sampling method. The research results show that inflation has an effect on the Composite Stock Price Index, the Rupiah exchange rate has no effect on the Composite Stock Price Index, the Dow Jones Index has an effect on the Stock Price Index Combined, the Nasdaq Index influences the Composite Stock Price Index, the S & P500 Index influences the Composite Stock Price Index, and Inflation, the Rupiah Exchange Rate, the Dow Jones Index, the Nasdaq Index, and the S & P500 Index simultaneously influence the Composite Stock Price Index.

***Keywords:*** *Dow Jones Index, Composite Stock Price Index, Nasdaq Index, S & P500 Index, Inflation, Rupiah Exchange Rate*

## 1. INTRODUCTION

Capital markets have a very important role in almost all countries because they contribute strategically to a country's economic resilience. This directly influences investors' interest in investing in participating in the capital market, especially in stock investment. Investment is when a person or company invests resources such as money, time or labor in an asset or project with the hope of gaining greater returns or profits in the future.

The Indonesian Central Securities Depository (KSEI) even recorded the number of investors as of July 2023 with the age group under 30 years at 57.26%, the age group 31 to 40 years at 23.18%, the age group 41 to 50 years at 11.29%, the age group 51 to 60 years was 5.41%, and the age group over 60 years was 2.87%. This proves that the younger generation is more sensitive to investing. The main purpose of investing is to generate income, increase capital, or protect the value of assets from inflation. There are various forms of investment, one of which is financial assets such as shares, bonds, mutual funds, certificates of deposit and other instruments. Investors purchase these assets with the hope of obtaining a return on their investment through dividend income, interest, or an increase in the value of the asset. It is important to remember that investment always involves certain risks and the results cannot always be predicted, therefore the choice of investment type and investment strategy must be adjusted to the financial goals, risk tolerance and financial situation of the individual or company. A common strategy to reduce investment risk is diversification, that is, spreading investments across different types of assets.

Factors that can significantly influence stock investment activities and the movement of the Composite Stock Price Index (IHSG) on the Indonesian Stock Exchange come from external and internal factors. Internal factors are influenced by company performance, but external factors are influenced by macroeconomic factors. Macroeconomic factors that can influence the value of the

Composite Stock Price Index (IHSG) are Inflation, Rupiah Exchange Rate, World Gold Value, World Oil Value, and Global Indices such as the Dow Jones Index, Nasdaq Index, S&P500 Index, and Hang Seng Index. The stock markets of developed countries such as America, Hong Kong, and others have a significant impact on the movement of the Indonesian stock market because a strong country's economy has a big influence on the economy of a weak country. In other words, the stock index of developed countries can influence the stock index of developing countries.

Inflation is an economic phenomenon that is feared in almost all countries. This occurs when the prices of goods and services generally increase continuously over a certain period of time, usually within one year [1]. The inflation rate is described as the percentage increase in average prices over the period and is an important indicator in assessing the health of a country's economy [2]. Low and stable inflation is generally seen as positive because it contributes to price stability and allows consumers and businesses to plan their finances better. However, if the inflation rate is too high it can reduce people's purchasing power and affect overall economic stability [3].

According to [4], inflation is the annual percentage increase in the general price level as measured by the consumer price index or other price index. [5], [6], [7], and [8] explain that inflation is a general and continuous tendency to increase prices. An increase in the price of one or two goods is not considered inflation unless the increase is widespread and affects most other goods. Increasing inflation can cause a decrease in purchasing power, meaning that the value of money can only be used to purchase goods and services in smaller quantities. When inflation rises, stock prices and returns generally fall, which means stocks with dividends also experience price declines. In this situation, investors can take advantage of this opportunity by buying shares at a cheaper price.

The Dow Jones Industrial Average (DJIA) is a stock index created by Charles Dow, editor of the Wall Street Journal and founder of Dow Jones & Company. The Dow Jones Industrial Average (DJIA) index was founded by Charles Dow in 1896 as a way to measure the performance of the industrial components of the American stock market. The Dow Jones Index is the oldest index on the United States market that is still operated and one of the benchmarks for the health of the United States stock market. The Dow Jones Index currently consists of the 30 largest and most widely listed companies in the United States. Changes in the stock price of the Dow Jones index result in dividend distribution and stock splits affecting the index value. Apart from that, the Dow Jones index has an influence on global markets because the United States is the benchmark for the world economy, for example the dollar is still the main means of payment used throughout the world.

Nasdaq is the abbreviation for National Association of Securities Dealers Automated Quotations. Nasdaq is a stock index that reflects the performance of the technology market in the United States. Nasdaq is one of the leading stock indexes in the United States and changes in stock prices that occur in it have a big influence on the global stock market because the Nasdaq index is very popular in various media and investors. The Nasdaq index is very influential on the global market because until now the United States is still the benchmark for the world economy because the United States Dollar (USD) is still the main means of payment used throughout the world. The Nasdaq Index is one of the world's most famous stock market indexes that reflects the performance of a large number of companies listed on the Nasdaq Stock Exchange, especially technology companies, software, Internet companies and related sectors.

When mentioning "Nasdaq", what is meant is the Nasdaq Composite Index (abbreviated as Nasdaq Composite Index or Nasdaq Composite), which includes three thousand companies listed

on the Nasdaq Stock Exchange. Apart from that, there are also other indexes that focus on certain sectors, such as the Nasdaq-100 which consists of the 100 largest companies traded on Nasdaq and focuses on technology and related sectors. This index is used as a tool to evaluate stock market performance in the United States, particularly with regard to technology companies and other innovative sectors.

An overview of [9] previous research entitled The Effect of Inflation, Rupiah Exchange Rate, Dow Jones Index, Nasdaq Index on the Composite Stock Price Index. Likewise, other research from [10] and [11] with the same title, Analysis of the Nasdaq Index on the IHSG, stated that it had a simultaneous effect that the results of the research conducted produced an influence on the Nasdaq Index on the Composite Stock Price Index. Monitoring the movements of these indices provides insight into changes in market sentiment and the performance of companies in the index portfolio. Information regarding the value of the Nasdaq index can be found on various financial sites or stock trading platforms.

## 2. METHODS

To collect the data needed for this research, the author used movement data on the Composite Stock Price Index (IHSG), Inflation, Rupiah Exchange Rate, Dow Jones Index, NASDAQ Index, and S & P500 Index obtained from the website www.investing.com, which is managed by Investing M.S Fusion Media Ltd. 7 Florinis Str. Greg Tower, 2nd Floor 1065 Nicosia, Cyprus. The selection of data sources is based on the availability of data that is relevant to the research, as well as the belief that the data obtained from this source has a high level of accuracy. The research and data collection process was carried out over a three month period, namely September to December 2023.

The variables studied are independent variables. The aim is to identify and analyze how inflation, the rupiah exchange rate, the Dow Jones index, the NASDAQ index and the S&P500 index can influence other variables such as the movement of the Composite Stock Price Index (IHSG). Therefore, inflation, the rupiah exchange rate, the Dow Jones index, the NASDAQ index and the S & P500 index are considered as variables that influence the dependent variable related to the Composite Stock Price Index in this research.

Population and samples taken via web investing for the period January 2019 to November 2023, totaling 354 samples. This amount is based on each of the six variables that have been determined, namely Inflation, Rupiah Exchange Rate, Dow Jones Index, NASDAQ Index, S & P500 Index and Composite Stock Price Index.

The analysis used in this research is multiple regression analysis because it involves more than two independent variables because if there is only one independent variable then simple regression analysis is used. However, in the regression analysis test, there are four regression assumption tests, including the normality test, multicolosity test, heroscedasticity test, and auto correlation test.

### 1. Normality Test

According to [12], the normality test is used to assess whether the variable data studied is normally distributed or not. The normality test has several methods that can be used, such as the normal P-Plot graph or statistical analysis such as the Kolmogorov – Smirnov test. Analysis using the normal P-Plot graph makes decisions based on the distribution of data along the diagonal. If the data spreads diagonally and follows its direction, it can be concluded that the data is normally distributed. Meanwhile, the Kolmogorov-Smirnov test states that data is normally distributed if the significance value is greater than 5% or 0.05 and if the significance value is less than 5% or 0.05 then the data does not follow a normal distribution.

2. **Multicollinearity Test**

Multicollinearity is a linear relationship between independent variables. According to [13] states that the multicolosity test is to test whether there is a high or perfect correlation between independent variables in a regression model. This can cause large errors so that when testing the coefficients, the t-count becomes smaller than the t-table. The multicollinearity test can be carried out using the pairwise correlation method, if the correlation coefficient of each independent variable is smaller than 0.90 (> 0.90) then multicollinearity does not occur and vice versa. The multicolosity test is carried out to ensure that there is no multicolosity in the regression model created, so that the results of the regression analysis obtained are accurate.

3. **Heroscedasticity Test**

According to [14], the heteroscedasticity test is a statistical test carried out on a regression model to test whether the variance of the residuals of an observation is not the same compared to other observations. Residual is the difference between the observed or observed value and the predicted value. If the residual variation from one observation to another is constant, then this is called homoscedasticity. On the other hand, if the variations in the residuals are different, it is called heteroscedasticity. The heteroscedasticity test can be carried out using a scatterplot graph or the predicted value of the dependent variable called SRESID with residual error ZPRED. The basis for decision making in scatterplot graphic analysis is that if there is no particular pattern and it does not extend above or below zero on the Y axis then it can be concluded that heteroscedasticity does not occur. Apart from that, the heteroscedasticity test can be tested using the glacier test method. The basis for decision making in the glacier test analysis is that if the significance value is greater than 0.05 (>0.05), it can be concluded that there are no symptoms of heteroscedasticity and vice versa.

4. **Auto Correlation Test**

According to [15], the autocorrelation test is used to test whether there is a correlation between confounding errors in period t and confounding errors in period t-1 (previous) in the linear regression model. The Durbin-Watson test is one of the most commonly used methods to test autocorrelation. Autocorrelation testing is carried out to ensure that the regression model created is free from autocorrelation so that the resulting regression analysis results can be reliable and accurate.

Multiple regression analysis is a statistical method used to understand how to explain the relationship between a dependent variable (response variable) and two or more independent variables simultaneously. The main goal of multiple regression analysis is to develop a mathematical model that can explain the complex relationships between these variables. The regression coefficient can be written in the form of a mathematical equation as follows:

$$Y = \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 \ldots + \beta pXp.$$

Explanation:
Y : Dependent Variable
$\beta$ : Regression Coefficients
X : Independent Variable

In statistical regression analysis, there are three tests that are generally used to test hypotheses regarding the relationship between variables in the regression model. These three tests are:

1. **T test (partial regression coefficient test)**

The t test is used to test whether the regression coefficient of each independent variable in the regression model is individually significant or not. This helps us understand the relative contribution of each independent variable to the dependent variable.

**2. F test (simultaneous regression coefficient test)**

The F test tests whether at least one of the independent variables in the overall regression model has a significant influence on the dependent variable. This tests the validity of the entire regression model.

**3. Coefficient of Determination**

The coefficient of determination (Adjusted R-squared) measures how well the regression model explains variations in the dependent variable. Provides information regarding the percentage of variation in the dependent variable that can be explained by the independent variables in the model.

## 3. RESULTS AND DISCUSSION

Secondary data obtained through the official Bank Indonesia website is accessed via www.investing.com. Inflation data, Rupiah exchange rate data, Dow Jones index data, Nasdaq index data and the Composite Stock Price Index studied in this research are for the period January 2019 to November 2023 with 59 samples along with the analysis results as below:

Table 1. Descriptive Statistical Analysis

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Inflasi | 59 | -.27 | 1.17 | .2341 | .27828 |
| Kurs Rupiah | 59 | 13650 | 16300 | 14601.22 | 553.708 |
| Indeks Dow Jones | 59 | 21917 | 36338 | 30762.53 | 3858.010 |
| Indeks Nasdaq | 59 | 7282 | 15645 | 11538.12 | 2504.094 |
| Indeks S&P500 | 59 | 2585 | 4766 | 3749.78 | 630.402 |
| Indeks Harga Saham Gabungan | 59 | 4539 | 8249 | 6321.32 | 734.191 |
| Valid N (listwise) | 59 | | | | |

*Source: SPSS Data Processing Results 25.0 Version*

The lowest point of inflation was in September 2019 with a value of -0.27 percent (deflation), while the highest inflation rate occurred in September 2022 with a value of 1.17 percent. The average inflation rate during the research period was 0.2341 percent per month with a standard deviation of 0.27828 percent. This means that the average inflation rate during the research period ranged from -0.04418 percent to 0.51238 percent per month.

The Rupiah exchange rate was at its lowest in January 2020 with a value of IDR 13,650 per USD, while the highest value occurred in March 2020 with a value of IDR 16,300 per USD. Overall, the average rupiah exchange rate during the research period was IDR 14,601.22 per USD with a standard deviation of IDR 553,708. This shows that the rupiah exchange rate has changed (fluctuated) by an average of IDR 553,708 per USD from an average value of IDR 14,601.22.

The Dow Jones Index had its lowest value in March 2020 with a value of IDR 21,917 per share and the highest value was achieved in December 2021 with a value of IDR 36,338 per share. The average price per share of the Dow Jones index during the research period was IDR 30,762.53 with a standard deviation of IDR 3,858,010. This shows that the Dow Jones index has changed (fluctuated) by an average of IDR 3,858,010 per share from an average value of IDR 30,762.53

The Nasdaq index had the lowest value in January 2020 with a value of IDR 7,282 per share and the highest value was achieved in December 2021 with a value of IDR 15,645 per share. The average price per share of the Nasdaq index during the research period was IDR 11,538.12 with a

standard deviation of IDR 2,504,094. This shows that the Nasdaq index experienced changes (fluctuated) by an average of IDR 2,504,094 per share from an average value of IDR 11,538.12.

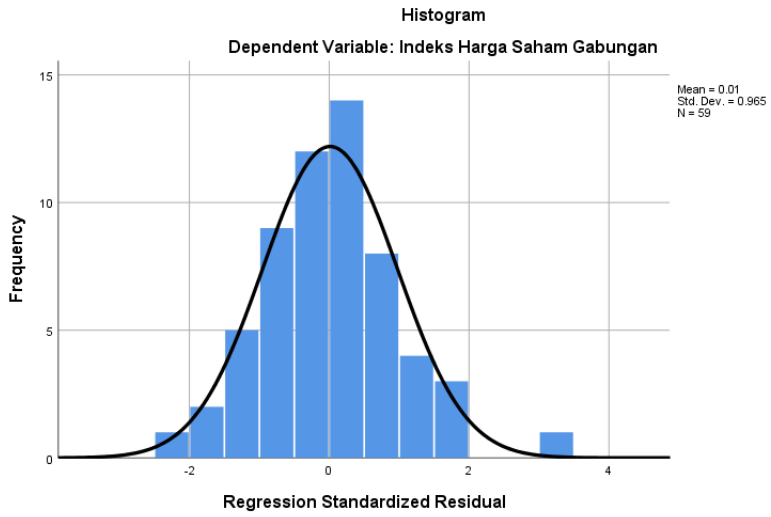
The S & P500 Index had its lowest value in March 2020 with a value of IDR 2,585 per share and the highest value was achieved in December 2021 with a value of IDR 4,766 per share. The average price per share of the S&P500 index during the research period was IDR 3,749.78 with a standard deviation of IDR 630,402. This shows that the S & P500 index has changed (fluctuated) by an average of IDR 630,402 per share from an average value of IDR 3,749.78

The classical assumption test is used to measure the relationship between two or more variables, as well as to determine the direction of the relationship between the dependent and independent variables. Classical analysis has four tests, namely normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

### 1. Normality Test

The Normality Test is carried out to measure whether the dependent variable and independent variables in the regression model have a normal distribution or not. This test method is carried out by analysis of Histogram graphs, Normal P-Plot graphs, and One-Sample Kolmogorov-Smirnov statistical tests. Histogram test results using SPSS produce the following output:

Figure 1. Histogram Graph Normality Test Results




*Source: SPSS Data Processing Results 25.0 Version*

Based on the Normal P-plot graphic output in the figure, it can be seen that this research data shows a pattern that matches the normal distribution pattern. This can be seen from the data distribution that follows the diagonal line. Therefore, it can be concluded that the data in this study has normal distribution. To strengthen the results of the normality test previously explained, the researcher carried out a 62 statistical test using the Kolmogorov-Smirnov test and produced the following output.:

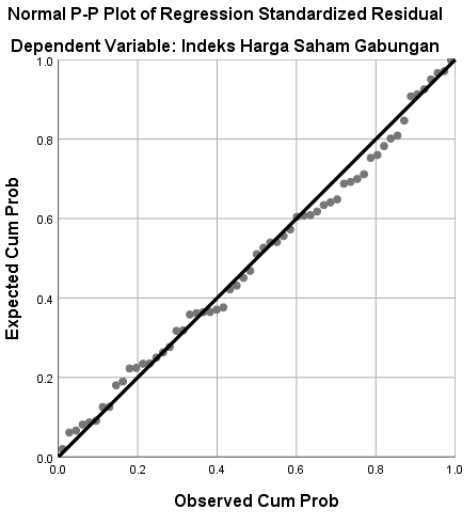



Figure 2. Normal P-Plot Test Results
*Source: SPSS Data Processing Results 25.0 Version*

Table 2. Kolmogorov-Smirnov Normality Test Results

**One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| N | | 59 |
| Normal Parametersa,b | Mean | 4.2221844 |
| | Std. Deviation | 375.47406748 |
| Most Extreme Differences | Absolute | .065 |
| | Positive | .065 |
| | Negative | -.042 |
| Test Statistic | | .065 |
| Asymp. Sig. (2-tailed) | | .200c,d |

*Source: SPSS Data Processing Results 25.0 Version*

Based on the data above, the results of the Kolmogorov-Smirnov Test show a significance value of 0.200, exceeding the value of 0.05 (0.200 > 0.05).

**2. Multicollinearity Test**

The purpose of conducting a multicollinearity test is to measure correlation or significant relationships between independent variables in a regression model. A good regression model is characterized by the absence of symptoms of multicollinearity. The multicollinearity test used in this test uses the pairwise correlation method. This method can be seen from the correlation coefficient value of each variable, if the correlation coefficient value is less than 0.90 (< 0.90) then there are no symptoms of multicollinearity and vice versa.

Table 3. Pairwise Correlation Multicollinearity Test Results

**Coefficient Correlations**

| Model | Indeks S&P500 | Inflasi | Kurs Rupiah | Indeks Nasdaq | Indeks Dow Jones |
|---|---|---|---|---|---|

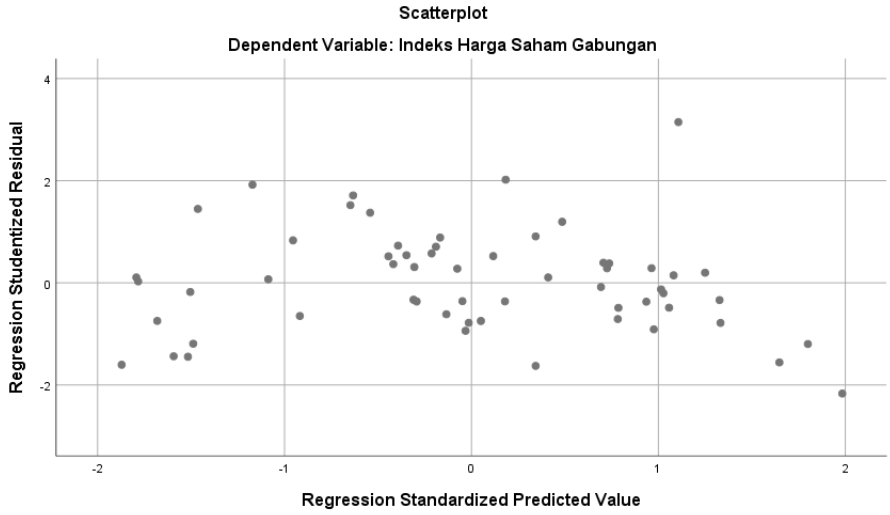
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Correlations | Indeks S&P500 | 1.000 | -.304 | -.490 | -.868 | -.923 |
| | | Inflasi | -.304 | 1.000 | .223 | .360 | .199 |
| | | Kurs Rupiah | -.490 | .223 | 1.000 | .492 | .375 |
| | | Indeks Nasdaq | -.868 | .360 | .492 | 1.000 | .630 |
| | | Indeks Dow Jones | -.923 | .199 | .375 | .630 | 1.000 |
| | Covariance s | Indeks S&P500 | .534 | -41.275 | -.038 | -.056 | -.051 |
| | | Inflasi | -41.275 | 34565.933 | 4.361 | 5.933 | 2.797 |
| | | Kurs Rupiah | -.038 | 4.361 | .011 | .005 | .003 |
| | | Indeks Nasdaq | -.056 | 5.933 | .005 | .008 | .004 |
| | | Indeks Dow Jones | -.051 | 2.797 | .003 | .004 | .006 |

*Source: SPSS Data Processing Results 25.0 Version*

Based on table 4.9 above, it can be seen that the correlation coefficient value for the inflation variable is -0.246, the Rupiah exchange rate is 0.003, the Dow Jones Index is 0.480, the Nasdaq Index is -0.024 and the S&P500 Index is -0.878. Because the results of all variables are less than 0.90 (< 0.90), this means that there are no symptoms of multicollinearity.

### 3. Heteroscedasticity Test

Figure 3. Scatterplot Heteroscedasticity Test Results




*Source: SPSS Data Processing Results 25.0 Version*

Based on the output in Figure 4.3 above, it can be concluded that heteroscedasticity does not occur because the points are spread above and below the number 0 on the Y axis. However, this research is strengthened by carrying out heteroscedasticity testing using the Gleser Test method with decision making based on the significance value of each variable, if the value is significant is greater than 0.05 (> 0.05) then there are no symptoms of heteroscedasticity and vice versa if the variable significance value is smaller than 0.05 (< 0.05) then it can be concluded that heteroscedasticity occurs. The test results of the Glazer Test use SPSS and produce the following

output:

Table 4. Heteroscedasticity Test Results of Glacier Test

**Coefficients**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | Inflasi | 45.285 | 118.361 | .044 | .383 | .704 |
| | Kurs Rupiah | .017 | .024 | .660 | .712 | .479 |
| | Indeks Dow Jones | .034 | .039 | 2.828 | .869 | .389 |
| | Indeks Nasdaq | .004 | .050 | .116 | .073 | .942 |
| | Indeks S&P500 | -.281 | .373 | -2.866 | -.753 | .455 |

Source: SPSS Data Processing Results 25.0 Version

**4. Autocorrelation Test**

Table 5. Autocorrelation Test

| No | H0 | Keputusan | Jika |
|---|---|---|---|
| 1 | Tdk autokorelasi Positif | Ditolak | 0 < d < dL |
| 2 | Tdk autokorelasi Positif | Tdk ada keputusan | dL ≤ d ≤ dU |
| 3 | Tdk ada Autokorelasi Negatif | Ditolak | 4 – dL < d < 4 |
| 4 | Tdk ada Autokorelasi Negatif | Tdk ada keputusan | 4 – dU ≤ d ≤ 4 – dL |
| 5 | Tdk ada Autokorelasi Positif/Negatif | Ditolak | dU < d < 4 – dU |

*Source: Processed by The Author*

The results of the Durbin-Watson test using SPSS produce the following output:

Table 6. Autocorrelation Test Results

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .998a | .997 | .996 | 389.157 | .908 |

*Source: SPSS Data Processing Results 25.0 Version*

Based on table 6 above, it can be seen that the resulting Durbin-Watson value is 0.908 with a sample of 59 and 5 independent variables (k = 5). The results in the Durbin-Watson table with a significance level of 5% ($\alpha$ = 5%) obtained dL (lower limit) of 1.4019 and dU (upper limit) of 1.7672. Because the Durbin-Watson value is 0.908, the critical value limit used is 0 < d < dL (0 < 0.908 < 1.3953).

Table 7. Results of Multiple Regression Analysis

**Coefficientsa,b**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | Inflasi | 420.760 | 193.599 | .024 | 2.173 | .034 |
| | Kurs Rupiah | .077 | .039 | .177 | 1.989 | .052 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Indeks Dow Jones | .174 | .064 | .850 | 2.727 | .009 |
| | Indeks Nasdaq | -.498 | .081 | -.923 | -6.112 | .000 |
| | Indeks S&P500 | 1.459 | .610 | .872 | 2.394 | .020 |

*Source: SPSS Data Processing Results 25.0 Version*

Based on the table above, multiple linear regression is obtained as follows:

$$Y = 420{,}760\ (X1) + 0{,}077\ (X2) + 0{,}174(X3) - 0{,}498(X4) + 1{,}459\ (X5)$$

In regression analysis, the regression coefficient value for inflation has a value of 420,760, meaning that for every 1 percent increase in inflation, the composite stock price index will increase by IDR 420,760 and vice versa. The regression coefficient value for the rupiah exchange rate is 0.077, meaning that for every Rp. 1 increase in the rupiah exchange rate, the composite stock price index will increase by Rp. 77 and vice versa. The regression coefficient value for the Dow Jones index is 0.174, meaning that for every Rp. 1 increase in the Dow Jones index, the composite stock price index will increase by Rp. 174 and vice versa. The regression coefficient value for the Nasdaq index is -0.498, meaning that for every Rp. 1 increase in the Nasdaq index, the composite stock price index will decrease by Rp. 498 and vice versa. Meanwhile, the regression coefficient value for the S&P500 index is 1,459, meaning that for every Rp. 1, the composite stock price index will increase by Rp. 1,459 and vice versa.

**5. T test (Partial Regression Test)**

Table 8. T test results

**Coefficientsa,b**

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. |
|---|---|---|---|---|---|---|
| 1 | Inflasi | 420.760 | 193.599 | .024 | 2.173 | .034 |
| | Kurs Rupiah | .077 | .039 | .177 | 1.989 | .052 |
| | Indeks Dow Jones | .174 | .064 | .850 | 2.727 | .009 |
| | Indeks Nasdaq | -.498 | .081 | -.923 | -6.112 | .000 |
| | Indeks S&P500 | 1.459 | .610 | .872 | 2.394 | .020 |

*Source: SPSS Data Processing Results 25.0 Version*

Inflation has a t test statistic = 2.173 which occurs at p-value (sig.) = 0.034, smaller than the real level, ◎ = 0.05. Thus, the test results reject H0 which states that there is no partial influence of inflation on the composite stock price index (IHSG). Or in other words, inflation has been proven to partially have a significant influence on the composite stock price index. The Rupiah exchange rate has a test statistic of t = 1.989 which occurs at p-value (sig.) = 0.052, which is greater than the real level, ◎ = 0.05. Thus, the test results accept H02 which states that there is no partial influence of the rupiah exchange rate on the composite stock price index (IHSG). Or in other words, the rupiah exchange rate has been proven to partially have no significant influence on the composite stock price index. The Dow Jones Index has a t test statistic = 2.727 which occurs at p-value (sig.) = 0.009, smaller than the real level, ◎ = 0.05. Thus, the test results reject H03 which states that there is no partial influence of the Dow Jones index on the composite stock price index (IHSG). Or in other

words, the Dow Jones index has been proven to partially have a significant influence on the composite stock price index. The Nasdaq index has a t test statistic = -6.112 which occurs at p-value (sig.) = 0.000, smaller than the real level, ⌾ = 0.05.

Table 9. F Test Results

**ANOVA**

| | | | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 2380673781.24 | 5 | 476134756.249 | 3143.981 | .000c |
| | Residual | 8177936.754 | 54 | 151443.273 | | |
| | Total | 2388851718.000d | 59 | | | |

*Source: SPSS Data Processing Results 25.0 Version*

Based on the table above, the test statistic F = 3,143.981 occurs at p-value (sig.) = 0.000, which is smaller than the real level, ⌾ = 0.05. Thus, the test results reject H06 which states that there is no simultaneous influence of inflation, the rupiah exchange rate, the Dow Jones index, the Nasdaq index and the S & P500 index on the composite stock price index.

**6. Coefficient of Determination Test**

Table 10. Coefficient of Determination Test Results

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .998a | .997 | .996 | 389.157 |

*Source: SPSS Data Processing Results 25.0 Version*

From the results of the analysis above, it can be seen that the correlation coefficient, R, is 0.998, indicating a very strong relationship between the composite stock price index and inflation, the rupiah exchange rate, the Dow Jones index, the Nasdaq index, and the S & P500 index. Meanwhile, the adjusted coefficient of determination (Adjusted R-square) is 0.996, meaning that 99.6% of the variation in the composite stock price index can be explained by variations in the inflation rate, rupiah exchange rate, Dow Jones index, Nasdaq index, and S & P500 index. only the remaining 0.4% is unexplained. This identifies that the regression model has met the goodness of fit criteria. Meanwhile, the estimated standard error is 389.157, indicating the large deviation of the regression model from the composite stock price index studied.

## CONCLUSION

Based on the findings and discussion, it can be concluded as follows:

1. 1Inflation has a significant influence on the composite stock index. This is in accordance with hypothesis H1 which states that inflation has an effect on the composite stock price index.
2. The Rupiah exchange rate does not have a significant impact on the composite stock index. This is in accordance with hypothesis H02 which states that the rupiah exchange rate has no effect on the composite stock price index.

3. 3The Dow Jones Index has a significant influence on the composite stock index. This is in accordance with hypothesis H3 which states that the Dow Jones index has an influence on the composite stock price index.
4. The Nasdaq index has a significant influence on the composite stock index. This is in accordance with hypothesis H4 which states that the Nasdaq index has an influence on the composite stock price index.
5. The S&P500 index has a significant impact on the composite stock index. This is in accordance with hypothesis H5 which states that the S & P500 index has an effect on the composite stock price index.
6. Inflation, the rupiah exchange rate, the Dow Jones index, the Nasdaq index and the S & P500 index have an effect on the composite stock index. This is proven by hypothesis H6 which states that the test statistic F = 3,143.981 occurs at p-value (sig.). In other words, H6 is accepted. Based on the test results, the contribution of inflation, the rupiah exchange rate, the Dow Jones index, the Nasdaq index and the S & P500 index simultaneously reached 99.6% of the fluctuations in the Composite Stock Price Index.

## REFERENCES

[1] A. R. Harsono and S. Worokinasih, "Pengaruh Inflasi, Suku Bunga dan Nilai Tukar Rupiah Terhadap Indeks Harga Saham Gabungan," *Jurnal Administrasi Bisnis*, vol. 60, no. 2, pp. 102–110, 2018.

[2] F. Hendro, "Analisa Pengaruh Indeks Dolar Amerika Serikat Dan Indeks Harga Saham Gabungan Luar Negeri Terhadap Indeks Harga Saham Indonesia," 2023.

[3] A. Manap, R. Y. Sasmiyati, N. Edy, and M. Mustangin, "Pengaruh Bank Indonesia Rates dan Federal Fund Rates terhadap Indeks Harga Saham Gabungan di Bursa Efek Indonesia," *Al-Buhuts Jurnal Ekonomi Islam*, vol. 19, no. 1, pp. 143–161, 2023.

[4] P. A. Samuelson and W. D. Nordhaus, "Macroeconomics 19e." McGraw-Hill Higher Education, Maidenhead, 2009.

[5] A. Boediono, M. Takagi, S. Saha, and T. Suzuki, "Influence of Day-0 and Day-7 superovulated cow serum during development of bovine oocytes in vitro," *Reprod Fertil Dev*, vol. 6, no. 2, pp. 261–264, 1994.

[6] H. Kuncoro and L. E. Artiani, "Studi Kelayakan Kebijaksanaan Penyesuaian Upah Minimum Regional," *Journal of Indonesian Economy and Business*, vol. 13, no. 1, 1998.

[7] F. Ahmad, "Analisis Pengaruh Makroekonomi, Komoditas Dunia, dan Indeks Dunia terhadap Indeks Harga Saham Gabungan (IHSG) pada Periode 2014-2019," *Jurnal Ilmu Manajemen*, vol. 9, no. 1, pp. 295–310, 2021.

[8] M. M. Sri Handini and M. M. Erwin Dyah Astawinetu, *Teori portofolio dan pasar modal Indonesia*. Scopindo Media Pustaka, 2020.

[9] A. E. Setiyono, C. Chandrawatisma, R. H. S. Fanandi, and P. Heriyati, "Antecedents of E-Loyalty as Research for the Quick Commerce Industry," *Interdisciplinary Social Studies*, vol. 2, no. 8, pp. 2287–2299, 2023.

[10] D. Hastutik, "The Determinant of Financial System Stability in Indonesia," *Efficient: Indonesian Journal of Development Economics*, vol. 6, no. 2, pp. 187–198, 2023.

[11] M. Simanullang and L. Prost, "Nanomaterials for on-board solid-state hydrogen storage applications," *Int J Hydrogen Energy*, vol. 47, no. 69, pp. 29808–29846, 2022.

[12] P. D. Sugiyono, "Metode Peneliian," *Kuantitatif, Kualitatif, Dan R&D*, 2010.

[13] I. Ghozali, "Ghozali, Imam (2013)," *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 21Update PLS Regresi. Semarang: Badan Penerbit Universitas Diponegoro*, 2013.

[14] I. Ghozali, "Aplikasi Analisis Multivariate dengan Program IBM SPSS. Yogyakarta: Universitas Diponegoro," *Edisi 9). Semarang: Badan Penerbit Universitas Diponegoro*, vol. 490, 2018.

[15] I. Ghozali, "Aplikasi Analisis Multivariative Dengan Program IBM SPSS 25 Edisi 9," *Badan Penerbit Universitas Diponegoro*, 2018.