Empirical Test of Composite Stock Price Index: Regional Stock Index

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Abstract

Indeks Harga Saham Gabungan (IHSG) merupakan indikator pergerakan harga seluruh saham di Bursa Efek Indonesia dimana salah satu faktor yang dapat mempengaruhi pergerakan IHSG di Indonesia adalah Indeks Saham Global. Penelitian ini bertujuan untuk mengetahui pengaruh Indeks Saham Global terhadap Indeks Harga Saham Gabungan (IHSG) di Bursa Efek Indonesia, dan untuk menganalisis Indeks Saham Global yang memiliki pengaruh dominan terhadap IHSG. Obyek penelitian ini dilakukan pada 5 indeks saham global yang letaknya berdekatan dan berpengaruh besar terhadap perekonomian dunia pada IHSG di Bursa Efek Indonesia, yang terdiri dari indeks Amerika dengan Dow Jones (DJIA), Jepang dengan indeks Nikkei 225 (N225), Singapura dengan indeks Strait Times Index (STI), Malaysia dengan Kuala Lumpur Composite Index (KLCI) dan Hong Kong. dengan Indeks Hang Seng (HSI). Data yang digunakan adalah data. Metode analisis yang digunakan dalam penelitian ini adalah Ordinary Least Square (OLS) dengan analisis program Eviews versi 9. Hasil dari penelitian didapatkan bahwa DJIA, Nikkei225, STI, HIS secara parsial tidak berpengaruh terhadap Indeks Harga Saham Gabungan Bursa Efek Indonesia, sedangkan KLCI berpengaruh terhadap Indeks Harga Saham Gabungan Bursa Efek Indonesia.

Keywords:DJIA, Nikkei 225, STI, KLCI, HIS, JCI

Abstract

The Composite Stock Price Index (JCI) is an indicator of price movements of all shares on the Indonesia Stock Exchange where one of the factors that can influence the movement of the JCI in Indonesia is the Global Stock Index. This study aims to determine the effect of the Global Stock Index on the Composite Stock Price Index (CSPI) on the Indonesia Stock Exchange, and to analyze the Global Stock Index which has a dominant influence on the JCI. The object of this research was conducted on 5 global stock indices that are located close to and which have a major influence on the world economy on the JCI on the Indonesia Stock Exchange, which consist of the American index with the Dow Jones (DJIA), the Japanese index with the Nikkei 225

(N225), Singapore with the index Strait Times Index (STI), Malaysia with the Kuala Lumpur Composite Index (KLCI) and Hong Kong. with the Hang Seng Index (HSI). The data used is secondary data in the form of monthly. The analytical method used in this study is Ordinary Least Square (OLS) with Eviews version 9 program analysis. The results of the study show that DJIA, Nikkei225, STI, and HIS partially have no effect on the Indonesian Stock Exchange Composite Stock Price Index, while KLCI has an effect on the Indonesia Stock Exchange Composite Stock Price Index.

1. INTRODUCTION

With the development of economic growth in Indonesia, the stock market in the capital market is also developing. Stocks are one of the public's alternatives for investing, so it is important for investors to know the ups and downs of stock prices in the stock market (Ekadjaja, 2016). Indonesia has many types of stock indexes including the JCI index, LQ45 index, KOMPAS100 index, PEFINDO25 index, and others. And the Composite Stock Price Index (JCI) is the main indicator of the Indonesian stock market. The Composite Stock Price Index (JCI) is an index that is taken into account by domestic and foreign investors when investing on the Indonesia Stock Exchange (IDX). Through the movement of the JCI, investors can find out whether the current market conditions are increasing or decreasing (Ekadjaja, 2010).

The performance of the Composite Stock Price Index (IHSG) on the Indonesia Stock Exchange (IDX) at the end of 2018 was the worst in the last 3 years after minus 2.54% in a year, whereas in 2017 and 2016 the JCI still gave a return of 19.99% and 15 ,32%. On the other hand, in the last 3 years, the JCI gave the highest return reaching 19.99% in 2017 when it closed at the level of 6,355.65 and in 2016 it recorded a return or gain of 15.32% when it closed at the level of 5,296.71. Nevertheless, the decline in the index at the end of 2018 was still better than 2015 which was minus 12.13% and recorded the worst performance 10 years ago, namely in 2008 it was corrected to 50.64%.

The decline in the index during the year cannot be separated from a number of negative catalysts both from within the country such as Indonesia's economic growth which has not moved from the 5% range, the depreciation of the rupiah exchange rate, interest rates, trade balance deficits, to foreign sentiments such as the United States trade war. US) and China, and the US central bank's Fed Funds Rate (FFR) hike (https://www.cnbcindonesia.com/market/performance-ihsg-2018-worst-in-3-years)

Another thing that is thought to be influencing the movement of the index is the dynamics of regional and international capital markets. The problem of integration of stock exchanges between countries has been studied since the late 1980s, especially after the fall of Wall Street in 1987. Since then, several experts have conducted research in various parts of the world, and they generally agree that international stock

exchanges are interrelated. each other. In this case, usually the larger exchange will affect the smaller exchange.

There is an explanation of several factors that can affect the movement of a country's stock index, including company performance, stock price indexes of surrounding countries, world commodity prices, especially energy, currency exchange rates, etc.

One of the indicators used to measure the rate of return on investment in the capital market is yield and capital gain/loss. Yield is a return component that reflects the cash flow or income obtained periodically or at a certain time from an investment.

Regarding the index of other countries (global) that can affect the movement of the JCI, of course, not all indices in the world are used as a comparison. Some studies sometimes use the approach of the magnitude of the country's economic influence in the world, the country's influence on the Indonesian economy, aspects of geographical and/or physiological proximity, or see it based on previous research that underlies it.

Based on some of these data and comparisons, it is deemed necessary to pay attention to the capital market indexes of the United States (Dow Jones), England (UK: FT100), China Hong Kong (Hang Seng), and Singapore (Straits Times). These four indices are considered capable of representing stock indices in America, Europe, and Asia, as well as being able to represent the strength of the world economy and its influence on Indonesia.

There are several factors that influence the movement of stock prices or stock price index, namely internal and external factors (Alwi, 2009). Internal factors such as funding announcements, investments, financial reports and others. External factors include announcements from the government, the securities industry, political turmoil and others.

This study will examine changes in stock prices, especially the JCI and the LQ 45 Index on the Indonesia Stock Exchange (IDX) due to external factors, namely the impact of the Covid-19 Pandemic that hit Indonesia and all countries in the world. The Indonesian capital market is one of the countries that has experienced a drastic decline.

Based on the data obtained, starting from infrastructure, agriculture, various industries, mining and others have begun to weaken, while the financial sector has increased. The impact of the Covid-19 pandemic has hampered economic activity and trade in Indonesia and caused a deep correction in the Indonesian capital market.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Contagion Effect Theory or infectious impact is an event when a crisis occurs in a country, can have a negative impact on other countries and will result in a weakening of the economy. The impact can have a relative and unequal impact on other countries, depending on how much international cooperation in the economic sector is in other countries (Zabidi and Asandimitra, 2018: 470).

random walk is a stock market theory which states that past stock prices and the direction of stock prices or the market as a whole cannot be used as a tool to predict

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future stock price movements. Because stock prices move uncertain (random) and can not be predicted in the future. The opportunity for a stock price to increase is the same as the opportunity for a stock price to fall. However, in the long term, the dominant stock price has increased (Hartantio and Yusbardini, 2020:1096).

An index is needed as an indicator to observe price movements of securities. The stock index is the stock price expressed in index numbers. The stock index is used for analytical purposes and to avoid the negative impact of using stock prices in rupiah. While the stock price index is an indicator or a reflection of stock price movements. The index is one of the guidelines for investors to invest in the capital market, especially stocks (Widodo, 2018:153).

The JCI was introduced for the first time on April 1, 1983 using a baseline on August 10, 1982. The number of listed shares at that time was only 13 shares. The Composite Stock Price Index (CSPI) on the Indonesia Stock Exchange (IDX) includes price movements for common stock and preferred stock (Jogiyanto, 2016:167)
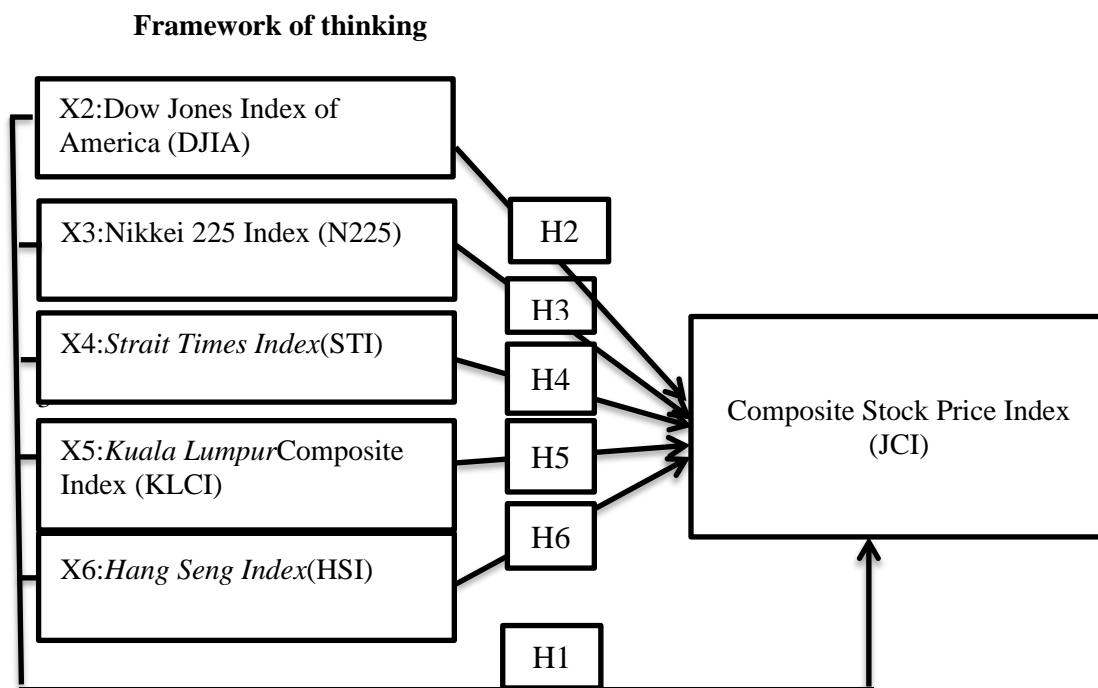
Framework of thinking

Figure 1. Thinking Framework

Hypothesis Development

Indonesia as a developing country is highly dependent on foreign economic conditions, especially those related to investment. As a result, capital market conditions in Indonesia are also influenced by foreign conditions, especially capital market conditions in developed countries. The ups and downs of other country's index

exchanges will have a more or less impact on Indonesia's economic conditions.In line with the contagion effect theory which explains that the economic condition of a country will affect other countries and the random walk theory which states that past stock prices and the direction of stock prices or the market as a whole cannot be used as a tool to predict future stock price movements.

H1 : There is a simultaneous effect of the Dow Jones Index, the Nikkei 225 Index,*Strait Times Index*, Kuala Lumpur Composite Index and Hang Seng Indexto the Composite Stock Price Index

The DowJones Index is the world's largest average stock price index on the American stock market. Therefore, the movement of the DowJones can affect almost all world stock price indexes, including the Indonesia Composite Index in Indonesia. The effect of the Dow Jones stock index is positive, which means that a decline in the Dow Jones index results in a decrease in the Composite Stock Price Index. Likewise, if the Dow Jones index rises, the Indonesian Composite Index also increases. Andiyasa et al, (2014). The crisis in the US which caused the Dow Jones to fall has given investors a negative sentiment towards the Indonesia Composite Index in Indonesia at that time also experiencing a decline. An investor can use this index to measure changes in index value by comparing today's performance with previous performance (yesterday, last month, last year, etc). This is in accordance with the research of Sudarsana & Candraningrat (2015) in their research which concluded that the Dow Jones Index had a negative effect on the JCI. This is contrary to the research conducted by Amin & Herawat (2012) who said in his research that the Dow Jones Index had a positive effect on the JCI. Meanwhile, according to (Kusumawati & Asandimitra (2017), the Dow Jones Index has no effect on the JCI.

H2: There is an effect of the Dowjones Index on the JCI.

Nikkei 225 is a large index owned by Japan, an increase in the Nikkei 225 index is a sign that the Japanese economy is improving. As one of Indonesia's export destinations, Japan's economic growth can encourage Indonesia's economic growth through these export activities. And these conditions indicate that an increase in the Nikkei 225 index will result in an increase in the JCI. In line with the contagion effect theory which explains that the economic condition of a country will have an impact on other countries. In line with research conducted by Oktarina (2016) that the Nikkei 225 index has a significant effect on the Composite Stock Price Index.

H3 : There is an effect of the Nikkei 225 Index on the Composite Stock Price Index

The increase in the STI index is a sign that the Singapore economy is improving. This situation will also increase the JCI because Singapore and Indonesia, which are located close together, tend to have the same investors. In addition,

Indonesia's largest export is to Singapore. In line with the contagion effect theory, it explains that the economic condition of a country will have an impact on other countries. Research conducted by Prahesti and Paramita (2020) shows that the STI index has a significant influence on the Composite Stock Price Index.

H4: There is an effect *Strait Times Index*(STI)to the Composite Stock Price Index

The KLCI index is the basis for measuring or indicator of the performance of the Malaysian capital market.The geographical proximity of Malaysia and Indonesia allows the two countries to cooperate in the economic field, one of which is through investment in the capital market. Malaysian investors who invest in Indonesia have a significant influence on developments in various industries in Indonesia.In line with the contagion effect theory, it explains that the economic condition of a country will have an impact on other countries. In line with researchconducted by Hartantio and Yusbardini (2020) KLCI has a significant effect on the Composite Stock Price Index.

H5 : There is influence of Kuala Lumpur Composite Index (KLCI)to the Composite Stock Price Index

The Hang Seng Index (HSI) is a cumulative index of 50 blue chip stocks from the Hong Kong Stock Market, which is one of the most trusted stock indexes used by investors to invest. The stocks listed in this index come from various sectors, such as Industry, Finance, Property and so on. The Hong Kong stock market is the second largest stock exchange in Asia. Therefore, the Hong Kong stock exchange is more in demand by investors.

The existence of economic relations between Indonesia and Hong Kong, one of which export activities will affect the economy of both countries. So that economic stability will also affect the Indonesian economy.Thus, any price changes on the Hang Seng index will affect the JCI movement on the IDX.In line with the contagion effect theory, it explains that the economic condition of a country will have an impact on other countries.Research conducted by Lusiana (2020) HSI has a significant effect onComposite Stock Price Index.

H6 : There is an effect of Hang Seng Index (HSI) on the Composite Stock Price Index

3. RESEARCH METHODS

This type of research is correlational research intended to find or test the relationship between variables. Judging from the problems contained in this study, the movement of the regional stock exchange index against the Composite Stock Price Index (CSPI) on the Indonesia Stock Exchange for the period 2015 to July 2021, the data was taken monthly so that a sample of 79 samples was obtained. The place of

research was carried out on the Indonesia Stock Exchange on the Composite Stock Price Index for the period January 2015 to July 2021. Stock price index data obtained from website www.finance.yahoo.com and www.id.investing.com

Operationalization of Variables The variables used in this study can be explained as follows. Independent Variables (X), namely the Dow Jones Industrial Average (DJIA), Nikkei 225 Index,*Strait Times Index*, Kuala Lumpur Composite Index and Hang Seng Indexto the Composite Stock Price Index (IHSG).

Table 1.
Variable Operation

Variable	Indicator	Scale
Composite Stock Price Index	$JCI = x\ 100\% \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}$	Ratio
Dow Jones Industrial Average (DJIA)	$DJIA = x\ 100\% \frac{DJIA_t - DJIA_{t-1}}{DJIA_{t-1}}$	Ratio
Nikkai 225(N225)	$N225 = x\ 100\% \frac{NIKKEI_t - NIKKEI_{t-1}}{NIKKEI_{t-1}}$	Ratio
Strait Times Indexs(STI)	$STI = x\ 100\% \frac{STI_t - STI_{t-1}}{STI_{t-1}}$	Ratio
Kuala Lumpur Composite Indexs(KLCI)	$KLCI = x\ 100\% \frac{KLCI_t - KLCI_{t-1}}{KLCI_{t-1}}$	Ratio
*Hang Seng Index (*HSI)	$HSI = x\ 100\% \frac{HSI_t - HSI_{t-1}}{HSI_{t-1}}$	Ratio

Model Regression : JCIit = β0 + β1DJIAit + β2N225it+ β3STIit + β3KLCIit + β3HSIIit + εit

4. RESEARCH RESULTS AND DISCUSSION

This research was conducted at the Indonesia Stock Exchange on the Composite Stock Price Index for the period January 2015 to July 2021. The research data used in this study was secondary data. Secondary data is data obtained indirectly and data can be accessed or obtained at any time.Stock price index data obtained from the websitewww.finance.yahoo.comand www.id.investing.com. In this study the Composite Stock Price Index (CSPI) variable as the dependent variable and the independent variables in this study wereDow Jones,Nikkei 225, Strait Times Index, Kuala Lumpur Composite Index and Hang Seng Index.

The sampling technique used in this study is the Saturated Sampling method, which is a sampling technique that uses all members of the population to be sampled. The data used in this study are all 79 monthly time series data for each variable.

This research uses E-views10 software. In this study there are descriptive statistical tests, classical assumption tests, regression analysis tests, f tests and t tests.

Statistics Descriptive

Table 4.1
Descriptive Statistics Test Results

	Y_IHSG	X1_DJIA	X2_N225	X3_STI	X4_KLCI	X5_HSI
mean	0.002751	0.009481	0.006901	0.000340	-0.001655	0.002525
median	0.006394	0.009936	0.013808	0.000000	-0.000815	0.012211
Maximum	0.094417	0.118372	0.150432	0.154472	0.068476	0.129799
Minimum	-0.167581	-0.137438	-0.105281	-0.178808	-0.088862	-0.120379
Std. Dev.	0.041044	0.043121	0.049675	0.045213	0.029122	0.051515
Skewness	-1.045905	-0.466158	-0.341617	-0.438229	-0.167573	-0.213498
Kurtosis	5.635860	4.516569	3.361150	6.395889	3.538706	2.910958
Jarque-Bera	37.27294	10.43193	1.965908	40.482828	1.324985	0.626255
Probability	0.000000	0.005429	0.374204	0.000000	0.515565	0.731157
Sum	0.217367	0.748963	0.545143	0.026873	-0.130713	0.199513
Sum Sq. Dev.	0.131400	0.145038	0.192469	0.159451	0.066153	0.206998
Observations	79	79	79	79	79	79

Source: Output E-Views 10 (2021), data processed

Table 4.1 shows the results of the descriptive analysis on all variables including the JCI (Y) which has a minimum value of -0.167581. While the maximum value is 0.094417 with an average value (mean) of 0.002751 and a standard deviation of0.041044.

The DJIA index (X1) has a minimum value of -0.137438 and a maximum value of 0.118372. Meanwhile, the average value (mean) is 0.009481 and the standard deviation of the DJIA index is 0.043121.

The index N225 (X2) has a minimum value of -0.15281 and a maximum value of 0.150432. Meanwhile, the average value (mean) is 0.009481 and the standard deviation of the N225 index is 0.049675.

The STI index (X3) has a minimum value of -0.178808 and a maximum value of 0.154472 Meanwhile, the average value (mean) is 0.000340 and the standard deviation of the STI index is 0.045213.

The KLCI index (X4) has a minimum value of -0.088862 and a maximum value of 0.068476. Meanwhile, the average value (mean) is-0.001655and the standard deviation of the KLCI index is 0.029122.

The HSI index (X5) has a minimum value of -0.120379 and a maximum value of 0.129799. Meanwhile, the average value (mean) of0.002525and the standard deviation of the HSI index is 0.051515.

Classic assumption test

Table 2.
Classic Assumption Test Results

No	Method	Results	Conclusion
1.	Normality test	Jarque Bera value 3.824965 Probability greater than 0.05 is 0.147713	Normal Distribution
2.	Multicollinearity Test	Independent variable VIF value < 10	Non multicollinearity
3.	*Heteroscedasticity Test*	The results of the Glejser test show:p-value Chi-Square . valueof 0.0847 or greater than (0.05)	Non heteroscedasticity
4.	*Autocorrelation Test*	The value of the DW statistic lies between DW>DU and 4-DW>DU 2.190228> 1.7712 and1.809772 > 1.7712	Non Autocorrelation

Multiple Linear Regression Analysis

In this study there are four independent variables used, namely America with the Dow Jones (DJIA), Japan with the Nikkei 225 index (N225), Singapore with the Strait Times Index (STI), Malaysia with the Kuala Lumpur Composite Index (KLCI) and Hong Kong. with Hang Seng Index (HSI)), and one dependent variable, namely the JCI. The following is the result of the regression analysis carried out. The table of results of multiple linear regression analysis is as follows:

Table 3.
Multiple Linear Regression

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.001118	0.003680	0.303920	0.7621
X1_DJIA	0.262580	0.149482	1.756597	0.0832
X2_N225	-0.035405	0.111457	-0.317660	0.7516
X3_STI	0.051843	0.138109	0.375376	0.7085
X4_KLCI	0.551070	0.144411	3.815991	0.0003
X5_HSI	0.111771	0.101558	1.100567	0.2747

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http://openjournal.unpam.ac.id/index.php/JABI

Based on the table, the results of the multiple linear regression equation are obtained, namely:
Y=0.001118+0.262580   DJIA   -   0.035405   N225+0.051843   STI+0.551070 KLCI+0.1117715 HSI+ e

Coefficient of Determination (R2)

The value of the Coefficient of Determination is between zero and one. A small value means the ability of the independent variables to explain the dependent variable is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the dependent variable.

Table 4.
OutputDeterminant Coefficient Test (R2)

R-squared	0.471184	Mean dependent var	0.002751
Adjusted R-squared	0.434964	SD dependent var	0.041044

Source: Output Eviews 10 (2021), processed data

From the table above, it is known that the adjusted coefficient of determination (Adjusted R Square) is 0.434964 or 43.4%. This means that 43.4% of the dependent variable, namely the JCI can be explained or influenced by the independent variable (Dow Jones Industrial Average (DJIA), Japan with Nikkei 225 index (N225), Singapore with Strait Times Index (STI), Malaysia with Kuala Lumpur Composite Index (KLCI) and Hong Kong. with Hang Seng Index (HSI)). While the remaining 56.6% is explained by other variables not examined in this study.

Hypothesis testing

Table 5.
Results of t test and F test

No	Method	Results	Conclusion
1.	F Test (Simultaneous)	1. Prob value (Fstatistic) is 0.00000 less than 0.05 (0.00000 < 0.05)	The independent variables are Dowjones, Nikke225, Strait Time Index, Kuala Lumpur Composite and Hang Seng simultaneously have a significant effect on the dependent variable, namely the Composite Stock Price Index.

2.	t test (Partial)	2. The independent variable Dowjones (DJIA) has a probability of 0.0832 which is greater than 0.05	1. It was concluded that Dowjones (DJIA) had no effect on the JCI, H1 Rejected
		3. The independent variable Nikke225 (N225) has a probability of 0.7516 which is greater than 0.05	2. It was concluded that Nikke225 (N225) had no effect on the JCI, H1 Rejected
		4. The independent variable Strait Time Index (STI) has a probability of 0.7085 which is greater than 0.05	3. It was concluded that the Strait Time Index (STI) had no effect on the JCI, H1 Rejected
		5. The independent variable Kuala Lumpur Composite Index (KLCI) has a probability of 0.0003 which is smaller than 0.05	4. It is concluded that the Kuala Lumpur Composite Index (KLCI) has an influence on the JCI, H1 Accepted
		6. The independent variable Hang Seng Index (HIS) has a probability of 0.02747 which is smaller than 0.05	5. It is concluded that the Hang Seng Index (HIS) has an influence on the JCI, H1 Rejected

Discussion of Research Results

1. Simultaneous effect of Dow Jones Index, Nikkei 225 Index,*Strait Times Index*, Kuala Lumpur Composite Index and Hang Seng Indexto the Composite Stock Price Index.
Based on the simultaneous test, it is known that the Dow Jones Index, the Nikkei 225 index,*Strait Times Index*, Kuala Lumpur Composite Index and Hang Seng Indexsignificant effect on IHSG Indonesia Stock Exchange. This shows that there is a link between the Indonesian capital market and foreign capital markets. The results of this study are basically in line with previous research conducted by Stella (2009), Venska, Suhadak, Handayani (2013), Tamara (2013), and Stella (2013) which stated that simultaneously global stock indexes in international capital markets (Dow Jones , Hang Seng, Nikkei, Straits Times, Shanghai, Kospi) have a significant effect on the JCI movement in the Indonesian capital market.

2. The effect of the Dowjones Index on the JCI.
The Dowjones Industrial Average (DJIA) was unable to influence the movement of the JCI. This research contradicts the domino effect (contagion effect theory) which states that there is an influence that arises by one country on another country. Based on the results of data analysis, it shows that there are various factors, one of which is due to the 12 hours difference between New York and Indonesia. Another reason is that the locations of Indonesia and New York are quite far, this can affect the

stock exchanges in Asia, which are large and geographically close to Indonesia, often have the same investors. So that if there is a movement of stock indexes on other exchanges, the JCI will also change. In addition to reasons of time and geographical proximity, The JCI calculation itself uses the entire population in contrast to the DJIA. The difference in calculation also causes the DJIA to be insignificant to the JCI. The practical implication of this research is that investors should not use the Dowjones index as a reference or consideration when investing in stocks because according to the results of this study, the Dowjones index has no effect on the JCI movement, therefore when the Dowjones index increases or decreases, it does not have an impact on the JCI and if investors choose to observe the Dowjones index, investors do not get significant information related to the JCI because the Dowjones index does not provide information in predicting the JCI rate.

3. The Influence of the Nikkei 225 Index on the Composite Stock Price Index
    The Nikkei 225 index has no significant effect on the JCI. Research contradicts the domino effect (contagion effect theory) which states that there is an influence that arises by one country on another country. The results of data analysis indicate that there are other factors other than economic factors. The stock price index is not influenced only by economic factors but also by exports, imports and investments, but other factors outside the economy can also affect the movement of a stock, such as a natural disaster that occurred in Japan causing a recession or decline in Japan and its stock market. weakened and had no effect on the movement of stocks in Indonesia.
    The practical implication of this research is that investors should not use the Nikkei 225 index as a reference or consideration when investing in stocks because according to this study, the Nikkei 225 index does not affect the JCI, therefore when the Nikkei 225 index increases or decreases, it does not have an impact on JCI and if investors choose to observe the Nikkei 225 index, investors do not get significant information related to the JCI because the Nikkei 225 index does not provide information in predicting the JCI rate.

4. Influence*Strait Times Index*(STI)to the Composite Stock Price Index
    The results showed that the Straits Times index had no significant effect on the JCI movement. In a study conducted by Mintalangi (2012), the Straits Times index turned out to have a negative effect on the JCI movement which means that an increase in the Straits Times index will reduce the JCI, where Singapore is the largest country that invests in Indonesia and the regional proximity factor is felt to have an impact on the movement. JCI. However, for the observation period in this study (January 2014 to December 2018), statistical data shows that there is no significant effect between price dynamics on the Singapore stock exchange and the Indonesian stock exchange. The results of this study are also not in line with research conducted by Vens Tamara (2013) and Venska, Suhadak, Handayani (2013),

5. *Kuala Lumpur Influence*Composite Index (KLCI)to the Composite Stock Price Index

This study shows that the Kuala Lumpur Stock Exchange Index (KLCI) has a positive or unidirectional effect on the Jakarta Composite Index (JCI). A positive effect means that if the KLCI increases, the JCI will increase. Likewise, when the KLCI decreases, the JCI will decrease. The results of the t-test in this study prove that it is partially proven that KLCI has a significant effect on the JCI. This is contrary to research by Anam and Kamaroellah (2016), which states that KLCI has no effect on the Composite Stock Price Index (JCI). In contrast to the research of Anam and Kamaroellah (2016), the results of this study support the research of Jayanti (2014) which states that the positive influence between KLCI and JCI is due to geographical factors that are close to Malaysia and Indonesia. The geographical proximity of the two countries allows the two countries to cooperate in the economic field, one of which is through investment in the capital market. This is in line with what the CEO of Trans Corp explained, that Malaysian investors who invest in Indonesia have a significant effect on the development of various industrial centers in Indonesia (swa.co.id).

6. Pengaruh Hang Seng Index (HSI) terhadap Indeks Harga Saham Gabungan

The Shanghai Index (SSE) was first introduced on July 15, 1991, which is an authoritative statistical index that is widely followed at home and abroad to measure the performance of the Chinese Capital Market. The Shanghai Index (SSE) is compiled and published by the Shanghai Stock Exchange with several series consisting of 75 indices, including 69 stock indices, 5 bond indices and 1 fund index, covering several series such as market size, sector, style, strategy & thematic series and into a continuously improving index system (www.sse.com). According to research conducted by Pasaribu & Kowanda (2013) concluded that the Shanghai Index has a positive effect on the JCI, but it is different from research conducted by Oktarina (2017) which states in his research that the Shanghai index has a negative effect on the JCI,

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of the analysis and discussion that have been described, the following conclusions can be drawn:

1. Dowjones Variables,Nikkei 225, Strait Times Index, Kuala Lumpur Composite Index and Hang Seng Index together have a significant effect on the Composite Stock Price Index with a probability value of $0.00000 < 0.05$, so H1 is accepted.
2. The Dowjones index variable has no significant effect on the Composite Stock Price Index with a probability value of $0.0832 > 0.05$, so H2 is rejected.

3. The Nikkei 225 index variable has no significant effect on the Composite Stock Price Index with a probability value of 0.7516> 0.05, so H3 is rejected.
4. The Strait Times Index variable has no significant effect on the Composite Stock Price Index with a probability value of 0.7085> 0.05, so H4 is rejected.
5. The Kuala Lumpur Composite Index variable has no significant effect on the Composite Stock Price Index with a probability value of 0.0003 < 0.05, so H5 is accepted.
6. The Hang Seng Index variable has a significant effect on the Composite Stock Price Index with a probability value of 0.2747 <0.05, then H6 is rejected.

Suggestion
For further researchers, it is expected to research for a longer period of time by increasing the research time or calculating the stock price index per week or per day. In addition, it is recommended to add more stock price indexes from other countries that have not been used as variables in this study, such as the FTSE, SSE, or other macro factors that can affect the JCI.

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