

Analysis of the influence of JCI, central bank interest rate, and foreign exchanges rate to the return of banking stocks in Jakarta Stocks Exchanges

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Abstrak

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The signs of economic recovery above can give a clearer banking industry prospects in the next year. This can be inferred by the possibility of cheaper loan given by the banks' to the real sectors. For investors, this condition might lead to question about the relationship between stock price return and key variables. This research intended to find these relationships. Economic variables chosen for this research are market indices (JCI), interest rate, and exchange rate (ID.R/IJSD). There is previous research that discusses the influence of these three independent variables to stocks return (Moerdinafitrasari, 2003).

From 18 stocks that have listed on JSX for more than 5 years, only 9 stocks has F-test significance level below 5%, they are BBCA, PNBN, BNII, BBNI, BDMN, BEKS, NISP, BNGA, BNLI. From the preliminary hypothesis that JCI significantly affects the stock return, research shows that this independent variable does affect BBCA, PNBN, BNII, BBNI, BDMN, BEKS, NISP, and BNGA (all of the 9 stocks except BNLI). Preliminary hypothesis statement of probable Interest rate significantly affects the stock return of BNII, while the return for the rest of the stocks is insignificantly influenced. Foreign exchange significantly affects the stock return of PNBN, while the return for the rest of the stocks is insignificantly influenced. From these conclusions we could draw several suggestions. First, before investing in banking stocks, investors should forecast JCI return. Second, because the return of banking stocks' only significantly affected by the return of JCI (except for BNII) in this research, it will be valuable to add or change the independent variables.