

Effect of Stock Price Index in Global Stock against Composite Stock Price Index (CSPI) Study on the Indonesia Stock Exchange

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Abstract: *In Indonesia, investors who want to invest can conduct transactions at the Indonesia Stock Exchange. Indonesia Stock Exchange is a merger between the Jakarta Stock Exchange Surabaya Stock Exchange which was formed on 1 December 2007. In the stock market there is an index representing the movement of all shares listed publicly traded company to be traded, known as the stock price index. In the Indonesian Stock Exchange known as Composite Stock Price Index. Foreign investors to invest in the stock around the world so that the exchanges in the world has a linkage between global. Therefore, the dynamics and stability of the stock price between the exchanges with each other consequences for other exchanges. (ShevandaFebrilia Tamara, 2013:2) Thus the Indonesian capital market through the Indonesia Stock Exchange has become an integral part of the activities of global stock markets. purpose of this study is to investigate, analyze and assess: 1). The influence of the Dow Jones Industrial Average to the Composite Stock Price Index at the Indonesia Stock Exchange; 2). Influence between the Nikkei 225 for Composite Stock Price Index at the Indonesia Stock Exchange; 3). The influence of the Hang Seng Index to the Composite Stock Price Index at the Indonesia Stock Exchange; 4). The influence of the Shanghai Stock Exchange Composite Index on the Indonesia Stock Exchange; 5). The influence of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange Composite Index on the Indonesia Stock Exchange simultaneously. From the results of calculations using SPSS version 16 o'clock, it can be described influence the Dow Jones Industrial Average, Nikkei 225, Hangs Seng Index, and the Shanghai Stock Exchange jointly against the Composite Stock Price Index is variable Dow Jones Industrial Average (X_1), the Nikkei 225 (X_2), the Hang Seng Index (X_3), and the Shanghai Stock Exchange (X_4) simultaneously or jointly significant effect on Composite Stock Price Index (Y). This can be explained by the testing that has been done is R^2 of 0,893 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables Dow Jones Industrial Average (X_1), the Nikkei 225 (X_2), the Hang Seng Index (X_3), and Shanghai Stock Exchange (X_4) of 89,30%. Then based testing $F_{count} > F_{table}$ is $139,158 > 3,62$ with a significance level of $0,000 < 0,05$ so that all independent variables together or simultaneously significant effect on the dependent variable.*

Keywords: *Index Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, Shanghai Stock Exchange, Joint Stock Index*

I. Introduction

Overall economic development can be seen from the development of the capital market and the stock market is one of the driving the economy of a country, it is because capital markets have an important role for the economy of a country because capital markets work in two ways: first as a means for companies to obtain funds from public or investors, which the fund will be used for business development and expansion, and it will be followed by additional working capital to reduce unemployment.

In the Era of Globalization has had an impact on the world economy changes be without limit. This is because a change in the economy of a country can be quickly known by other countries where changes in the stability of the economy of a country can affect other economies, both positive and negative. Economic development of a country can be seen from the capital markets of those countries. Because the capital markets cannot be separated from economic globalization. (Ardian Supreme Witjaksono, 2010: 1) capital markets have an important role for the economy of a country due to the capital market to run two functions, the first as a means of financing a business or as a means for companies to obtain funds from investors or investors that the fund as the expansion of the company. Both capital markets as a means for people to invest in financial instruments such as stocks, bonds, and others.

In Indonesia, investors who want to invest can conduct transactions at the Indonesia Stock Exchange. Indonesia Stock Exchange is a merger between the Jakarta Stock Exchange Surabaya Stock Exchange which was formed on 1 December 2007. In the stock market there is an index representing the movement of all shares listed publicly traded company to be traded, known as the stock price index. In the Indonesian Stock Exchange known as Composite Stock Price Index. Foreign investors to invest in the stock around the world so that the exchanges in the world has a linkage between global. Therefore, the dynamics and stability of the stock price between the exchanges with each other consequences for other exchanges. (ShevandaFebrilia Tamara, 2013: 2)

Thus the Indonesian capital market through the Indonesia Stock Exchange has become an integral part of the activities of global stock markets.

Based on the description above, the purpose of this study is to investigate, analyze and assess: 1). The influence of the Dow Jones Industrial Average to the Composite Stock Price Index at the Indonesia Stock Exchange; 2). Influence between the Nikkei 225 for Composite Stock Price Index at the Indonesia Stock Exchange; 3). The influence of the Hang Seng Index to the Composite Stock Price Index at the Indonesia Stock Exchange; 4). The influence of the Shanghai Stock Exchange Composite Index on the Indonesia Stock Exchange; 5). The influence of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange Composite Index on the Indonesia Stock Exchange simultaneously.

1.1 Model Research

In this study there were five variables: the Dow Jones Industrial Average as (X_1), the Nikkei 225 as (X_2), the Hang Seng Index as (X_3), the Shanghai Stock Exchange as (X_4), and Composite Stock Price Index as (Y). The relationship between these five variables can be described with the following research model:

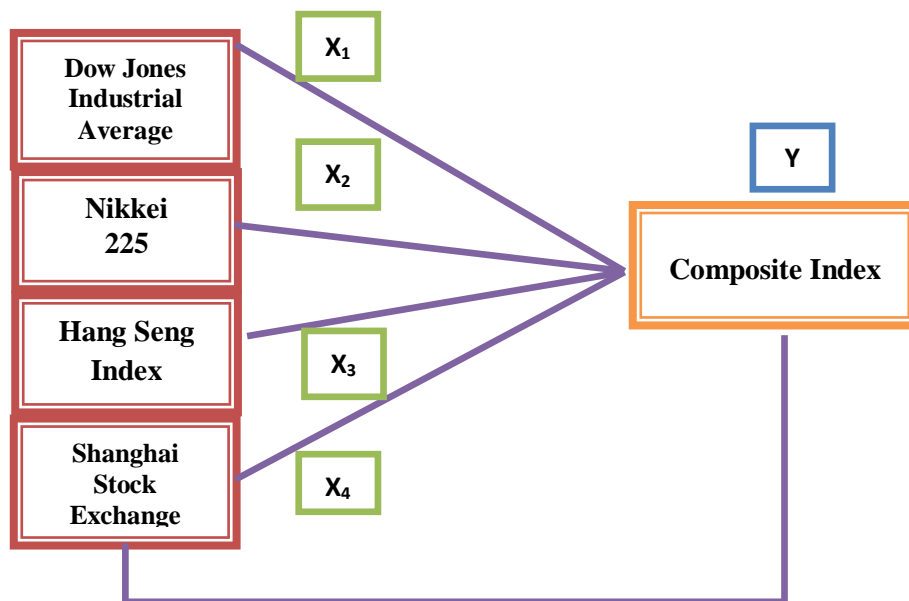


Figure 1. Research Model

Information:

X_1 : Dow Jones Industrial Average

X_2 : Nikkei 225

X_3 : Hang seng Index

X_4 : Shanghai Stock Exchange

Y : Composite Stock Price Index

X_1, Y : The Dow Jones Industrial Average affect the JCI

X_2, Y : Effect on the Nikkei 225 stock index

X_3, Y : The Hang Seng Index affects the JCI

X_4, Y : Shanghai Stock Exchange influence the JCI

X_1, X_2, X_3, Y : The Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, the Shanghai Stock Exchange influence the JCI

1.2 Framework of Thinking

(Sugiyono, 2008: 60) worldview a conceptual model of how theory relates to a variety of factors that have been identified as an important issue. Therefore, in this study required the presence of the right frame and lead to the settlement of the existing problems.

The capital market is one of the pillars of the economy of a country. Alternative capital markets companies to obtain long-term funding and become one of the profitable investment alternatives for investors. Capital market in Indonesia is an emerging market, which is in development is very vulnerable to macroeconomic conditions in general. Indonesian Capital Market through the facilitator namely Indonesia Stock Exchange is an integral part of the activities of global stock markets. Usually for stock exchanges adjacent

location, often have the same investors. Changes in the stock exchange will also be transmitted to other countries. In this case, usually the larger exchanges will affect the smaller exchanges.

Foreign investors to invest their capital in the stock around the world so that the exchanges in the world have global relevance. Genesis and stock price dynamics between the exchanges with other exchanges mutual influence, especially with the exchange of nearby countries such crashes that occur in some exchanges in European countries will result in a crash on stock markets in Asian countries including Indonesia. As mentioned above, many factors affecting capital markets. These factors can be internal or external. Investors would have to pay attention to these factors so that its investments can deliver the expected results. Many studies have been conducted to determine what are the factors affecting the capital markets. In this study the factors thought to influence the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, the Shanghai Stock Exchange influence the JCI.

II. Material And Method

2.1 Method of Data Collection

The data used in this study are secondary data from the stock market index is the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, the Shanghai Stock Exchange, and the Composite Stock Price Index for the month of January 2008 to December 2013. Secondary data is data in the form that is so in the form of data publication. The data already collected by others. Data collection techniques used in this research is to use the method of documentation of data collection by way of classifying the data, the data recorded documents existing as well as studying the literature related to the study. In this case the researchers took the form of a report documentation stock index Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, the Shanghai Stock Exchange, and the Composite Stock Price Index during the six years of the period January 2008 to December 2013.

2.2 Population and Sample

The population used is the Foreign Stock Exchange Index and share price index Combined with the existing form of a monthly report when the founding of the Indonesia Stock Exchange and the first time the Foreign Stock Exchange Index registered and listed on the Indonesia Stock Exchange.

The samples used in this thesis in the form of reports monthly stock index from 2008 to 2013 were obtained from the Indonesia Stock Exchange.

III. Results and Discussion

3.1 The influence of the Dow Jones Industrial Average against Composite Stock Price Index

From the output data table 1 and table 2 can be obtained as follows:

-----Insert Table 1 and Table 2 about Here-----

- a) The correlation between the Dow Jones Industrial Average to the Composite Stock Price Index is at 0.859 which means there is a very strong and positive relationship between the Dow Jones Industrial Average to the Composite Stock Price Index.
- b) Regression model obtained is $Y = (-1719.528) + 0,423 X_1$
 - 1) Constants for -1719.528 which means that no variable Dow Jones Industrial Average, the magnitude of the Composite Stock Price Index remained formed by -1719,528.
 - 2) Variable Dow Jones Industrial Average (X_1) positive effect on Composite Stock Price Index (Y) with a regression coefficient of 0,423 which means that if the variable Dow Jones Industrial Average increased by one unit, the Composite Stock Price Index will increase by 0,423.
- c) R^2 value of 0,738 which means that the Dow Jones Industrial Average contributed 73,80% of the Composite Stock Price Index and the remaining 26,20% are caused by other factors.
- d) t_{count} of 14,027 t of 0,000 with significance. $Value_{t_{table}} = t(0:05; 67) 1,658$, because $t_{count} > t_{table}$ ($14,027 > 1,658$) and the significance of $t < 0,05$ ($0.000 < 0,05$), then declined $H_1 \leq 0$ and $H_1 \geq 0$ is received.

This suggests that the Dow Jones Industrial Average positive and significant impact on the Composite Stock Price Index. The hypothesis of this study is "allegedly Dow Jones Industrial Average positive impact on JCI". Based on the calculation of this hypothesis is proven in the short term and in the long term. Impact of the Dow Jones Industrial Average to significant JCI is motivated. This is because the United States is the main export destination of Indonesia. So that changes in the US economy that will be reflected in the Dow Jones Industrial Average will give effect to the Indonesian economy through JCI.

In addition, the United States is a country of Indonesia's main export to the United States economic conditions change, as reflected by the Dow Jones Average Industrial will give effect to the Indonesian economy through JCI in the short term and in the long term and the effect that is the positive effect that if the Dow Jones

Industrial Average increases, JCI Also will increase of, as well as when the Dow Jones Industrial Average lower, than JCI Also be weakened.

The results of this study are consistent with results of previous studies such various Ardian Supreme Witjaksono (2009) who explained that the DJIA positive effect on JCI. It is also consistent with research HaryogoArdy (2013), DedyPratikno (2009), DitaWirawan (2012), ShevandaFebrilia Tamara (2013), and TitaDetiana Stella (2010) which describe the same subject that DJIA positive effect on JCI.

3.2 Influences against Nikkei 225 Composite Stock Price Index

From the output data table 4.3 and 4.4 can be obtained as follows:

-----Insert Table 3 and Table 4 about Here-----

- a) The correlation between the Nikkei 225 of the Composite Stock Price Index is at 0269 which means that there is a positive correlation between the Nikkei 225 and lower to the Composite Stock Price Index.
- b) Regression model obtained is $Y = 1834,990 + 0,136 X_2$
 - 1) Constants of 1834.990, which means that no variable Nikkei 225, the magnitude of the Composite Stock Price Index remained formed by 1834,990.
 - 2) Variable Nikkei 225 (X_2) has positive influence on Composite Stock Price Index (Y) with a regression coefficient of 0,136, which means if the variable increases by one unit of the Nikkei 225, the Composite Stock Price Index will increase by 0136.
- c) R^2 value of 0,073 which means the Nikkei 225 contributed 7:30% of the Composite Stock Price Index and the remaining 92,70% are caused by other factors.
- d) t_{count} of 2,340 with a significance of 0.022 t. $Value_{table} = t(0:05; 67) 1,658$, because $t_{count} > t_{table} (2,340 > 1,658)$ and the significance of $t < 0,05 (0,022 < 0,05)$, then declined $H_1 \leq 0$ and $H_1 \geq 0$ is received. This suggests that the Nikkei 225 positive and significant impact on the Composite Stock Price Index.

The hypothesis in this study is "Suspected Nikkei 225 positive effect on JCI". From the above calculation result that the movement of the Nikkei affect the JCI. This is motivated because Japan is one of Indonesia's main export destinations. So that changes in economic conditions in Japan that will be reflected in the Nikkei 225 index will give effect to the Indonesian economy through JCI. It supports research conducted by Ali FikriHasibuan (2009) with the results of a positive effect on the Nikkei 225 stock index. These results also are more common than previous researchers like TitaDetiana Stella (2010) and Ardian Supreme Witjaksono (2009) which states that the positive affect on the Nikkei 225 stock index, although with a low R^2 value.

3.3 The influence of the Hang Seng Index against Composite Stock Price Index

From the output data table 5 and table 6 can be obtained as follows:

-----Insert Table 5 and Table 6 about Here-----

- a) The correlation between the Hang Seng Index to the Composite Stock Price Index is at 0566 which means that there is a positive relationship and are among the Hang Seng Index to the Composite Stock Price Index.
- b) Regression model obtained is $Y = 1036,279 + 0,207 X_3$
 - 1) Constants of 1036,279, which means that no variable Hang Seng Index, the magnitude of the Composite Stock Price Index remained formed by 1036,279
 - 2) Variable Hang Seng Index (X_3) positive effect on Composite Stock Price Index (Y) with a regression coefficient of 0,207 which means that if the variable Hang Seng Index increased by one unit, the Composite Stock Price Index will increase by 0,207.
- c) R_2 value of 0,321 which means that the Hang Seng Index accounted for 32,10% of the Composite Stock Price Index and the remaining 67,90% are caused by other factors.
- d) t_{count} of 5,748 t 0,000 significance. $Value_{table} = t(0:05; 67) 1,658$, because $t_{count} > t_{table} (5,748 > 1,658)$ and the significance of $t < 0,05 (0,000 < 0,05)$, then declined $H_1 \leq 0$ and $H_1 \geq 0$ is received. This suggests that the Hang Seng Index is positive and significant impact on the Composite Stock Price Index.

The hypothesis in this study is "Allegedly Hang Seng Index has positive influence on JCI". From the above calculation result that the movement of the Hang Seng Index affect the JCI. This is motivated because the perspective of the investor, if the stock price of the countries around Indonesia or the region including the rising share prices of Hong Kong, it can affect the movement of stock prices in Indonesia, which also will go up.

Aside from the perspective of investors, China is Indonesia's export destinations; such that changes in China's economy will be reflected in the Hang Seng Index will give effect to the Indonesian economy through JCI. The results of research supported by previous studies that AdityaNugraha (2013) who explained that the Hang Seng Index has positive influence on JCI. Hong Kong is the countries which have the advantage in every

economic transaction. Independent Hong Kong economy and the close connection with the Hong Kong economy Chinese economy continue racing during the period of the study makes Hong Kong as one benchmark Asian economies. It makes any movement of Hong Kong stock market information directly affect the local market. This suggests that the increase in the Hang Seng Index good result against JCI.

3.4 Effect of the Shanghai Stock Exchange Composite Index Against

From the output data table 7 and table 8 can be obtained as follows:

-----Insert Table 7 and Table 8 about Here-----

- a) Correlation between the Shanghai Stock Exchange Composite Index against amounted 0,272 which means there is a low correlation between the positive and the Shanghai Stock Exchange Composite Index on.
- b) Regression model obtained is $Y = 4682,715 + (-0,545) X_4$
 - 1) Constants of 4682,715, which means that no variable Shanghai Stock Exchange, the magnitude of Composite Stock Price Index remained formed by 4682,715
 - 2) Variable Hang Seng Index (X_4) negatively affect the Composite Stock Price Index (Y) with a regression coefficient value of -0,545, which means if the variable Shanghai Stock Exchange increased by one unit, the Composite Index will decline by -0,545
- c) R_2 value of 0,074 which means that the Shanghai Stock Exchange accounted for 7:40% of the Composite Stock Price Index and the remaining 92,60% are caused by other factors.
- d) T_{count} of -2,364 with a significance of 0,021 t. Value $t_{table} = t(0;05; 67) 1,658$, because $t_{count} < t_{table}$ (-2,364 < 1,658) and the significance of $t < 0,05$ (0,021 < 0,05), then declined $H_1 \leq 0$ and $H_1 \geq 0$ is received. This shows that the Shanghai Stock Exchange and a significant negative effect on the Composite Stock Price Index.

The hypothesis in this study is "Suspected Shanghai Stock Exchange positive effect on JCI". From the above calculation result that the movement of the Shanghai Stock Exchange negatively affect the JCI. The results of this study supported by ShevandaFebriia Tamara (2013) which states that the Shanghai Stock Exchange individually or partial no positive effect on JCI. However, the Shanghai Stock Exchange Composite Index direct and significant negative effect on the Composite Stock Price Index. This could be because although the relationship between Indonesia-China trade has been growing over the signing of the ASEAN-China Free Trade Agreement (ACFTA) but not followed by the strengthening of relations between the two countries capital markets.

3.5 The influence of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange jointly against the Composite Stock Price Index

From the output data table 9 and table 10 can be obtained as follows:

-----Insert Table 9 and Table 10 about Here-----

- a) The correlation between the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange Composite Index for 0,945 which means there is a positive relationship and a very strong at 94,50% of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and Shanghai Stock Exchange Composite Index on.
- b) Regression model obtained is $Y = X_1 + -1130,602 + 0,447 (-0,240) X_2 + X_3 + 0125 (-0,357) X_4$
 - 1) Constants for -1130,602 which means that no variable Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange, the magnitude of Composite Stock Price Index remained formed by -1130,602
 - 2) Variable Dow Jones Industrial Average (X_1) positive effect on Composite Stock Price Index (Y) with a regression coefficient of 0,447 which means that if the variable Dow Jones Industrial Average increased by one unit, the Composite Stock Price Index will increase by 0447
 - 3) Variable Nikkei 225 (X_2) negatively affect the Composite Stock Price Index (Y) with a regression coefficient value of -0,240, which means if the variable increases by one unit of the Nikkei 225, the Composite Index will decline by -0,240
 - 4) Variable Hang Seng Index (X_3) positive effect on Composite Stock Price Index (Y) with a regression coefficient of 0,125, which means if the variable Hang Seng Index increased by one unit, the Composite Stock Price Index will increase by 0125
 - 5) Variable Shanghai Stock Exchange (X_4) negatively affect the Composite Stock Price Index (Y) with a regression coefficient value of -0,357, which means if the variable Shanghai Stock Exchange increased by one unit, the Composite Index will decline by -0,357.

- c) R_2 value of 0,893 which means that the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange accounted for 89.30% of the Composite Stock Price Index and the remaining 10,70% are caused by other factors.
- d) F_{count} value of 139,158 with F significance of 0,000. F_{table} value = t (0:05; 67) 3,62 because the $F_{count} > F_{table}$ 139,158 > 3,62 and a significant F < 0,05 (0,000 < 0,05), then declined $H_1 \leq 0$ and $H_1 \geq 0$ is received. This suggests that the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange positive and significant impact on the Composite Stock Price Index.

The hypothesis in this study is “Allegedly the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange positive effect on JCI”. From the above calculation result that the movement of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange positive effect on JCI. These results are supported by previous researchers as Ali FikriHasibuan (2009), the Supreme ArdianWitjaksono (2009), ArdyHaryogo (2013), DedyPratikno (2009), DitaWirawan (2012), ShevandaFebriilia Tamara (2013), and TitaDetiana Stella (2010) which states that all independent variables consisting of the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, and the Shanghai Stock Exchange jointly or simultaneous positive and significant effect. Because in this era of globalization all interrelated and related trade between countries that led to the movement of stocks also influence one country to another due to the independent and smart investors grow its share anywhere, anytime without any restrictions of each country. From the results of calculations using SPSS version 16 o'clock, it can be described influence the Dow Jones Industrial Average, Nikkei 225, Hangs Seng Index, and the Shanghai Stock Exchange jointly against the Composite Stock Price Index in tabular form as follows:

Table 11. Summary of Results of Hypothesis Testing

No.	Variable	Hypothesis	Research Result
1	H1	Allegedly the Dow Jones Industrial Average positive and significant impact on the Composite Stock Price Index	be accepted
2	H2	Allegedly Nikkei 225 positive and significant impact on the Composite Stock Price Index	be accepted
3	H3	Allegedly the Hang Seng Index and a significant positive effect on Composite Stock Price Index	be accepted
4	H4	Allegedly the Shanghai Stock Exchange positive and significant impact on the Composite Stock Price Index	rejected

3.6 Research Limitations

This study only examined the effect of four stock price index in the global exchange that is the Dow Jones Industrial Average, Nikkei 225, Hang Seng Index, the Shanghai Stock Exchange on stock price index (CSPI) so that the results are less able to portray the effect of stock price index in the global exchange specifically examined each day.

IV. Conclusions And Recommendations

4.1 Conclusions

Based on the results of the data analysis and discussion is done, it can be concluded as follows:

- a) Variable Dow Jones Industrial Average (X_1) significantly affects the Composite Stock Price Index (Y). This can be explained by the testing that has been done, resulting in R^2 of 0,738 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables Dow Jones Industrial Average of 73,80%. Then based on hypothesis testing by t test obtained $t_{count} > t_{table}$ i.e. 14,027 > 1,658 with a significance level of 0,000 < 0,05.
- b) Variable Nikkei 225 (X_2) significantly affects the Composite Stock Price Index (Y). This can be explained by the testing that has been done, resulting in R^2 of 0,073 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables at 7:30 Nikkei 225%. Then based on hypothesis testing by t test obtained $t_{count} > t_{table}$ i.e. 2,340 > 1,658 with a significance level of 0,022 < 0,05.
- c) Variable Hang Seng Index (X_3) significantly affects the Composite Stock Price Index (Y). This can be explained by the testing that has been done, resulting in R^2 of 0,321 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables Hang Seng Index by 32,10%. Then based on hypothesis testing by t test obtained $t_{count} > t_{table}$ i.e. 5,748 > 1,658 with a significance level of 0,000 < 0,05.
- d) Variable Shanghai Stock Exchange (X_4) significant negative effect on Composite Stock Price Index (Y). This can be explained by the testing that has been done, resulting in R^2 of 0,074 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables Shanghai Stock Exchange at 7:40%. Then based on hypothesis testing by t test obtained $t_{count} > t_{table}$ i.e. -2,364 < 1,658 with significance level of 0,021 < 0,05.

- e) Variable Dow Jones Industrial Average (X_1), the Nikkei 225 (X_2), the Hang Seng Index (X_3), and the Shanghai Stock Exchange (X_4) simultaneously or jointly significant effect on Composite Stock Price Index (Y). This can be explained by the testing that has been done is R^2 of 0,893 means the dependent variable Composite Stock Price Index (Y) is influenced by the independent variables Dow Jones Industrial Average (X_1), the Nikkei 225 (X_2), the Hang Seng Index (X_3), and Shanghai Stock Exchange (X_4) of 89,30%. Then based testing $F_{count} > F_{table}$ is $139,158 > 3.62$ with a significance level of $0,000 < 0,05$ so that all independent variables together or simultaneously significant effect on the dependent variable.

4.2 Recommendations

Based on the above conclusions, the authors provide suggestions as follows:

- a) For investors who will perform investment transactions in Indonesia Stock Exchange is a good idea before deciding to invest better attention to one of the US stock indices and indices in the region such as Hong Kong. Because of the results of the stock indexes have the greatest influence JCI.
- b) For the Indonesian government should further enhance cooperation in investment with other countries, especially the United States, Korea, Hong Kong. It aims to boost capital inflows (capital inflows) to Indonesia.
- c) For potential investors and international investors can diversify internationally by buying stocks and put it in the portfolio in order to obtain the potential benefits.
- d) For the Indonesian government should further enhance cooperation in investment with other countries, especially the global market.
- e) For further research can use data daily closing stock price index as well as extending the period of study so get a more accurate research results.
- f) For further research can use data daily closing stock price index (daily closing stock price index) and to extend the period of study so get the results more accurate.

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Table 1. Regression models Dow Jones Industrial Average against Composite Stock Price Index

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1719.528	361.941		-4.751	.000
	X ₁	.423	.030	.859	14.027	.000
a. Dependent Variable: Y						

Table2. Coefficient of Determination the Dow Jones Industrial Average against Composite Stock Price Index

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.859 ^a	.738	.734	540.79005	.119
a. Predictors: (Constant), X ₁					
b. Dependent Variable: Y					

Tabel 3. Regression models Against Nikkei 225 Composite Stock Price Index

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1834.990	628.136		2.921	.005
	X ₂	.136	.058	.269	2.340	.022
a. Dependent Variable: Y						

Table4. Coefficient of Determination against Nikkei 225 Composite Stock Price Index

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.269 ^a	.073	.059	1016.65530	.027
a. Predictors: (Constant), X ₂					
b. Dependent Variable: Y					

Table5. Regression Models Against the Hang Seng Index Composite Stock Price Index

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1036.279	757.552		-1.368	.176
	X ₃	.207	.036	.566	5.748	.000
a. Dependent Variable: Y						

Table 6. Coefficient of Determination against the Hang Seng Index Composite Stock Price Index

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.566 ^a	.321	.311	870.12271	.069
a. Predictors: (Constant), X ₃					
b. Dependent Variable: Y					

Table 7. Regression model of the Shanghai Stock Exchange Composite Index Against

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4682.715	606.215		7.725	.000
	X ₄	-.545	.230	-.272	-2.364	.021
a. Dependent Variable: Y						

Table 8. Coefficient of Determination Shanghai Stock Exchange Composite Index Against

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.272 ^a	.074	.061	1015.91082	.069
a. Predictors: (Constant), X ₄					
b. Dependent Variable: Y					

Table 9. F Test Results

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.963E7	4	1.741E7	139.158	.000 ^a
	Residual	8381197.708	67	125092.503		
	Total	7.801E7	71			
a. Predictors: (Constant), X ₄ , X ₁ , X ₂ , X ₃						
b. Dependent Variable: Y						

Table 10. Determination Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.945 ^a	.893	.886	353.68419	.439
a. Predictors: (Constant), X ₄ , X ₁ , X ₂ , X ₃					
b. Dependent Variable: Y					