ABSTRACT

This study aims to find out the effect of macroeconomic factors to stock market index price in developing and developed countries in Asia during 2001 to 2020. Macroeconomic factors are represented by crude oil price, gold price, interest rate, exchange rate to USD, and GDP (Gross Domestic Product). The objects of this research are Indonesia, Japan, China, Hong Kong, and India. This study uses EGARCH and panel data regression as its methods. Based on EGARCH, oil price affects stock market index positively on all five countries. Gold price negatively affects Japan stock market index, yet Hong Kong's stock index positively affected and no significant effect found on the other three countries. Interest rate doesn't affect the stock market index on all five countries. Exchange rates has positive influence on Japan stock market index, and negative influence on Hong Kong and China stock market index. GDP influence is insignificant on three countries except for China and India. Furthermore, panel data regression shows that there is no difference of the influence of macroeconomic factors to developed countries' stock market index and developing countries' stock market index. Their stock market indexes are positively affected by oil price, gold oil, exchange rate, and GDP. On the other hand, interest rate affects stock market index negatively.

Keywords*: macroeconomic factors, stock price index, EGARCH, panel data*