

ABSTRACT

This study aims to determine how the influence of the National Religious Day, in this study is the Eid al-Fitri and Christmas Day, against inflation in Indonesia. By using the quantity of money theorem and Fisher effect equation to explain the inflation. The price level is represented by Consumer Price Index as the dependent variable. The Money Supply (M1), Gross Domestic Product, Deposite Interest Rate, and the presence of Eid al-Fitri and Christmas Day become the independent variable to measure the price level.

This study uses secondary data in the form of time series data, from Bank Indonesia's publications in SEKI metadata. The observation period is from 1st Quarter of 2004 to the 4th Quarter of 2016. The method of analysis used in this estimation model is the Ordinary Least Square method on long-term estimation, which gets correction in the form of Error Correction Term on short-term estimation, with estimation model of Error Correction Model.

The results of the research show that in the long term the variable of money supply, Gross Domestic Product, and interest rate have positive and significant influence to price level. While the existence of Idul Fitri and Christmas in the long term does not significantly affect the price level. And in the short run, only the interest rate has a significant effect on the price level. While the Eid al-Fitr and Christmas did not significantly affect the price level in the short term.

Keywords: Price level, money supply, gross domestic product, deposit interest rate, Eid al-Fitri, Christmas, Error Correction Model