

## ***ABSTRACT***

*Fluctuations in stock prices in Indonesia Stock Exchange can be seen from the JCI so we can know whether the market is bullish (strong) or bearish (weak). The inconsistency of previous studies concerning the integration and segmented Indonesian stock market raises research gaps (research gap). This study aims to analyze the integration the Indonesian stock market with stock markets of other countries.*

*The population of this research is Dow Jones Industrial Average, Nikkei 225, Straits Times Index, Kuala Lumpur Stock Exchange, Stock Exchange of Thailand, and Philippines Stock Exchange Composite Index from January 2006 to February 2014. Samples were taken by using purposive sampling method so that obtain 2118 samples. This research used a descriptive analysis, stationary test Argumented Dicky-Fuller (ADF), residual test Argumented Dicky-Fuller (ADF), Impulse Response, Variance Decomposition, analysis Vector Autoregression (VAR) and Granger Causality test using Eviews 6 program.*

*Based on the results of hypothesis testing showed that the JCI is integrated with the Dow Jones Industrial Average Index, Nikkei 225, Straits Times Index, the Kuala Lumpur Stock Exchange, Stock Exchange of Thailand, and Philippines Stock Exchange. The long-term relationships and short-term causal relationship among JCI and other composite index.*

*Keywords: JCI, DJIA, Nikkei 225, STI, KLSE, SET, PSE, Vektor Autoregression (VAR)*