

ABSTRACT

This study aimed to examine the effect of foreign inflow, inflation rate, interest rate and exchange rate to stock return. It is seen by analyzing the case of tax amnesty, in the period July 2016 – Januari 2017. Flow of investment into the foreign market as the impact of tax amnesty program led to the foreign markets are also feeling the impact. It can be seen from the strengthening Jakarta Composite Index (IHSG). There are other factors which also affected and causing the movement of stock prices in Indonesian foreign market.

This study used time-series data. The data used in this study are the data of stock index in finance sector, foreign inflow, inflation rate, interest rate, and exchange rate. The analytical method used in this research is Multiple Linear Regression Analysis by Descriptive test, Normality test, Heteroskidastity Test, Autocorrelation Test, Multicoloniarity Test, F Statistic Test, Test Statistic t and Determination R^2 test,.

Based on test results of the partial testing, foreign inflow showed a positive relationship and have a significant effect with stock return. But inflation rate, interest rate and exchange rate have no significant effect on the stock return. Based on the test results of the coefficient of determination R^2 , the independent variables in this study had the effect as much as 31.7% to stock return. While the remaining 68.3% is influenced by other factors than the research variables..

Keywords : Stock Return, Foreign Inflow, Inflation Rate, Interest Rate, Exchange Rate, Tax amnesty