

## ABSTRACT

*The movement of index value is one of the factor that can be used to analyze stock market integration between countries. By knowing the integration of capital markets with each other, the capital markets can assist investors in determining which of the capital markets will be used to form the International diversification so as to provide a potential advantage.*

*In this study analyzed the level of capital market integration between capital markets ASEAN-5 and US capital markets from 2006 to 2014 years. The method of analysis used in this study is the Augmented Dickey Fuller (ADF), Johansen Cointegration, VAR estimation (Vector Auto Regression), and Granger Causality Test.*

*By using this method of analysis it is concluded that there is a relationship between capital market integration in ASEAN-5 and capital market integration between ASEAN-5 with the US capital markets. In this study we concluded that there is a causal relationship between capital markets in ASEAN-5 itself and the US capital markets, although not entirely.*

***Keywords : Capital Market Integration, Augmented Dickey Fuller, VAR Estimate, Granger Causality, Johansen Cointegration, International Diversification***