

ABSTRACT

Investment behavior is an allowance for public income which is used as a reserve fund for an event in the future. The investment function for the community in general is as a reserve fund and or to make additional income for them. One of the good investment instruments is stocks, where the stock market needs to pay attention to several aspects that affect the increase or decrease in stock prices. This needs to be understood by the general public before investing with the aim of knowing the rate of return received if investing in stocks.

This study focuses on the rate of return on the stock market received by the public, where it will be tested by the influence of macroeconomic factors, especially in Indonesia. The stock market is specifically studied on the best stock index in Indonesia, namely IDX30. It is assumed that the public receives a return on the shares listed on the IDX30 Index, so that the difference in price or profit is derived from the price of the stock index. The object of this study is the IDX30 index ratio during the quarter from 2013 to 2020, and macroeconomic factors consisting of the BI rate, inflation, deposit, world gold prices, exchange rates, foreign direct investment (FDI) in the same period. same.

The researcher wants to structurally examine the effect of return on the stock market on the IDX30 index with macroeconomic factors based on Milthon Friedman's theory using the OLS (Ordinary Least Square), intend to test the portfolio theory on the index in Indonesia. Not only that, the researcher wants to know the long-term and short-term effect of macroeconomic factors on the return given to the IDX30 index with the VECM test.

Keywords: IDX30, Macroeconomics, OLS, VECM, return