

ABSTRACT

Composite Stock Price Index (CSPI) can be a leading economic indicator of a country. Improvement of Composite Stock Price Index (CSPI) rise indicates the condition of the market in a state of excited (bullish), while if the Composite Stock Price Index (CSPI) fell indicates the condition of the market is sluggish (bearish). The condition is influenced by several factors such as the world gold price and the exchange rate rupiah dollar.

This study aimed to determine the effect of world gold price and the exchange rate rupiah dollar against the Composite Stock Price Index (CSPI) is listed on the Indonesia Stock Exchange in 2010-2014 either simultaneously or partial.

The data used is secondary data obtained from monthly data released on the official website of Bank Indonesia and Kitco from 2010 to 2014. The analysis method used in this research is multiple linear regression analysis previously performed classical assumption test, test the coefficient of determination (R^2), F test and t test.

The results of this study indicate that the world gold price and the exchange rate simultaneously significant effect on CSPI with the effect of 70.3%. In partial world gold price and the exchange rate rupiah dollar significantly influence on CSPI.

Suggestions for further research to add other external factors such as oil prices and stock indices abroad so independent variables are more varied and attention to the issue is happening in Indonesia before making a decision to invest for investors

Keyword: CSPI, World Gold Price, Exchange Rate Rupiah Dollar