

ABSTRACT

Investors are individuals who want to get more income in order to be able to finance their lives later, one of the methods used is to buy stock price and investor must pay attention to factors in the increase and decrease. So, investors can minimize losses or the other meaning is investor have a good decision making. On of the factor used in seeing an increase or decrease is the USD-IDR exchange rate.

This study aims to determine whether there is a significant influence between the USD-IDR exchange rate and knowing the effect that occurs it can be investigated using the volatility spillover with USD-IDR exchange rate return data and IHSG close price return data then the data is processed using more suitable testing as Unit Root test, Augmented Dickey-Fuller test, EGARCH, Granger Causality test.

The results of this study are to show that there is no causal between the volatility spillover of the USD-IDR exchange rate and IHSG or vice versa or any other purpose is that there is no influence between the USD-IDR exchange rate and IHSG or vice versa.

Keywords: USD-IDR Exchange Rate, IHSG, Volatility Spillover, EGARCH.