

## **ABSTRACT**

*Financial sector stock price indexes have fluctuated since 2014. Fluctuating stock prices can be beneficial and detrimental for investors in the capital market. Fluctuations in stock prices can be influenced by many factors including the exchange rate of the rupiah against the dollar, the benchmark interest rate and inflation. Three variables that are suspected to influence the movement of the index such as inflation and interest rates will be examined whether it is sufficient to influence the ups and downs of the 2014-2019 Financial Sector Stock Index.*

*This study aims to determine the effect of benchmark interest rates and inflation on financial sector stock indexes for the period 2014-2019. The sample in this study amounted to 72 which is a monthly data index of financial sector stocks. The data analysis technique used in this study is multiple linear regression analysis.*

*The results of the multiple linear regression analysis prove that the exchange rate of the rupiah against the US dollar, the reference interest rate and inflation simultaneously affect the stock price index of the financial sector. Partially the rupiah exchange rate against the US dollar has a positive effect and inflation has a negative effect on the stock price index of the financial sector, while the benchmark interest rate does not affect the stock price index of the financial sector.*

*Keywords: Reference Interest Rate, Inflation, and Sector Stock Price Index Finance*