ABSTRACT

In recent years, capital market dependence between one country and another has increased. Dependence between capital markets can form capital market integration. Apart from dependence on capital markets, capital market integration can also be created due to monetary policy, International Monetary System (IMS) and strong cooperative relationships also dynamic movements between stock exchanges in various countries.

This research aims to examine the relationship between capital market integration in the United States, European Union, and China with 6 ASEAN countries in the period 2008 to 2022. This research will use 9 weekly closing price return data from the capital market stock price index, namely JKSE, SETI, KLSE, STI, PSEI, VNI, DJIA, GDAXI, and SSEC. Then, this research will also use the DCC-GARCH model as techniques for analyzing data.

The results of this study show that there is a positive correlation relationship between the stock indices studied. It also shows that stocks in the 6 ASEAN countries are integrated with the United States, the European Union and China. In addition, this study also shows how the impact of short-term and long-term volatility of the stock price indices studied. From the discussion, it is found that the average ASEAN Stock index has no short-term volatility impact, but has a long-term volatility impact with the US, EU and China stock price indices, except Indonesia with Germany. Both stocks have no long-term or short-term volatility impact. Therefore, this research can provide an overview of how integration occurs between the United States, the European Union and China with 6 ASEAN countries, so that it can be used as additional information for investors to make investments to minimize risk. Then, this research can also be used as reference material and additional information for further researchers by considering all aspects of the shortcomings that exist in this study.

Keywords*: Capital market, capital market integration, stock price index.*