

Global Market Indices and Macroeconomic Determinants of The Indonesia Composite Index (IHSG): Evidence from 2019–2024

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ABSTRACT

The increasing integration of global financial markets has intensified the vulnerability of emerging stock markets to external shocks and macroeconomic instability. The Indonesia Composite Stock Price Index (IHSG), as a key indicator of capital market performance, has experienced significant fluctuations during the 2019–2024 period, particularly amid the COVID-19 crisis, global monetary tightening, and commodity price volatility. These conditions raise important questions regarding the extent to which global stock indices and macroeconomic variables influence IHSG movements.

This study investigates the effects of the Dow Jones Index, Hang Seng Index, exchange rate (USD/IDR), inflation rate, interest rate, global gold price, and Brent crude oil price on the IHSG using monthly time-series data from January 2019 to December 2024 (72 observations). A quantitative associative approach is applied through multiple linear regression analysis, following classical assumption tests to ensure model reliability.

The findings indicate that the Dow Jones Index, exchange rate, inflation, interest rate, and Brent crude oil price significantly affect the IHSG. The Dow Jones Index, inflation, interest rate, and oil prices exhibit positive effects, whereas the exchange rate has a negative effect. Meanwhile, the Hang Seng Index and global gold prices do not show significant influences. The regression model explains approximately 91.5% of IHSG variation, demonstrating strong explanatory power.

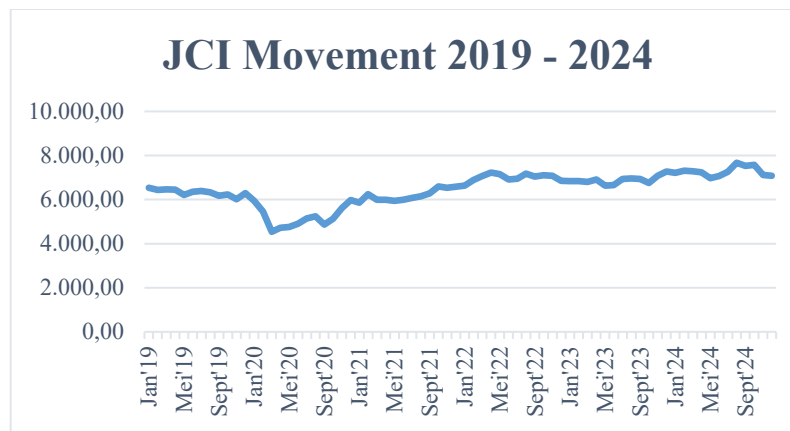
Overall, the results highlight the importance of global market integration and macroeconomic stability in determining stock market performance in Indonesia.

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INTRODUCTION

The Indonesia Composite Stock Price Index (IDX Composite/IHSG) is a key indicator for assessing stock market performance on the Indonesia Stock Exchange (IDX). It reflects the price movements of all listed companies, where large-cap stocks exert a greater influence on the index. As an aggregate indicator, the IHSG not only captures domestic capital market dynamics but also reflects market responses to shifts in both global and domestic economic conditions. Fluctuations in stock indices across countries indicate the increasing integration of international financial markets, allowing external shocks to be transmitted through international trade and cross-border capital flows (Murti, 2017; Robiyanto et al., 2019; Salim & Hariandja, 2018).

The relevance of the IHSG as an empirical research object has continued to increase, as evidenced by the growing volume of scholarly publications over the past decade. Bibliometric evidence from Scopus shows a consistent upward trend in IHSG-related studies from 2012 to 2024, with a notable rise since 2015 and a peak in 2021. This pattern suggests that the IHSG remains a strategically important variable in finance research, particularly amid heightened global economic uncertainty. Differences in research periods, economic environments, and prevailing policy regimes have contributed to mixed empirical findings, thereby creating a persistent empirical gap.



Graph 1 JCI Movement 2019 - 2024

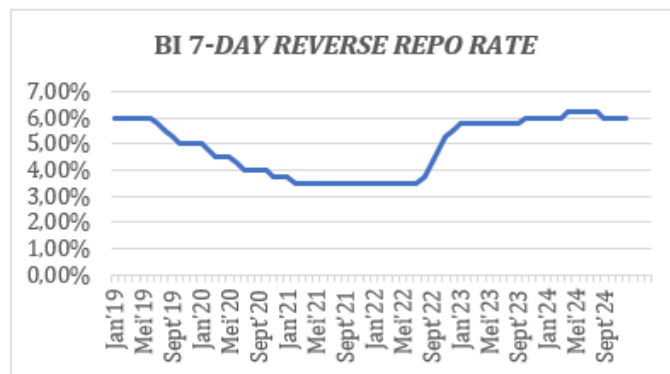
Source: Ministry of Trade, processed by the author (2025)

Empirically, the IHSG is influenced by both external and domestic factors. From the global perspective, the Dow Jones Industrial Average and the Hang Seng Index are frequently used as benchmarks to capture international and regional market sentiment. Latif et al. (2024) argue that the Dow Jones, as a primary indicator of the United States equity market, influences the IHSG, given the strong economic and financial linkages between the two countries. The recent increase in U.S. Foreign Direct Investment (FDI) in Indonesia further supports the existence of such linkages.

Beyond the United States, East Asia also plays a strategic role in Indonesia's economic relations. Hong Kong, as a regional trade and financial hub, has shown fluctuating trade

dynamics with Indonesia during 2019–2024. Nugroho et al. (2020) find that the Hang Seng Index affects the IHSG, indicating regional market integration in Asia. Nevertheless, prior studies report divergent results, ranging from positive and negative effects to statistically insignificant relationships (Beureukat & Andriani, 2021; Nellawati & Isbanah, 2019). These discrepancies suggest that the influence of global indices is context-dependent and sensitive to specific economic conditions.

On the domestic side, macroeconomic variables such as exchange rates, inflation, and interest rates are critical determinants of stock market movements. The rupiah exchange rate reflects external stability and national competitiveness. Several studies report that exchange rate stability supports investor confidence (Antonio et al., 2021; Salim & Hariandja, 2018), whereas high volatility may weaken the IHSG (Robiyanto et al., 2019). Inflation also exhibits mixed relationships with stock market performance. Moderate inflation may signal economic expansion (Rahayu & Diatmika, 2023; Ramadhani et al., 2024), while high inflation increases uncertainty and erodes purchasing power (Apituley, 2018; Prawoto & Putra, 2020).



Graph 2 BI 7 Day Reverse Repo Rate

Source: Bank Indonesia (2025)

Interest rates, as a primary monetary policy instrument, shape investment decisions through liquidity, financing costs, and risk preferences. Rising interest rates may increase the cost of capital and reduce equity demand (Prawoto & Putra, 2020; Robiyanto et al., 2019), although in some contexts they may also be interpreted as a signal of macroeconomic stability (Ibrahim & Fatwara, 2023).

In addition to domestic macroeconomic indicators, global commodities particularly gold and oil prices also influence investor sentiment. Gold is commonly regarded as a safe-haven asset; thus, increases in gold prices may trigger portfolio shifts from equities to gold during periods of elevated risk (Nugraha et al., 2020; Tinambunan & Paidi, 2023), although other studies highlight potential positive effects through mining-sector performance (Murti, 2017). Meanwhile, global oil prices affect inflationary pressures and production costs. Robiyanto et al. (2019) and Pangondian et al. (2022) report that oil price increases can reduce profitability in non-energy sectors, although energy-related firms may benefit, generating positive effects in

some cases (Basit, 2020; Latif et al., 2024)

From a theoretical standpoint, the impact of global factors on domestic financial markets is not necessarily direct or linear. Chen and Quang (2012) emphasize that the benefits of international financial integration depend strongly on domestic macroeconomic conditions, particularly inflation stability. Under stable inflation, financial integration may generate more favorable outcomes, whereas under instability it may amplify volatility. This view underscores the importance of examining global and domestic drivers simultaneously within an integrated analytical framework.

Although numerous studies have examined the relationship between global indices and macroeconomic variables and the IHSG, the empirical evidence remains inconsistent. Previous studies have reported positive, negative, and insignificant relationships depending on the observation period, econometric methods, and macroeconomic conditions. Moreover, limited studies simultaneously integrate global market indices, domestic macroeconomic variables, and global commodity prices within a single empirical framework during periods of global economic shocks such as the COVID-19 pandemic and post-pandemic monetary tightening.

This study contributes to the literature by integrating global stock indices (Dow Jones and Hang Seng), domestic macroeconomic factors (exchange rate, inflation, and interest rate), and global commodities (gold price and Brent crude oil price) within a unified empirical framework. Moreover, the 2019–2024 observation period covers the COVID-19 crisis, the subsequent economic recovery, and global monetary tightening, enabling a comprehensive analysis of IHSG dynamics across a complete economic cycle.

Accordingly, this study aims to examine the effects of the Dow Jones Industrial Average, Hang Seng Index, exchange rate, inflation rate, interest rate, global gold price, and Brent crude oil price on the IHSG over the 2019–2024 period. The findings are expected to address existing empirical gaps and to provide deeper insights into the transmission mechanisms of global and domestic factors to Indonesia's stock market.

RESEARCH METHODS

Study Design. This study employs a quantitative empirical approach to examine the influence of global stock indices and macroeconomic variables on the Indonesia Composite Index (IHSG). Associative research is suitable for testing relationships and the partial effects among variables using numerical data and statistical procedures (Sugiyono, 2017). The study uses secondary monthly time-series data for the period January 2019 to December 2024, resulting in 72 observations ($n = 72$). All observations within the period are included using a saturated sampling (census) technique, where the entire population becomes the research sample (Sugiyono, 2017).

Data Sources. Data for the IHSG, Dow Jones Index, Hang Seng Index, and Brent crude oil prices were obtained from Investing.com. Global gold prices were collected from the London Bullion Market Association (LBMA) website. Monthly exchange rate (USD/IDR), inflation,

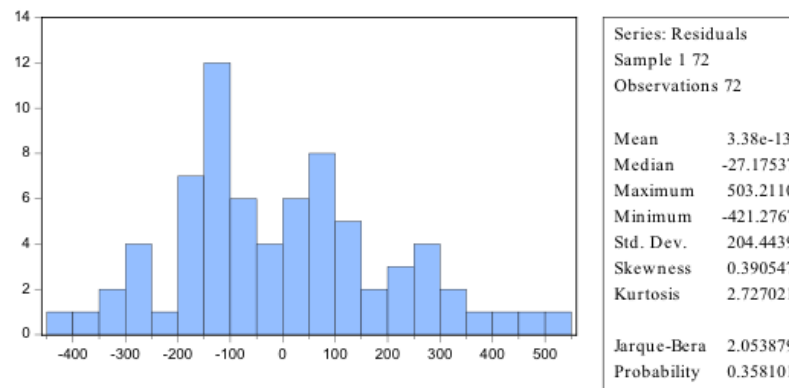
and interest rate data were retrieved from the official Bank Indonesia website.

Variables and Measurement. The dependent variable is IHSG, measured using the end-of-month closing value. The independent variables consist of: the Dow Jones Index and Hang Seng Index (end-of-month values), the USD/IDR exchange rate, inflation rate, Bank Indonesia policy interest rate, global gold price, and Brent crude oil price. To ensure comparability across variables and to capture monthly dynamics, the variables are operationalized using monthly percentage changes/returns based on period t and $(t-1)$ values, following common practice in financial and macroeconomic time-series studies (Albasita et al., 2022).

Analytical Technique. Multiple linear regression is employed to estimate the partial effects of the independent variables on IHSG, allowing several predictors to be assessed simultaneously. The analysis is conducted using EViews 12. Prior to regression estimation, classical assumption tests are performed to ensure the model is statistically reliable, including normality, multicollinearity, heteroskedasticity, and autocorrelation tests (Ghozali, 2018). Hypothesis testing uses the F-test for overall model feasibility and the t-test for partial significance at the 5% level ($\alpha = 0.05$). Model explanatory power is evaluated using the coefficient of determination (R^2) (Sugiyono, 2017).

RESULTS & DISCUSSION

Uji Asumsi Klasik. The following are the results of the normality test using statistical analysis presented in the image below.



Graph 1. Normality Test Results

The results of the data normality test using the Histogram – *Normality Test* . The *Jarque-Bera* (JB) value is 2.053 with a probability value or p-value of 0.3581 greater than 0.05 so it can be stated that the data observed during the research period is normally distributed.

The following are the results of the multicollinearity test presented in the table below .

Table 1. Multicollinearity Test Results

Variables	Coefficient	Uncentered	Centered
	Variance	VIF	VIF
C	1686726.	2619.089	NA
DJIA	0.000179	300.3296	7.307470
HIS	0.000195	162.4631	5.290182
EXCHANGE RATE	0.005416	1853.120	4.223479
INFLATION	10584147	15.72709	2.404018
BI_RATE	8296864.	32.21329	1.464863
GOLD PRICE	0.040204	223.7408	6.640477
BRENT_CRUDE_OIL	5.441191	43.78769	2.959978

Source: Eviews output, processed by researchers (2026)

From the table above, it can be seen that each variable has a VIF value < 10 , so it can be concluded that multicollinearity does not occur.

The following are the results of the Heteroscedasticity Test presented in the table below.

Heteroskedasticity Test: Glejser

Table 2. Heteroscedasticity Test Results

F-statistic	1.148851	Prob. F (7,64)	0.3446
Obs*R-squared	8.037273	Chi-Square Prob. (7)	0.3293
Scaled explained SS	6.660132	Chi-Square Prob. (7)	0.4651

Source: Eviews output, processed by researchers (2026)

Based on the test results above, the Glesjer test obtained a result of 0.3293. This result indicates that the value is > 0.05 , which means that the data analyzed in this study did not contain heteroscedasticity problems.

The following results can be seen in the following table.

Test Equation:

Dependent Variable: ARESID

Method: Least Squares

Date: 01/20/26 Time: 21:52

Sample: 1 72

Included observations: 72

Table 3. Autocorrelation Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	614.3018	712.4649	0.862221	0.3918
DJIA	-0.002870	0.007335	-0.391220	0.6969
HIS	0.002442	0.007662	0.318730	0.7510
EXCHANGE RATE	-0.051850	0.040373	-1.284268	0.2037
INFLATION	2967.696	1784,716	1.662840	0.1012
BI RATE	-661.0384	1580.150	-0.418339	0.6771
GOLD PRICE	0.208000	0.109996	1.890984	0.0632
BRENT CRUDE OIL	-1.192901	1.279641	-0.932215	0.3547
R-squared	0.111629	Mean dependent var		165.0889
Adjusted R-squared	0.014463	S.D. dependent var		118.9921
S.E. of regression	118.1285	Akaike info criterion		12.48586
Sum squared resid	893077.4	Schwarz criterion		12.73882
Log likelihood	-441.4910	Hannan-Quinn criter.		12.58657
F-statistic	1.148851	Durbin-Watson stat		1.991125
Prob(F-statistic)	0.344644			

Source: Eviews output, processed by researchers (2026)

Based on the table above, the Durbin Watson value is 1.991, which is between 1.801 and 2.119. Based on this, it can be concluded that there is no autocorrelation in the residuals.

Multiple Linear Regression Analysis. Specifically, Multiple Linear Regression can be formulated in a multiple regression equation model as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5$$

The multiple regression equation obtained from the results of Eviews data processing in Table 4.5 is as follows:

Dependent Variable: IHSG
Method: Least Squares
Date: 01/20/26 Time: 21:51
Sample: 1 72
Included observations: 72

Table 4. Results of Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4764.714	1298.740	3.668721	0.0005
DJIA	0.067202	0.013371	5.025949	0.0000
HIS	-0.008819	0.013968	-0.631394	0.5300
NILAI_TUKAR	-0.196512	0.073596	-2.670136	0.0096
INFLASI	8136.693	3253.329	2.501036	0.0150
BI_RATE	23633.39	2880.428	8.204821	0.0000
HARGA_EMAS	-0.122124	0.200510	-0.609068	0.5446
BRENT_CRUDE_OIL	21.37883	2.332636	9.165096	0.0000
R-squared	0.923527	Mean dependent var		6478.162
Adjusted R-squared	0.915163	S.D. dependent var		739.2997
S.E. of regression	215.3344	Akaike info criterion		13.68670
Sum squared resid	2967609.	Schwarz criterion		13.93966
Log likelihood	-484.7212	Hannan-Quinn criter.		13.78741
F-statistic	110.4140	Durbin-Watson stat		1.078381
Prob(F-statistic)	0.000000			

Sumber: Output Eviews, diolah peneliti (2026)

Based on the regression results presented in the table above, the estimated regression model is formulated as follows:

$$IHSG = 4764.714 + 0.067DJIA - 0.008HIS - 0.196EXR + 8136.693INF + 23633.39BI_RATE - 0.122GOLD + 21.379OIL + \varepsilon$$

Where is represents the IHSG, the Dow Jones Index, the exchange rate, the inflation rate, the interest rate, and the Brent crude oil price. The constant value of 4764.714 indicates that when all independent variables are assumed to be zero, the IHSG would stand at 4764.714. The coefficient of the Dow Jones Index (0.067) suggests that a one-point increase in the Dow Jones shows a positive correlation coefficient of 0.067, which means that a one-unit increase in inflation will increase the IHSG by. The Hang Seng Index has a negative coefficient of -0.008, implying that a one-point increase would reduce the IHSG by 0.008 points. The exchange rate coefficient (0.196) indicates that a one-point increase in the USD/IDR exchange rate will cause the IHSG to decline by 0.196 points. Inflation shows a positive coefficient of 8136.639, meaning that a one-unit rise in inflation would increase the IHSG by 8136.639 points, while the interest rate coefficient of 23633.39 suggests a substantial positive effect on the IHSG. The gold price coefficient (-0.122) indicates a negative relationship, implying that a one-point increase in gold prices would decrease the IHSG by 0.122 points; however, this variable is statistically insignificant and excluded from the final model. Finally, the Brent crude oil price has a positive coefficient of 21.378, indicating that a one-point increase in oil prices would increase the IHSG by 21.378 points, holding other variables constant.

Table 5. Results of the Determination Coefficient (R²)

R-squared	0.923527
Adjusted R-squared	0.915163
SE of regression	215.3344
Sum squared residual	2967609.
Log likelihood	-484.7212
F-statistic	110.4140
Prob(F-statistic)	0.000000

Source: Eviews output, processed by researchers (2026)

Based on the results of the determination coefficient test above, the Adjusted R² (R Square) value of the regression model is used to determine how much the independent variables are able to explain the dependent variable. Based on the table above, it is known that the Adjusted R² value is 0.915, this means that 91.5% of the variation of the JCI can be explained by variations in the seven independent variables (Dow Jones Index, Hang Seng Index, Rupiah Exchange Rate, Inflation Rate, Interest Rate, World Gold Price and Brent Crude Oil Price). While the remaining (100% - 91.5% = 8.5%) is influenced by other variables outside this study.

Hypothesis Testing

Table 6. F Test Results

R-squared	0.923527
Adjusted R-squared	0.915163
S.E. of regression	215.3344
Sum squared resid	2967609.
Log likelihood	-484.7212
F-statistic	110.4140
Prob(F-statistic)	0.000000

Source: Eviews output, processed by researchers (2026)

Based on the table above, the Prob (F-Statistics) value is $0.000 < 0.05$ and the calculated F value is $110.414 \geq F$ table of 2.156, which means that the independent variables in the form of the Dow Jones Index, Hang Seng Index, Rupiah Exchange Rate, Inflation Rate, Interest Rate, World Gold Price and Brent Crude Oil Price have an effect on the dependent variable IHSG. Thus, it can be concluded that there is a simultaneous influence.

Table 7. Results of the t-Test (Partial)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4764.714	1298,740	3.668721	0.0005
DJIA	0.067202	0.013371	5.025949	0.0000
HIS	-0.008819	0.013968	-0.631394	0.5300
EXCHANGE RATE	-0.196512	0.073596	-2.670136	0.0096
INFLATION	8136.693	3253.329	2.501036	0.0150
BI RATE	23633.39	2880.428	8.204821	0.0000
GOLD PRICE	-0.122124	0.200510	-0.609068	0.5446
BRENT CRUDE OIL	21.37883	2.332636	9.165096	0.0000

Source: Eviews output, processed by researchers (2026)

Based on the t-test results presented in the table above, several conclusions can be drawn. The Dow Jones Index shows a probability value of 0.000, which is below 0.05, and a t-statistic of 5.025 greater than the t-table value of 1.997, indicating that H_0 is rejected and the Dow Jones Index has a positive and significant effect on the IHSG; therefore, H_1 is accepted. The Hang Seng Index has a probability value of 0.530 (>0.05) and a t-statistic of 0.631 (<1.997), implying that H_0 is accepted and the variable has no significant effect on the IHSG; thus, H_2 is rejected. The exchange rate (USD/IDR) records a probability value of 0.009 (<0.05) and a t-statistic of 2.670 (≥ 1.997), indicating a significant negative effect on the IHSG; consequently, H_3 is accepted. Inflation shows a probability value of 0.015 (<0.05) and a t-statistic of 2.501 (≥ 1.997), demonstrating a positive and significant influence on the IHSG; hence, H_4 is accepted. The interest rate has a probability value of 0.000 (<0.05) and a t-statistic of 8.204 (≥ 1.997), confirming a positive and significant effect on the IHSG; therefore, H_5 is accepted. In contrast, the global gold price has a probability value of 0.544 (>0.05) and a t-statistic of 0.609 (<1.997), indicating no significant effect on the IHSG; thus, H_6 is rejected. Finally, the Brent crude oil price reports a probability value of 0.000 (<0.05) and a t-statistic of 9.165 (≥ 1.997), demonstrating a positive and significant effect on the IHSG; accordingly, H_7 is accepted.

The Effect of the Dow Jones Index on IHSG. The empirical results indicate that the Dow Jones Index has a positive and statistically significant effect on the IHSG (Prob. 0.000 $<$ 0.05; t-statistic $>$ t-table). This finding confirms that the U.S. stock market plays a central role in shaping investor sentiment in the Indonesian capital market. During the 2019–2024 period, the Dow Jones experienced a strong recovery following the sharp contraction in 2020 due to the COVID-19 pandemic. A similar recovery pattern was observed in the IHSG during 2021–2024, suggesting the presence of global transmission effects.

The positive relationship implies that improvements in U.S. economic performance enhance global investor confidence and stimulate capital inflows into emerging markets, including

Indonesia (Pangondian et al., 2022; Salim & Hariandja, 2018). Theoretically, this result is consistent with the Efficient Market Hypothesis Fama (1970), which posits that stock prices incorporate all available information, including signals from major global markets. Modern Portfolio Theory Markowitz (1952) further explains that international investors diversify across countries to optimize returns, making the performance of the U.S. market relevant to portfolio allocation decisions in Indonesia. Additionally, Contagion Effect Theory Morris (2010) supports the notion that shocks or positive developments in major economies may spill over to other financial markets. These findings align with prior studies demonstrating the significant influence of the Dow Jones on IHSG (Latif et al., 2024; Robiyanto et al., 2019).

The Effect of the Hang Seng Index on IHSG. In contrast, the Hang Seng Index does not exhibit a statistically significant effect on the IHSG (Prob. $0.530 \geq 0.05$). Although the Hang Seng experienced notable fluctuations, particularly during 2022–2024, these movements did not significantly influence Indonesia's stock market performance.

This result suggests that Indonesian investors are more responsive to major global markets, particularly the United States, rather than regional Asian markets (Beureukat & Andriani, 2021; Nellawati & Isbanah, 2019). Within the framework of the Efficient Market Hypothesis Fama, (1970), only information perceived as highly relevant will be reflected in stock prices. The insignificance of the Hang Seng Index indicates that market signals from Hong Kong were not considered dominant determinants of investor decisions in Indonesia. Moreover, Contagion Effect Theory Morris, (2010) explains that spillover effects typically intensify during severe crises, which were not sufficiently strong in Hong Kong to significantly affect IHSG during the observed period.

The Effect of the Exchange Rate on IHSG. The exchange rate (USD/IDR) shows a negative and significant effect on the IHSG (Prob. $0.0096 < 0.05$). Rupiah depreciation increases import costs, raises production expenses for firms dependent on foreign inputs, and reduces corporate profitability. Furthermore, currency depreciation increases exchange rate risk for foreign investors, potentially triggering capital outflows and downward pressure on stock prices (Anggriana & Paramita, 2020; Yuliani et al., 2020).

From a theoretical perspective, this finding is consistent with Arbitrage Pricing Theory Ross (1976), which identifies exchange rates as a systematic risk factor influencing stock returns. According to the Efficient Market Hypothesis Fama (1970), macroeconomic information such as exchange rate movements is rapidly incorporated into stock prices. The result is also supported by prior empirical studies reporting a negative relationship between currency depreciation and stock market performance (Desfiandi et al., 2017; Hartayu & Paramita, 2023).

The Effect of Inflation on IHSG. Inflation has a positive and statistically significant effect on the IHSG (Prob. $0.0150 \leq 0.05$). During the 2019–2024 period, inflation remained relatively controlled despite peaking in 2022. Moderate inflation can signal economic expansion,

allowing firms to adjust product prices and increase nominal revenues, thereby improving financial performance and investor expectations (Ramadhani et al., 2024).

Theoretically, inflation represents a macroeconomic variable that is quickly reflected in stock prices Fama, (1970). Within the Arbitrage Pricing Theory framework Ross (1976), inflation constitutes a systematic risk factor that affects expected returns through cost structures and economic expectations. These findings are consistent with Rahayu & Diatmika (2023), who argue that controlled inflation may positively influence stock markets.

The Effect of Interest Rates on IHSG. Interest rates demonstrate a positive and statistically significant effect on the IHSG (Prob. $0.0000 \leq 0.05$). Although policy rates increased during the monetary tightening phase in 2022–2024, these adjustments were perceived as credible efforts to stabilize inflation and exchange rates, thereby strengthening investor confidence in macroeconomic fundamentals (Ibrahim & Fatwara, 2023).

While higher interest rates theoretically increase capital costs, in this context they appear to signal macroeconomic stability rather than financial distress. Under Arbitrage Pricing Theory Ross (1976), interest rates are a systematic factor affecting stock returns. The findings are consistent with Ramadhani et al. (2024) and Poetra & Cahyono (2016), who show that interest rates may positively influence stock markets under stable economic conditions.

The Effect of Global Gold Prices on IHSG. Global gold prices do not have a statistically significant effect on the IHSG (Prob. $0.5446 \geq 0.05$). Although gold prices increased during the study period, particularly during global uncertainty, these movements did not significantly shift investor portfolios away from equities. Gold is often regarded as a safe-haven asset; however, its influence appears weaker compared to macroeconomic fundamentals in the Indonesian context (Basit, 2020). Within the Arbitrage Pricing Theory framework Ross (1976), gold may represent a risk factor, yet its impact during this period was relatively limited. This finding is consistent with Putri & Negara (2025) and Anggriana & Paramita (2020), who report a weak relationship between gold prices and IHSG.

The Effect of Brent Crude Oil Price on IHSG. Brent crude oil prices have a positive and statistically significant effect on the IHSG (Prob. $0.0000 \leq 0.05$). Rising oil prices reflect increased global demand and economic activity, which benefit energy and commodity sectors in Indonesia, thereby contributing to overall stock market performance (Robiyanto et al., 2019). Within the Arbitrage Pricing Theory framework Ross (1976), oil prices represent a systematic macroeconomic factor influencing stock returns through production costs, revenues, and investor expectations. These results align with Suhono et al. (2021) and Rindika (2024), who find that oil price increases can positively affect stock markets in commodity-exporting countries such as Indonesia.

CONCLUSION & SUGGESTION

Based on the empirical findings, this study concludes that global and macroeconomic variables play differentiated roles in influencing the IHSG during the 2019–2024 period. The Dow Jones

Index has a positive and significant effect on the IHSG, indicating that the U.S. stock market serves as a key reference for Indonesian investors and reflects the transmission of global sentiment into the domestic market. In contrast, the Hang Seng Index does not significantly affect the IHSG, suggesting that regional Asian markets are not primary determinants of investor behavior in Indonesia. The exchange rate exerts a negative and significant influence, implying that Rupiah depreciation weakens market performance by increasing production costs and triggering potential capital outflows. Inflation and interest rates both show positive and significant effects, indicating that during the observed period these macroeconomic variables were perceived as signals of controlled economic expansion and credible monetary policy. Brent crude oil prices also positively affect the IHSG, reflecting the importance of commodity dynamics for Indonesia's energy and resource sectors. Meanwhile, global gold prices do not significantly influence the IHSG, suggesting that gold was not a dominant alternative investment for Indonesian equity investors during the study period. Theoretically, these findings support the Efficient Market Hypothesis, Modern Portfolio Theory, Contagion Effect Theory, and Arbitrage Pricing Theory, while also highlighting that not all global or commodity variables exert uniform effects on emerging stock markets.

From a practical perspective, the results imply that policymakers should maintain macroeconomic stability particularly exchange rate stability, controlled inflation, and credible interest rate policies to sustain investor confidence and capital market resilience. Regulatory authorities are also encouraged to monitor global financial and commodity market developments, given their measurable impact on domestic stock performance. For investors, attention to key global indicators such as the Dow Jones Index and Brent oil prices, alongside domestic macroeconomic conditions, can enhance risk management and portfolio allocation decisions. Corporate issuers, especially those exposed to international trade and commodity sectors, should strengthen risk management strategies to mitigate exchange rate and commodity price volatility. Future research is recommended to incorporate additional variables such as economic growth, money supply, geopolitical risk, or other global indices, and to apply dynamic or non-linear econometric models to obtain deeper insights into the determinants of IHSG movements.

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