

**THE IMPACT OF INTEREST RATE, EXCHANGE RATE, AND GROSS
DOMESTIC PRODUCTION GROWTH TOWARD STOCK RETURNS OF
SELECTED INDONESIAN BANKING COMPANIES LISTED IN INDONESIA
STOCK EXCHANGE**

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

THE IMPACT OF INTEREST RATE, EXCHANGE RATE, AND GROSS
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Stock prices have some ties to macroeconomic variables, and with Indonesian Stock Exchange have all time high, despite some of macroeconomics have negative results. This thesis is aiming to find the relationship between interest rate, exchange rate, and gross domestic production growth to stocks returns of banking companies listed in IDX with time horizon of trader and investor. The data gathered is sampled from banking companies with big market capitalization from 2007 – 2017. The data is pooled in monthly and yearly for interest rate, exchange rate, and stock returns. As for GDP growth is only available in quarterly. The data are processed through panel regression method. From empirical results, that none of the independent variables are significant to stock returns in monthly frequency. However, in yearly results only exchange rate has significance to stock returns, while the rest resulted as insignificant.

Keywords: Exchange Rate, Interest Rate, GDP growth,



DEDICATION

I dedicate this thesis to my beloved family, lecturers, and friends



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