ABSTRACT

***DWI NIRWANA DEAPATI**, 2023. The Effect of Inflation and Exchange Rates on the Stock Price Index in the Banking Sector on the Indonesia Stock Exchange in the Covid 19 era. Guided by H. Andi Rustam as supervisor I and Nasrullah as supervisor II.*

This study aims to determine the Effect of Inflation and Exchange Rates on the Stock Price Index in the Banking Sector on the Indonesia Stock Exchange in the Covid 19 era (Period December 2019 – December 2022).The theoretical basis in this study includes Inflation, Exchange Rates and Stock Price Index in the Banking Sector on the Indonesia Stock Exchange in the Covid 19 era. The type of research used in this study is quantitative research method. The data collection technique uses secondary data sourced from the Bank Indonesia Website and the Indonesia Stock Exchange. The data analysis techniques used are classical assumption test, multiple linear regression analysis, coefficient of determination (R), simultaneous test (f test) and partial test (t test).The results showed that based on the results of regression analysis and partial test (t-test), the Inflation variable had a positive and significant effect, while the Exchange Rate variable had a negative and insignificant effect on the Stock Price Index in the Banking Sector on the Indonesia Stock Exchange in the Covid 19 era and the amount of correlation value obtained by the output coefficient of determination (R Square) of 0.328 which contains the understanding that the influence of inflation-free variables, and exchange rates on variables bound to the Stock Price Index in the Banking Sector on the Indonesia Stock Exchange in the Covid 19 era is 34.5%.

***Keywords :** Inflation, Exchange Rate, Stock Price Index in Banking Sector*