International Journal of Economics, Management and Accounting
Volume.1, Number. 1, Year 2024
e-ISSN : 3046-9376; andp-ISSN : 3048-0396; Pages 94-110
DOI: https://doi.org/10.61132/ijema.v1i1.1048
Available online at: https://international.areai.or.id/index.php/IJEMA

Impact of Monetary Policy and Commodities Market on Indonesia Composite Index

Muhammad Ribhan Bada[1*], Bara Zaretta[2]
[1-2] Faculty of Economy and Business, Universitas Dian Nuswantoro, Indonesia
**Corresponding author : ribhanbd22@gmail.com*

Abstract : *This research explores how several monetary policy and commodities market influence the movement of the Indonesia Composite Index (IHSG). Monetary policy is a set of actions taken by the central bank to regulate the currency and the economy, variable proxy is Rupiah Exchange Rate (Jisdor) and Indonesia Overnight Index Average (indONIA). Commodity markets are places where commodities are traded in physical or futures, the needs of the world still depend on certain commodities so that commodity prices can be related to economic conditions, variable proxy of comodities market is Gold, Crude Oil WTI, Coal Newcastle. Indonesia Composite Index is a index that reflects the price movements of all stocks listed on the Indonesia Stock Exchange.The study analyzes monthly data from January 2019 to December 2023, a period before the global disruption of the COVID-19 pandemic, the period during the pandemic and the gradual economic rebound that followed. Using multiple linear regression analysis, the study assesses the direction and statistical relevance of each variable's effect on the Indonesia Composite Index. The results suggest that Indonesia Overnight Index Average and Crude Oil WTI prices have a significant positive impact on the index, the Rupiah Exchange Rate has a significant negative impact on the index, while Gold and Coal Newcastle have no significant impact on the index. These findings can serve as a useful reference for both investors and policymakers in understanding and anticipating movements in Indonesia's capital market, especially in relation to monetary policy and global commodity trends*.

Keywords: *Coal Newcastle; Crude Oil WTI; Gold; IHSG; JISDOR.*

1. INTRODUCTION

The capital market is one of the crucial instruments in a contemporary economy as it it serves as a means of raising long-term funds, channeling investment, and an measure of a nation's economic health. In Indonesia, the Indonesia Composite Index (IHSG) is the main benchmark that captures the outcomes of all stocks listed on the Indonesia Stock Exchange. Fluctuations in the IHSG not only mirror the fundamental condition of listed companies, but also a mirrorion of investor expectations of domestic and global economic dynamics. Thus, the IHSG serves a dual role, namely as a leading measure of the national economy as well as a barometer of investor sentiment (Istinganah & Hartiyah, 2021)

According to official data, the Indonesia Composite Index (IHSG) fell by 5.09% in 2020 compared to the previous year, then recovered with an increase of 10.08% in 2021 and 4.09% in 2022 (IDX, 2022). In March 2020, the IHSG even hit a low point of around 4,194.94 points amid the initial wave of the COVID-19 pandemic (Bareksa, 2020). This fact shows that the 2019–2023 period is a critical range for understanding the sensitivity of the IHSG to monetary policy and commodity fluctuations.

A number of studies have demonstraten that changes in the IHSG are strongly influenced by macroeconomic variables. Inflation, interest rates, and the exchange rate of the rupiah against the US dollar (USD/IDR) are the main determinants that are often considered

Received: October 05, 2025; Revised: October 19, 2025; Accepted: November 04, 2025; Published: November 06, 2025

by investors in making investment decisions(Hanuransyah, 2023). Exchange rates, for example, directly affect the outcomes of issuers that rely on imports or exports, while interest rates signal liquidity and the cost of capital. In addition, money supply also influences the flow of funds into the capital market, which has implications for the rise and fall of the IHSG (Koapaha, 2022).

Not only domestic factors, fluctuations in global commodity prices, especially gold, crude oil and coal, play a notable role in determining the direction of IHSG movement. Gold is often considered as a safe haven asset so that an rise in gold prices can reduce investment interest in the stock market (Prasada & Pangestuti, 2022). Meanwhile, crude oil and coal prices are closely related to the energy and mining sector issuers which are one of the main pillars of the IHSG. Safitri et al. (2025) even proved that there is a close relationship between world oil prices, gold prices, and global indices such as the Dow Jones with IHSG movements, especially during times of international economic uncertainty.

The IHSG link to external factors is also reinforced by global phenomena. The COVID-19 pandemic is clear evidence of how vulnerable the IHSG is to world economic shocks. Guo et al. (2022) and Radjamin (2023) found that the 2020-2021 period was characterized by a sharp decline in the IHSG before experiencing a recovery, mirroring the market's sensitivity to global uncertainty. In addition, geopolitical turmoil, trade wars, and the weakening of the world economy also rise the volatility of the IHSG due to the rapid flow of foreign capital in and out (Wardatunisa et al., 2024). This condition demonstrates that the IHSG is not only influenced by domestic fundamentals, but is also closely related to external dynamics that are difficult to predict.

Although there are many previous studies on the determinants of IHSG, the findings are not entirely consistent. Differences arise in terms of studies period, variable selection, and analysis method. (Koapaha, 2022) and (Istinganah & Hartiyah, 2021) emphasize domestic macroeconomic influences such as inflation and interest rates, while (Sun & Wang, 2021) and (Zhang, 2024) compare the impact of global commodity prices on developed and developing capital markets. There are also studies that use time series, panel data, or ARDL methods, resulting in diverse findings. This variation in findings suggests that there is room for studies to examine the determinants of the IHSG using a more comprehensive approach.

In the Indonesian context, there is a gap between the actual and ideal conditions of the IHSG. Ideally, the IHSG mirrors the fundamentals of the national economy and has resilience to external shocks. But in reality, the IHSG is still highly vulnerable to exchange rate changes, global commodity price fluctuations, and other external sentiments. This condition rises

investment risk, reduces investor confidence, and has the potential to hamper long-term fund raising in the domestic capital market (Radjamin, 2023) and (Wardatunisa et al., 2024).

Based on this gap, this study focuses on the integration of the rupiah exchange rate (JISDOR), the short-term benchmark interest rate (indONIA), and the commodity prices of gold, crude oil (WTI), and coal (Newcastle) on the movement of the IHSG in the 2019-2023 period. These five variables were chosen as it they have significance as the main channel of external risk transmission to the Indonesian capital market. The rupiah exchange rate and short-term interest rates mirror economic competitiveness and monetary policy, while global commodity prices represent external factors that are heavily influenced by geopolitical dynamics and international trade.

Thus, this study has the urgency to provide a more comprehensive empirical contribution in understanding the sensitivity of the IHSG to external factors. The findings are expected to enrich the academic literature on the linkages between capital markets and macroeconomic variables, as well as provide practical recommendations for monetary regulators, capital market authorities, and investment players. The strategic implication is the availability of a scientific basis in formulating adaptive policies and resilient investment strategies amid post-pandemic global uncertainty. This study differs from prior works by explicitly integrating both monetary policy (JISDOR, indONIA) and global commodity variables (gold, crude oil, coal) across the COVID-19 and recovery periods, which have not been jointly examined. This combined perspective highlights how domestic and international forces simultaneously shape IHSG movements, filling a gap left by earlier studies that typically examined them in isolation.

2. LITERATURE REVIEW

Theoretical Framework

The theoretical framework explains the relationship between macroeconomic factors and stock market movements. The Efficient Market Hypothesis (EMH) states that stock prices mirror all available information, both historical, public, and private according to the level of efficiency (Fama, 1970) on (Tarigan, 2024). In developing countries such as Indonesia, market efficiency is generally still at a weak to semi-strong level, so stock prices are still influenced by market anomalies, information asymmetry, and investor behavior that is not fully rational (Ningrum & Risman, 2022).

In addition, the Capital Asset Pricing Model (CAPM) emphasizes that stock returns are affected by unavoidable systematic risk. A stock's rate of return is determined by the risk-free interest rate as well as the market risk premium, while the stock's sensitivity to market movements is measured through beta. Thus, the higher the systematic risk borne, the greater the return expected by investors (Sharpe, 1964).

Meanwhile, business cycle theory highlights that expansion phases drive up corporate outcomes and stock prices, while recession phases depress profits and reduce investment interest. Furthermore, major macroeconomic events such as global crises, pandemics or geopolitical shocks can amplify market fluctuations through the channels of uncertainty, investor sentiment and economic expectations, leading to high volatility in the stock market (Zhang et al., 2020).

Jisdor and IHSG

The exchange rate of the rupiah against the US dollar published through JISDOR (Jakarta Interbank Spot Dollar Rate) is an crucial measure of monetary stability. Depreciation of the rupiah rises import costs and worsens the trade balance, thereby depressing the profitability of issuers and negatively impacting the IHSG (Hanuransyah, 2023). Conversely, rupiah appreciation rises the purchasing power of foreign investors and strengthens capital market outcomes (Istinganah & Hartiyah, 2021). Previous studies such as by Nordin et al. (2020) in Malaysia also proved that the exchange rate has a notable influence on the stock market index.

IndONIA and IHSG

The benchmark interest rate, which in the Indonesian context is represented by indONIA (Indonesia Overnight Index Average), is the main monetary policy instrument of Bank Indonesia. Rising interest rates reduce liquidity and encourage investors to switch to fixed income instruments, thus weakening the IHSG (Koapaha, 2022). Conversely, a decline in interest rates rises the attractiveness of equity investments due to a lower cost of capital. Research by DAO et al. (2022) in Vietnam also confirms that interest rates are one of the main variables affecting the stock index.

Gold and IHSG

Gold is known as a safe haven asset. Rising gold prices usually signal rised economic uncertainty so investors tend to divert funds from stocks to gold. This puts pressure on the IHSG. Prasada and Pangestuti (2022)proved a negative relationship between gold prices and IHSG. Similar findings were demonstraten by the studies of Safitri et al. (2025) who found that a spike in gold prices during the global trade war had an impact on the decline in the IHSG.

Crude oil (WTI) and IHSG

The world price of crude oil, especially West Texas Intermediate (WTI), is one of the commodities that greatly affects the global economy. An rise in oil prices can rise the profitability of energy sector issuers, but also potentially rise production costs for industries based on oil imports (Deng, 2022). This double impact makes the IHSG sensitive to changes in oil prices. Research by Ahmed and Sarkodie (2021) demonstrates that energy price shocks have a notable influence on stock indices in the United States, while Prasada and Pangestuti (2022) found similar evidence for Indonesia.

Coal (newcastle) and IHSG

Newcastle coal is one of the crucial global price references for Indonesia as a major exporter. An rise in coal prices rises the earnings of mining sector issuers that have a notable weight in the IHSG, thus having a positive impact on the index (Wardatunisa et al., 2024). Conversely, a decline in coal prices depresses the profitability of the energy sector and reduces the outcomes of the IHSG.

Hypothesis develoment

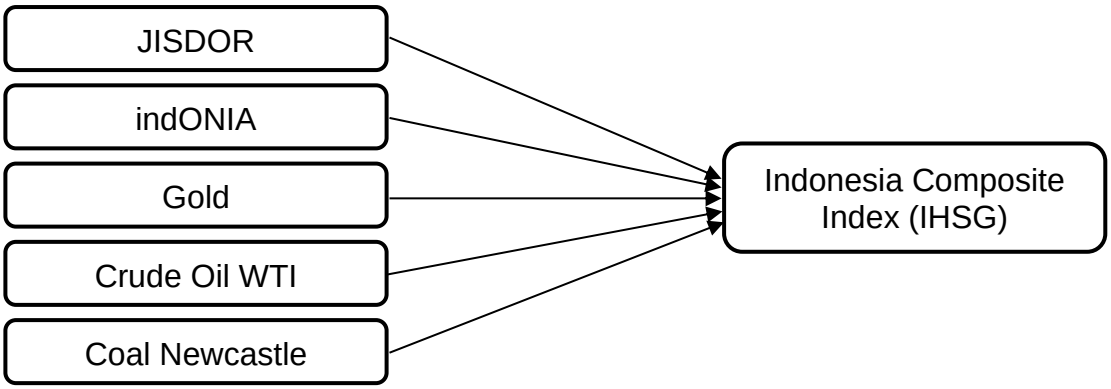

Figure 1. Research Framework.

Based on the main theory, supporting theory, and previous studies findings, the hypothesis of this study is as follows:

a. H1: JISDOR (rupiah exchange rate) has a significant negative effect on IHSG.
b. H2: indONIA (short-term benchmark interest rate) has a significant effect positive on the IHSG.
c. H3: World gold price has a significant effect negative on IHSG.
d. H4: Crude oil price (WTI) has a significant effect positive on IHSG.
e. H5: The price of coal (Newcastle) has a significant effect on positive the IHSG.

f. H6: JISDOR, indONIA, gold price, crude oil (WTI), and coal (Newcastle) simultaneously have a significant effect on IHSG.

This hypothesis is in line with the Efficient Market Hypothesis (Fama, 1970), which states that the IHSG mirrors all relevant information. Thus, the dynamics of exchange rates, interest rates, and global strategic commodity prices are expected to contribute notablely in explaining fluctuations in the IHSG.

3. METHOD

Type of research

This studies uses an explanatory quantitative approach (explanatory studies). According to Snyder (2019), explanatory studies aims to explain the causal relationship between variables and test hypotheses that have been formulated based on theory and empirical studies. Thus, this studies not only describes the phenomenon of fluctuations in the Composite Stock Price Index (IHSG), but also statistically analyzes the factors that influence it.

Population and sample

The population in this study is all historical data of the Composite Stock Price Index (IHSG) as well as macroeconomic variables and global commodity prices that are expected to affect the IHSG in the study period. The sample used is monthly time series data from January 2019 to December 2023. The number of observations was 60 monthly data, which were selected using purposive sampling technique with consideration of data availability and relevance to the studies objectives.

Types and sources of data

Table 1. Operational Variable.

No	Variable	Symbol	Indicator	Source
1	IHSG (Y)	IHSG	IHSG closing price on the last trading day of each month from 2019-2023	idx.co.id
2	JISDOR (X1)	JISDOR	JISDOR rate on the last day of every month from 2019-2023	bi.co.id
3	IndONIA (X2)	IndONIA	IndONIA rate on the last day of every month from 2019-2023	bi.co.id
4	Gold (X3)	Gold	Gold closing price on the last trading day of each month from 2019-2023	Investing.com
5	Crude Oil WTI (X4)	Oil	Crude oil WTI closing price on the last trading day of each month from 2019-2023	Investing.com
6	Coal Newcastle (X5)	Coal	Coal Newcastle closing price on the last trading day of each month from 2019-2023	Investing.com

The type of data used is secondary data, namely data obtained not directly from respondents, but through official agencies or relevant sources.

Data collection methods are carried out by:

a. Documentation study: collecting historical data of IHSG, JISDOR, indONIA, gold, crude oil, and coal prices from official publications or relevant sources.
b. Library Research: studying literature related to efficient market theory, portfolio theory, and relevant previous research.

Variable operational definitions

a) Composite Stock Price Index (IHSG): IHSG is an index that measures the price movements of all stocks listed on the Indonesia Stock Exchange. This index is often used as a leading measure of the outcomes of the Indonesian capital market as well as a barometer of the national economy.
b) Rupiah Exchange Rate (JISDOR): JISDOR (Jakarta Interbank Spot Dollar Rate) is the daily reference rate of the rupiah against the US dollar. A weakening exchange rate (rupiah depreciation) can rise import costs and depress issuers' outcomes, potentially lowering the IHSG (Hartoto et al., 2025).
c) Interest Rate (indONIA): indONIA (Indonesia Overnight Index Average) is the average interest rate on overnight interbank loans. indONIA serves as the short-term benchmark interest rate in Indonesia's financial system. A rise in interest rates can reduce interest in stock investments as investors prefer low-risk instruments (Hartoto et al., 2025).
d) World Gold Price: Gold is seen as a safe haven asset that investors use in periods of uncertainty (Acikgoz, 2025). Rising gold prices often lower the IHSG as funds shift to safe haven assets.
e) World Crude Oil Prices (WTI): West Texas Intermediate (WTI) oil price is one of the global oil benchmark prices. Fluctuations in oil prices affect the profitability of energy companies, inflation, and capital market outcomes (Demirer et al., 2020).
f) World Coal Price (Newcastle): Newcastle coal price is a leading measure of world thermal coal prices. As one of the leading export commodities, fluctuations in coal prices have a notable impact on mining issuers and the IHSG (Wardatunisa et al., 2024).

Analysis method

The analysis was conducted with multiple linear regression using EViews 12 software. The choice of this method is as it the studies focuses on the quantitative relationship between several independent variables with one dependent variable (IHSG). Multiple linear regression

allows studiesers to determine the direction and magnitude of the influence of the independent variable on the dependent variable.

Analysis model :

$IHSG = \alpha + \beta 1\ JISDOR + \beta 2\ indONIA + \beta 3\ Gold + \beta 4\ Oil + \beta 5\ Coal + \varepsilon$

Description:

1) IHSG : Composite Stock Price Index
2) JISDOR : rupiah exchange rate (USD/IDR) JISDOR
3) indONIA : indONIA value
4) Gold : world gold price
5) Oil : WTI crude oil price
6) Coal : Newcastle coal price
7) α : constant
8) $\beta 1, \beta 2, \beta 3, \beta 4, \beta 5$: regression coefficient
9) ε : error

Classical assumption test

To ensure the validity of the model, a classical assumption test is conducted:

i. Normality Test with Jarque-Bera Test.
ii. Multicollinearity Test with Variance Inflation Factor (VIF).
iii. Heteroscedasticity Test with White Test.
iv. Autocorrelation Test with Breusch-Godfrey Serial Correlation LM Test
v. Hypothesis testing

Hypothesis testing is done with:

a. T test (partial): tests the effect of each independent variable on IHSG.
b. F test (simultaneous): tests the effect of all independent variables together on IHSG.
c. Coefficient of Determination (R^2): measures how much the independent variables are able to explain the variation in IHSG.

4. RESULTS AND DISCUSSION

Classical assumption test

The classical assumption test is carried out to ensure that the regression model used meets the statistical requirements so that the resulting estimate is BLUE. The findings of the classical assumption test are presented in Table 2.

Table 2. Output Classical Assumption Test.

No	Classical Assumption Test	Indicator	Output
1	Autokorelasi (Jarque-Bera)	Probability Jarque-Bera	0.574280
2	Multikolinearitas (Variance Inflation Factor (VIF)	Centered VIF	Jisdor = 2.391588 Indonia = 1.876680 Gold = 2.022487 Oil = 3.977539 Coal = 4.765571
3	Heteroskedastisitas (white)	Prob. Obs*R-square	0.3905
4	Autokorelasi (Breusch-Godfrey)	Prob. Obs*R-square	0.8848

Source: Eviews 12 (2025)

The classical assumption test findings demonstrate that the estimated regression model has met the necessary statistical requirements.

a) Normality: The Jarque-Bera Probability value of 0.574280, which is greater than the 0.05 significance level, indicates that the model residuals are normally distributed. This is an crucial assumption for the validity of statistical inference, especially for coefficient significance tests.
b) Multicollinearity: All Centered VIF values are below 10. This indicates that there is no serious multicollinearity problem among the independent variables in the model. The absence of multicollinearity ensures that the regression coefficient estimates are unbiased and their variances are not too large, so they can be interpreted independently.
c) Heteroscedasticity: The Prob. Obs*R-square value of the heteroscedasticity test is 0.3905, which is greater than 0.05. This indicates that there is no heteroscedasticity problem in the model, meaning that the error variance is constant across the range of observations. This is crucial to ensure that the standard errors of the regression coefficients are consistent and efficient.
d) Autocorrelation: Prob. Obs*R-square value of the autocorrelation test is 0.8848, which is also greater than 0.05. This indicates that there is no autocorrelation problem in the residuals, which means the observations are not correlated with each other. This assumption is very crucial in time series data to ensure that the standard errors of the coefficient estimates are unbiased.

Overall, the fulfillment of these classical assumptions indicates that the regression model constructed is valid and the coefficient estimation findings are reliable for further analysis.

Regression output

Dependent Variable: IHSG
Method: Least Squares
Date: 08/09/25 Time: 21:31
Sample: 2019M01 2023M12
Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5940.487	1008.491	5.890469	0.0000
JISDOR	-0.194807	0.084094	-2.316546	0.0244
INDONIA	223.1391	33.11817	6.737663	0.0000
GOLD	0.076341	0.209608	0.364207	0.7171
OIL	29.81453	3.129081	9.528206	0.0000
COAL	0.975014	0.580048	1.680918	0.0986

R-squared	0.898242	Mean dependent var	6318.729
Adjusted R-squared	0.888820	S.D. dependent var	702.7257
S.E. of regression	234.3146	Akaike info criterion	13.84585
Sum squared resid	2964779.	Schwarz criterion	14.05528
Log likelihood	-409.3754	Hannan-Quinn criter.	13.92777
F-statistic	95.33412	Durbin-Watson stat	2.094743
Prob(F-statistic)	0.000000		

Figure 2. Output Redression.

Source: Eviews 12 (2025)

From figure 2, the regression model is as follows:

IHSG = 5940.480 – 0.194807 *Jisdor* + 223.1391 *indONIA* + 0.076341 *Gold* + 29.81453 *Oil* + 0.975014 *Coal*

T-test (partial)

Impact of Jisdor on IHSG

This finding supports H1 (negative effect of JISDOR on IHSG). The coefficient of Jisdor is -0.194807 with a probability value of 0.0244. As this probability value is smaller than 0.05, Jisdor is statistically notable and has a negative influence on the dependent variable. This means that when the Rupiah exchange rate against the US Dollar (JISDOR) rises (meaning the Rupiah weakens), the IHSG will decline by 0.194807 units, assuming other variables are constant.

This negative relationship is in line with Rindika (2024) studies, which demonstrates that Rupiah depreciation can suppress company profitability and reduce stock market outcomes (IHSG), although the impact can differ between sectors depending on the exposure and structure of the company. Kustanti and Dinata (2024) stated that Rupiah depreciation against the USD generally benefits export-oriented companies, as their products become more competitive in foreign markets. However, although export firms benefit, depreciation has

macroeconomic consequences that can be negative, particularly through the channels of balance sheet imbalances and foreign financing costs (Fukui et al., 2025).

Impact of Indonia on IHSG

This finding supports H2 (positive effect of IndONIA on IHSG). The coefficient of IndONIA is 223.1391 with a probability value of 0.0000. This indicates that IndONIA has a highly notable positive influence on the dependent variable. The positive value indicates that when IndONIA rises by 1 unit, the IHSG rises by 223.1391 units, assuming other variables are constant. This indicates that IndONIA has a positive notable influence on the observed variable, which is generally related to banking liquidity or domestic financial instruments.

IndONIA as Bank Indonesia's short-term benchmark interest rate plays an crucial role in the monetary policy transmission mechanism. According to studies by Fauzi and Wijoyo (2025), interest rates have a positive and notable influence on the IHSG over the period 2005-2023, suggesting that short-term monetary tightening is often followed by an rise in the stock index. The study by Pratiwi Siregar et al. (2023) found that monetary policy transmission through interest rates is influenceive in influencing the IHSG in both the short and long term, with interest rate shocks directly triggering a response in the IHSG.

Impact of Gold on IHSG

This finding does not support H3 (expected negative effect of gold is not statistically significant). The coefficient of Gold is 0.076341 with a probability value of 0.7171. Since the probability value is much greater than 0.05, the influence of gold price is not statistically notable. That is, in the context of the model, there is no strong evidence that gold price movements actually affect the dependent variable.

At the beginning of the COVID-19 pandemic, many investors preferred to withdraw funds to cash or highly liquid assets, not to gold. This makes the relationship between gold and IHSG weak. Salisu et al. (2021) found that although gold is traditionally viewed as a safe haven asset, the growth in investor interest in gold during the COVID-19 pandemic proved to be less influenceive than before the pandemic. Akhtaruzzaman et al. (2021) studies demonstrates that gold only serves as a safe haven during the early phase of the COVID-19 pandemic (until around March 16, 2020), and the influenceiveness declines clearly in the later period (March 17-April 24), where the negative correlation with the stock index gets weaker and even becomes innotable.

Impact of Oil on IHSG

This finding supports H4 (positive effect of oil on IHSG). The coefficient of Oil is 29.81453 with a probability value of 0.0000. This indicates that Oil has a notable positive influence on the dependent variable. This coefficient indicates that every 1 unit rise in oil price is associated with a 29.81 point rise in the IHSG. The direction of this positive relationship mirrors that an rise in oil prices can boost stock market outcomes through certain economic channels.

In a study by Darmawan et al. (2020) a long-run relationship between crude oil and the JCI was found, suggesting that a spike in oil prices can improve the outcomes of the IHSG directly through a co-integration mechanism. Pramesthi et al. (2024) also found a notable long-term co-integration relationship between crude oil prices and IHSG. This means that the movement of crude oil prices simultaneously (both short and long term) has a notable influence on the IHSG.

Impact of Coal on IHSG

This finding does not support H5 (expected positive effect of coal is not statistically significant). The coefficient of Coal is 0.975014 with a probability value of 0.0986 The probability (p-value) of 0.0986 is greater than the general significance level of 5%, making it statistically innotable. This means that although the coefficient demonstrates a positive direction, the relationship is not strong enough to be empirically confirmed.

Global trend towards renewable energy and reduced reliance on coal Research demonstrates that although the coal sector is still the backbone of domestic energy, the weakening of the coal export market is pushing producers to rely excessively on domestic demand, mirroring the declining role of coal in supporting long-term economic growth (Ordonez et al., 2021).

The resulting regression model demonstrates that the variables Jisdor, Indonia, and Oil are notable predictors of the dependent variable at the 5% significance level. while Gold and Coal demonstrate no notable influence.

The findings are generally consistent with the expected hypotheses: JISDOR (negative) and Oil (positive) matched expectations, IndONIA (positive) confirmed its significant role, while Gold and Coal were hypothesized to have negative and positive effects respectively but showed no significant impact. This partial consistency underscores the dynamic role of monetary policy and commodity markets in shaping IHSG.

F-test (Simultaneous Significance Test)

From the figure 2 output regression, the Prob result is 0.0000, which is smaller than 0.05. this demonstrates that the independent variables simultaneously affect the dependent variable (IHSG).

Coefficient of Determination (R-square)

The result of the R-square value which can be seen in the regression model findings demonstrates a value of 0.898242. this means that the independent variables jisdor, indonia, gold, oil and coal simultaneously explain 89.8% of the IHSG variation. The remaining 10.2% is explained by other variables not included in this model.

5. CONCLUSION

This study aims to analyze the influence of the variable exchange rate of the Rupiah against the US Dollar (JISDOR), the short-term benchmark interest rate of Bank Indonesia (IndONIA), the price of gold, the price of crude oil (WTI crude oil), and the price of Newcastle coal on the Composite Stock Price Index (IHSG) for the period 2019-2023. Based on the findings of multiple linear regression analysis, the following conclusions were obtained: 1) The Rupiah exchange rate (JISDOR) has a negative and notable influence on the IHSG. Rupiah depreciation tends to depress stock market outcomes, in line with the theory that a weakening exchange rate can rise import costs and foreign currency debt burdens, thereby reducing company profitability and the overall stock index. 2) IndONIA interest rate has a positive and notable influence on IHSG. These findings indicate that monetary policy through short-term interest rate instruments is able to drive the movement of the IHSG, where an rise in IndONIA is followed by an rise in the stock index, mirroring the crucial role of monetary policy transmission to the Indonesian capital market. 3) Gold price has no notable influence on IHSG. This suggests that gold's role as a safe haven asset has not proven consistent in the study period, especially after the COVID-19 pandemic when investors shifted more to other liquid assets. 4) Crude oil price (Oil) has a positive and notable influence on IHSG. An rise in oil prices tends to improve the outcomes of the IHSG, both through the direct impact on the energy sector and the indirect influence on economic growth. 5) Coal price has no notable influence on IHSG. This condition illustrates that the role of coal in supporting the Indonesian economy is decreasing in line with the global energy transition policy towards renewable energy sources. 6) Simultaneous test (F test) demonstrates that all independent variables together have a notable influence on IHSG. This is reinforced by the R-square value of 0.898242, which means that about 89.8% of the IHSG variation can be explained by the JISDOR, IndONIA, Gold, Oil, and

Coal variables, while the remaining 10.2% is explained by other factors outside this studies model.

Based on the studies findings and limitations, some suggestions that can be given for future studies are as follows: a) Adding Other Macroeconomic Variables : Future studies can include other variables that also have the potential to affect the IHSG, such as inflation, economic growth rate, foreign exchange reserves, or foreign capital flows. This will provide a more comprehensive picture of the determinants of IHSG movements. b) Using More Detailed Data Frequency : This study used monthly data. Future studies could use daily or weekly data to capture faster market dynamics, especially when there are external shocks such as global crises or sudden changes in monetary policy. c) More Advanced Model Approaches : It is recommended to use more complex econometric methods, such as VAR/VECM, ARDL, or GARCH to analyze short-term and long-term relationships, as well as stock market volatility. That way, the studies findings will be more robust. d) Cross-Country Comparison : Future studies could conduct comparative studies with other developing countries in Southeast Asia. This comparison will help see whether the influence of macroeconomic variables and commodity prices on the Indonesian stock market is unique or similar to other countries. e) Longer Research Period : Future studies can extend the observation period, for example until post-2023, to see the continued impact of global monetary policy, energy transition, and geopolitical conditions on the Indonesian stock market. f) Industry Sector Approach : Since the influence of external variables can differ across sectors, future studies can examine the influence of macroeconomic and commodity variables on sectoral indices (e.g. banking, energy, mining, or infrastructure) so that the findings are more specific and relevant for investors and policy makers.

Acknowledgement

The authors are grateful to Universitas Dian Nuswantoro, especially the faculty of economics and business for the support of facilities that have made this studies possible. The authors would also like to express their appreciation to Bara zaretta SE, MM for her technical assistance and valuable advice during the studies process and writing of this article. the authors would also like to express their appreciation to all parties and individuals who have contributed and supported in the studies process and writing of this article.

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