ABSTRACT

Anggun Virgianto Pirade "*Analysis of Inflation and Its Impact on Growth Stock Price Index of Industrial Sectors in Indonesia Stock Exchange ""(Under the guidance of Isniar Budiarti, SE, M. Si)*

Inflation is a process of rising prices prevailing in the economy. While Stock Price Index of Industrial Sectors is the image of the market value of all shares of industry sectors.

Authors' intentions do research is to collect data and information about Inflation on Stock Price Index of Industrial Sectors in Indonesia Stock Exchange 2006-2009. Objectives can be achieved by doing this research is to determine the level of inflation, to know the progress Stock Price Index of Industrial Sectors and to identify and analyze the impact of Inflation on Stock Price Index of Industrial Sectors.

The study entitled, "Analysis of Inflation and Its Impact on Growth Stock Price Index of Industrial Sectors in Indonesia Stock Exchange" was done by using descriptive and verification methods. Sampling method using a non probability purposive sampling. and hypothesis testing was done by person product moment correlation method.

Based on research results prove that the Consumer Price Index inflation rate affect the development of stock Price Index of Industrial Sectors significantly. Impact of inflation on the growth of the stock price index of Industrial Sectors are 47.06% and the remaining 52.94% influenced by other variables. And from the results of hypothesis test with significance level of 5% or 95% confidence level, There is a negative relationship between inflation rates of consumer price index on the stock price index, industrial sectors significantly.

Keywords: Inflation and the Stock Price Index of Industrial Sectors