

The Impact of International Stock Market Indices on Indonesia's Composite Index Based on Data from 2015 to 2024

International Stock
Market and
Composite Index

2721

Heri Sasono

STIE Dharma Bumiputera; Jakarta, Indonesia

E-Mail: herisasono63@gmail.com

Ahmad Syukri

STIE Dharma Bumiputera; Jakarta, Indonesia

E-Mail: ahmadsyukri16@yahoo.com

Pudjo Irianto

STIE Dharma Bumiputera; Jakarta, Indonesia

E-Mail: pudjoirianto@gmail.com

Submitted:
APRIL 2025

Accepted:
JULY 2025

ABSTRACT

Global stock markets are increasingly interconnected, influencing emerging markets such as the Indonesia Composite Index. This study aims to analyze the collective and individual impacts of the Nikkei, New York Stock Exchange, FTSE, and ASX indices on the Jakarta Composite Index from 2015 to 2024. This study uses a quantitative approach to ensure a robust analysis and uses multiple linear regression analysis. Data collected from the annual closing values of the Indonesia Stock Exchange, Tokyo Stock Exchange, New York Stock Exchange, London Stock Exchange, and Australia Stock Exchange, processed with the Statistical Package for Social Sciences version 26. The results show that global indices collectively influence the Jakarta Composite Index, explaining 85.3% of its variance. Individually, only the New York Stock Exchange has a significant positive effect, while the Nikkei, FTSE, and ASX indices do not show significant individual impacts. The study concludes that investors and policymakers should monitor the dynamics of the United States market to anticipate the movement of the Jakarta Composite Index, while future research should explore additional factors such as exchange rates to improve the understanding of the dynamics of the Indonesian market.

Keywords: Global Stock Indices, IHSG, Indonesia Stock Exchange, Market Integration, Multiple Regression, NYSE Impact.

ABSTRAK

Pasar saham global semakin saling terhubung, memengaruhi pasar berkembang seperti Indeks Harga Saham Gabungan Indonesia. Penelitian ini bertujuan untuk menganalisis dampak kolektif dan individual dari indeks Nikkei, New York Stock Exchange, FTSE, and ASX terhadap Indeks Harga Saham Gabungan dari tahun 2015 hingga 2024. Studi ini menggunakan pendekatan kuantitatif untuk memastikan analisis yang kuat dan menggunakan analisis regresi linier berganda. Data dikumpulkan dari nilai penutupan tahunan Bursa Efek Indonesia, Bursa Efek Tokyo, Bursa Efek New York, Bursa Efek London, dan Bursa Efek Australia, yang diproses dengan Statistical Package for Social Sciences versi 26. Hasilnya menunjukkan bahwa indeks global secara kolektif memengaruhi Indeks Harga Saham Gabungan, menjelaskan 85,3% variansinya. Secara individual, hanya Bursa Efek New York yang memiliki efek positif signifikan, sedangkan indeks Nikkei, FTSE, dan ASX tidak menunjukkan dampak individual yang signifikan. Studi ini menyimpulkan bahwa investor dan pembuat kebijakan harus memantau dinamika pasar Amerika Serikat untuk mengantisipasi pergerakan Indeks Harga Saham Gabungan, sementara penelitian di masa

JIMKES

Jurnal Ilmiah Manajemen
Kesatuan
Vol. 13 No. 4, 2025
pp. 2721-2732
IBI Kesatuan
ISSN 2337 - 7860
E-ISSN 2721 - 169X
DOI: 10.37641/jimkes.v13i4.3231

mendatang harus mengeksplorasi faktor-faktor tambahan seperti nilai tukar untuk meningkatkan pemahaman tentang dinamika pasar Indonesia.

Kata kunci: Bursa Efek Indonesia, Dampak NYSE, Indeks Saham Global, IHSG, Integrasi Pasar, Regresi Berganda.

INTRODUCTION

Globalization has reshaped economic interactions by promoting increased trade, foreign investment, and technological advancements, fostering the integration of international capital markets (Dewangga & Nugroho, 2024). Market deregulation, liberalization, and innovations in financial products have enhanced cointegration among global economies, as observed by Banner and Kroner (1995). This interconnectedness positions capital markets as vital intermediaries, connecting investors with companies seeking capital, thereby driving economic growth through investment returns and capital allocation (Filatotchev et al., 2016; Strumeyer, 2017; Park & Yang, 2021). In Indonesia, the Composite Stock Price Index (*Indeks Harga Saham Gabungan/IHSG*) serves as a key indicator of market performance on the Indonesia Stock Exchange (*Bursa Efek Indonesia/BEI*), reflecting market trends and investor sentiment. The IHSG is shaped by internal factors, such as corporate financial performance and management decisions, and external factors, including global economic conditions and international stock indices (Jogiyanto, 2009).

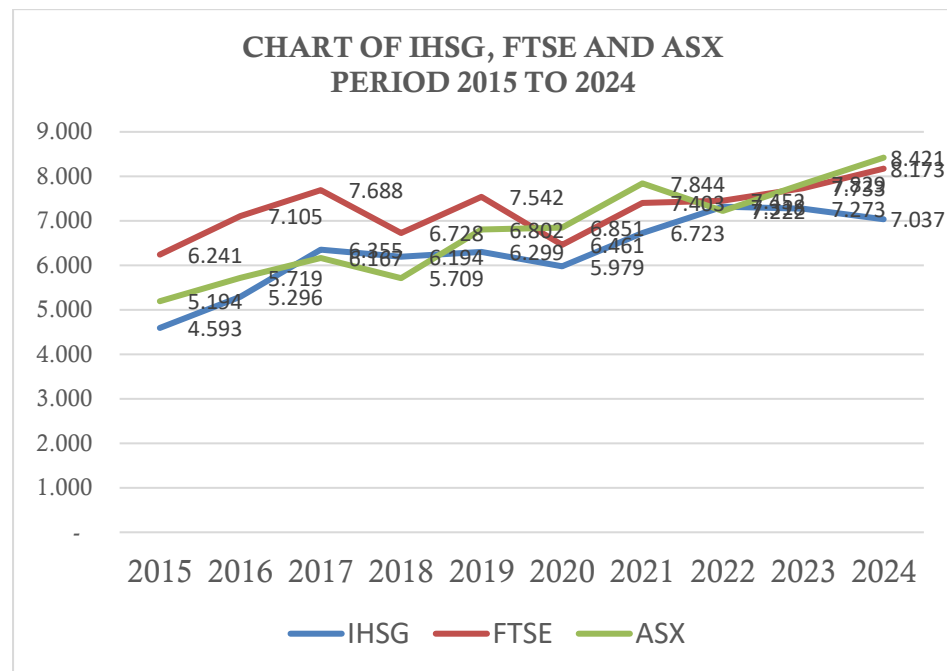


Figure 1. Chart of IHSG, FTSE, and ASX Period 2015 to 2024

The concept of contagion, defined as the transmission of economic shocks across countries, is central to understanding global market dynamics (Peckham 2013; Beirne & Gieck, 2014; Server, 2019). Dornbusch et al. (2000) identify contagion as stemming from fundamental causes, such as common global shocks, trade links, and financial interdependencies, alongside investor behavior. Common shocks, such as economic shifts in industrialized nations or fluctuations in commodity prices, can trigger market adjustments in emerging economies like Indonesia, as noted by Hjalmarrsson and Osterholm (2007). These global influences highlight the need to investigate how international stock indices impact the IHSG, given Indonesia's integration into the global financial system (Aryasta & Artini, 2019; Yunanto & Medyawati, 2021). Figure 1, which

illustrates the movements of IHSG, FTSE, and ASX from 2015 to 2024, suggests potential similarities in their trends, underscoring the relevance of examining their relationships.

Several previous studies have tried to explain the relationship between the IHSG and global stock indices, but the results still show inconsistencies. For example, Karim et al. (2009) showed the relationship between the IHSG and indices from the US, Japan, and China, while Hasibuan (2009) stated that only some of the global indices had a significant effect on the IHSG. On the other hand, Pramushinta and Suhendra (2011) found that Nasdaq, Nikkei, and Dow Jones were significant, while FTSE was not. This finding is inconsistent with Hasibuan and Hidayat (2011) who actually showed a significant influence from Nasdaq and Kospi only. This inconsistency indicates an empirical gap that has not been fully answered, both in terms of the analysis period and the method approach used. Therefore, further studies are needed that are able to systematically combine these findings.

Furthermore, variations in findings also appear in studies covering different time periods and approaches. Pratomo (2012) noted a significant influence of the Dow Jones, Nikkei, and Hang Seng on the JCI in the 2008–2011 period. Mailangkay (2013) also found that the Dow Jones and Nikkei indices significantly influenced the JCI in early 2013. However, Hanggahandika et al. (2021) emphasized that the influence of global indices is not uniform, and indices such as the Dow Jones have a stronger impact than others. This inconsistency indicates a theoretical gap regarding the mechanism of the relationship between the global market and the JCI that is not yet fully understood. Considering the ever-evolving market dynamics, this study intends to update and expand the scope of previous research by using the latest data from 2015 to 2024, and to analyze the influence of the Nikkei, NYSE, FTSE, and ASX indices on the JCI more comprehensively.

The objective of this study is to analyze the influence of selected global stock indices Nikkei (Japan), NYSE (United States), FTSE (United Kingdom), and ASX (Australia) on the IHSG from 2015 to 2024. Specifically, the study seeks to determine whether these indices, individually and collectively, significantly affect the IHSG using multiple linear regression analysis. By covering a decade-long period, this research aims to address the inconsistencies in prior findings and provide actionable insights for investors in the Indonesian capital market.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Collective Influence of Global Stock Indices on the IHSG

The integration of global financial markets has strengthened the interconnectedness of the world's major stock indices, including its influence on emerging markets such as Indonesia. Openness to international capital flows makes domestic markets increasingly vulnerable to external shocks, whether in the form of changes in global interest rates, geopolitical uncertainty, or fluctuations in global stock indices. Several studies have shown that global indices have a simultaneous influence on domestic indices. Karim et al. (2009) showed that the JCI has a strong relationship with stock indices from the United States and Japan. Meanwhile, Hasibuan (2009) and Hasibuan and Hidayat (2011) found that a combination of global indices such as Nasdaq, Kospi, and Nikkei collectively influenced the movement of the JCI. In the context of emerging markets, Beirne et al. (2013) also confirmed that global stock indices in aggregate have a significant influence on domestic indices due to the increasing spillover effect after the global financial crisis. A study by Almansour (2020) also found that global indices contribute to stock market volatility in emerging countries through cross-country volatility transmission. This emphasizes the importance of a comprehensive empirical analysis of the simultaneous influence of global indices on the JCI over a longer period.

H1: Nikkei, NYSE, FTSE, and ASX index have a significant influence on IHSG fluctuations.

Nikkei Index on IHSG

Japan is one of Indonesia's largest trading partners, so its economic dynamics reflected in the Nikkei 225 index can have a significant impact on the JCI. Bilateral trade relations, direct investment flows, and financial market connections make the Nikkei movement an important indicator in predicting the response of the Indonesian stock market. Rustyaningsih and Purwohandoko (2018) emphasized that significant changes in the Nikkei index can have a direct impact on the JCI, especially through export-import channels and capital flows. Pratomo (2012) also found that the Nikkei had a significant influence on the JCI during the 2008–2011 period. Yunanto and Medyawati (2021) strengthened these findings by stating that the relationship between the Nikkei and the JCI is strong, both in the short and long term. In a more recent context, Nuraeni and Panjawa (2020) used a VAR approach and found a significant influence of the Nikkei on the JCI, especially during periods of high volatility. Meanwhile, Herlianto and Hafizh (2022) noted that the movement of the Nikkei index tends to trigger market reactions in the Asian region, including Indonesia, in response to changes in global economic conditions. These findings emphasize the importance of testing the individual influence of the Nikkei on the JCI empirically and recently.

H2: Nikkei index has a significant influence on IHSG fluctuations.

NYSE Index on IHSG

The United States stock exchange, especially the NYSE and the Dow Jones Industrial Average (DJIA), are often used as the main reference by global investors because they reflect the dominant US economic conditions in the world financial system. The dominance of the US market makes this index an important indicator in determining the direction of global investment flows, including to developing countries such as Indonesia. Rosdita and Lestari (2020) stated that the Dow Jones index significantly affects the JCI, especially in unstable market conditions. Purbasari (2019) also showed that market shocks from the United States tend to be quickly transmitted to the Indonesian market, illustrating the contagion effect. In the long term, Mailangkay (2013) found a causal relationship between the Dow Jones and the JCI which strengthens the argument about the existence of a structural link between the two markets. More recent research by Sopiayah et al. (2025) shows that the movement of major US stock indices, including the NYSE, has an impact on JCI volatility, especially when there is a change in the Fed's interest rate policy. In addition, Lisdawami (2021) also identified a short-term and long-term relationship between the Dow Jones and the JCI using the ARDL approach. These findings emphasize the need for more in-depth empirical testing of the individual influence of NYSE on the JCI.

H3: NYSE index has a significant impact on IHSG fluctuations.

FTSE Index on IHSG

Although the UK market is not as large as the United States or Japan in economic relations with Indonesia, the FTSE 100 index is still considered an important indicator in measuring the health of the European economy. As a representation of the 100 companies with the largest market capitalization on the London Stock Exchange, the FTSE has the potential for spillover to emerging markets, including Indonesia. Dharmawan (2009) showed that the FTSE can affect the JCI under certain conditions, although the influence is inconsistent. Pramushinta and Suhendra (2011) even stated that the influence of the FTSE on the JCI is relatively small compared to other indices such as the Dow Jones or Nikkei. However, Beirne and Gieck (2014) found that the FTSE contributed to the

volatility of emerging markets through the mechanism of global sentiment. In a more recent study, Oktaviani and Putri et al. (2021) showed that the FTSE had an indirect influence on the JCI through external factors such as oil prices and exchange rates, especially during periods of crisis. In addition, Yuliah and Triana (2021) found that FTSE movements affect investor behavior in ASEAN markets, including Indonesia, through psychological channels and global risk expectations. The inconsistency of these findings emphasizes the need for more comprehensive empirical testing of the individual influence of FTSE on the JCI over a longer and contextually relevant period.

H4: FTSE index has a significant impact on IHSG fluctuations.

ASX Index on IHSG

Australia is a country that has close regional economic relations with Indonesia, especially in the fields of trade, education, and investment in the Asia-Pacific region. The ASX 200 index, which reflects the performance of the 200 largest companies in Australia, serves as a leading indicator of the Australian capital market and has the potential to influence the stock indices of neighboring countries, including the JCI. Sujatmoko (2021) found that the ASX has a significant influence on the JCI, especially during times of global uncertainty. Hanggahandika et al. (2021) also revealed a correlation between the ASX and the JCI, as a reflection of the increasing integration of financial markets in the era of globalization. Meanwhile, Nadjima (2025) showed that regional stock indices such as the ASX can have cross-country effects in the Asian region, especially through investor sentiment channels and capital movements. Nuraeni & Panjawa (2021) showed that ASX fluctuations had an impact on JCI volatility during the COVID-19 pandemic, through regional risk confidence and expectation channels. This finding is reinforced by Robiyanto (2015) who stated that the Australian stock index is a reference for Asian institutional investors in making short-term investment decisions. Therefore, it is important to empirically test the influence of individual ASX on the IHSG with a longer time span.

H5: ASX index has a significant impact on IHSG fluctuations.

Figure 2 shows the research framework outlines the theoretical structure guiding the analysis of global stock indices' influence on the IHSG. According to Dornbusch et al. (2000), the concept of contagion explains how economic shocks in one market transmit to others through trade, financial links, and investor behavior. This framework posits that global stock indices, as proxies for major market performances, influence the IHSG through market integration and spillover effects, as supported by Banner and Kroner (1995). Figure 2, illustrating the research framework, depicts the hypothesized relationships between Nikkei, NYSE, FTSE, ASX, and IHSG, highlighting both individual and collective impacts.

The framework is grounded in prior empirical findings. According to Hasibuan (2009), global indices like Nikkei and NYSE significantly affect the IHSG when analyzed collectively, though individual effects vary. Recent studies, such as Dimas and Nurmatias (2024), confirm the significant influence of NYSE's Dow Jones on the IHSG, while Nikkei's impact is less consistent. The framework assumes that Nikkei, NYSE, FTSE, and ASX, as independent variables, drive changes in the IHSG, the dependent variable, through global market dynamics. This is particularly relevant given Indonesia's trade and investment ties with Japan, the U.S., the UK, and Australia, as noted by Nengah and Artini (2019).

The research framework also incorporates macroeconomic considerations. According to Heri and Syukri (2023), global indices, alongside factors like exchange rates and economic growth, collectively influence the IHSG, suggesting a multifaceted relationship. Figure 2 visually represents these relationships, with arrows indicating the hypothesized influence of each global index on the IHSG, both individually (H2–H5) and collectively

(H1). By employing multiple linear regression, this study tests these hypotheses to clarify the extent of global market integration with Indonesia's capital market, addressing inconsistencies in prior research (Ricky et al., 2023).

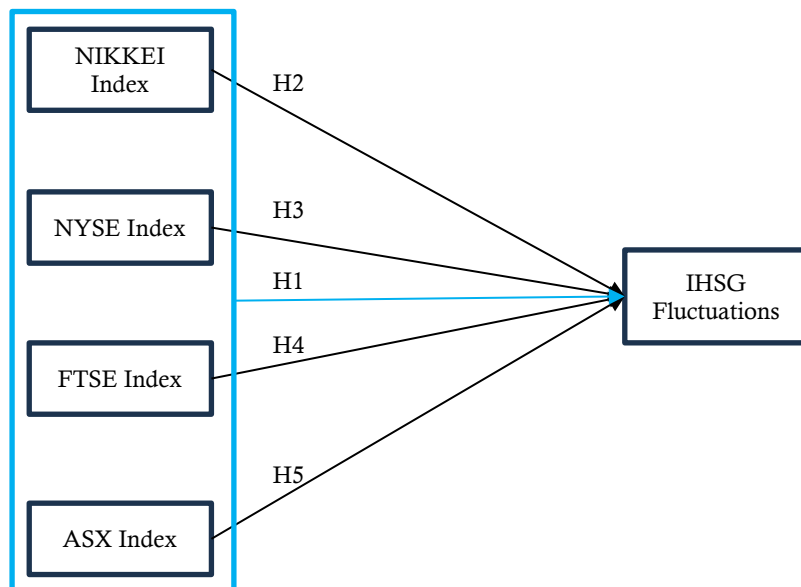


Figure 2. Research Framework

RESEARCH METHOD

This study investigates the influence of global stock indices on the IHSG in Indonesia, employing a quantitative approach to ensure robust analysis. The research focuses on a population encompassing major global stock indices, specifically those representing significant economic regions with ties to Indonesia. From this population, the sample includes the Nikkei 225 Index (Japan), NYSE Index (United States), FTSE 100 Index (United Kingdom), and ASX 200 Index (Australia) as independent variables, with the IHSG as the dependent variable. These indices were selected due to their prominence in global markets and their potential influence on Indonesia's capital market, as evidenced by prior studies (Karim et al., 2009). The research spans a 10-year period from 2015 to 2024, capturing long-term trends and market dynamics.

Data collection relies on secondary data sourced from authoritative financial platforms to ensure accuracy and reliability. Daily closing values of the IHSG are obtained from the BEI, while data for the Nikkei, NYSE, FTSE, and ASX indices are retrieved from their respective exchanges: Tokyo Stock Exchange, New York Stock Exchange, London Stock Exchange, and Australian Securities Exchange. These data are supplemented by archival records from published financial reports and journal articles, enhancing the depth of the dataset (Astuti et al., 2016). The use of secondary data aligns with the study's objective to analyze historical market trends without introducing primary data collection biases. All data are aggregated annually to facilitate consistent analysis across the 10-year period, ensuring comparability and statistical robustness. The analysis employs multiple linear regression to examine the relationships between the global indices and the IHSG, providing a comprehensive framework for testing both individual and collective influences. The regression model is expressed as:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e$$

Where:

Y: IHSG

b_1 to b_4 = Regression Coefficient
 b_1 is the NIKKEI Index
 b_2 is the NYSE Index
 b_3 is the FTSE Index
 b_4 is the ASX Index
 e = Error

Partial tests (t-tests) assess the individual significance of each index, while a simultaneous test (F-test) evaluates their collective impact. Additionally, the adjusted R-squared value measures the proportion of IHSG variance explained by the model, offering insights into the model's explanatory power (Jogiyanto, 2017). The Statistical Package for the Social Sciences (SPSS) version 26 is utilized for data processing, ensuring precision in statistical computations.

To ensure the validity of the regression analysis, key assumptions are tested, including normality, multicollinearity, and heteroscedasticity, addressing potential biases in the model. The study uses annual data to mitigate short-term volatility, aligning with the longitudinal focus of the research. By integrating data from official exchange websites and employing rigorous statistical methods, this study aims to provide reliable insights into the influence of global stock indices on the IHSG, contributing to the understanding of Indonesia's capital market integration with global financial systems (Hanggahandika et al., 2021). The methodological approach is designed to address inconsistencies in prior research by offering a structured and transparent analysis over an extended timeframe.

RESULTS

This study examines the influence of four global stock indices Nikkei 225, NYSE (Dow Jones), FTSE 100, and ASX 200 on the IHSG in Indonesia from 2015 to 2024, utilizing multiple linear regression analysis. The hypotheses tested include H1, which posits that the Nikkei, NYSE, FTSE, and ASX indices collectively have a significant influence on the IHSG; H2, which tests the individual influence of the Nikkei Index; H3, which tests the NYSE Index; H4, which tests the FTSE Index; and H5, which tests the ASX Index. Data were processed using the Statistical Package for Social Sciences (SPSS) version 26, with annual closing values sourced from the BEI, Tokyo Stock Exchange, New York Stock Exchange, London Stock Exchange, and Australian Securities Exchange. The results are presented through model summary statistics, ANOVA, and regression coefficients, detailed in three tables.

Table 1. Model Summary

Model	Value
R	0.958 ^a
R Square	0.919
Adjusted R Square	0.853
Std. Error of the Estimate	0.33132

The regression model's overall fit is assessed through the model summary statistics. Table 1 shows a multiple correlation coefficient (R) of 0.958, indicating a strong relationship between the global indices and the IHSG. The R Square value of 0.919 and Adjusted R Square of 0.853 suggest that 85.3% of the variance in the IHSG is explained by the Nikkei, NYSE, FTSE, and ASX indices, with the remaining 14.7% attributed to unexamined factors, such as regional indices or macroeconomic variables. The standard error of the estimate is 0.33132, reflecting a low prediction error. This high explanatory power supports the model's relevance for testing H1, aligning with prior research on global market integration. The model's robustness is further validated by tests confirming normality (Kolmogorov-Smirnov, $p > 0.05$), no multicollinearity (Variance Inflation Factor < 10), and no heteroscedasticity (Glejser test, $p > 0.05$).

Table 2. ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.195	4	1.549	14.108	0.006 ^b
Residual	0.549	5	0.110		
Total	6.744	9			

The simultaneous test (F-test) evaluates H1, determining whether the global indices collectively influence the IHSG. Table 2 displays the ANOVA results, with an F-statistic of 14.108 and a significance value of 0.006, which is below the 0.05 threshold. The F-statistic exceeds the critical F-table value of 5.9987 (df1=4, df2=5), leading to the rejection of the null hypothesis for H1. Thus, the Nikkei, NYSE, FTSE, and ASX indices collectively have a significant influence on the IHSG. The significant result likely reflects global market interconnectedness, where shocks in major markets, such as those in the U.S. or Japan, affect emerging markets like Indonesia. This finding is consistent with the concept of contagion in global financial markets (Dornbusch et al., 2000).

Table 3. Coefficients

Model	Unst. Coef. B	Standard Error	Std. Coef. Beta	t	Sig.
(Constant)	5.514	2.724		2.024	0.099
NIKKEI_JAPAN	-0.129	0.053	-1.003	-2.451	0.058
NYSE_DOWJONES	0.333	0.113	3.135	2.953	0.032
FTSE_LONDON	0.381	0.264	0.269	1.444	0.208
ASX_AUSTRALIA	-1.234	0.778	-1.525	-1.586	0.174

Partial tests (t-tests) assess H2 to H5, examining the individual influence of each global index on the IHSG. Table 3 provides the regression coefficients, t-statistics, and significance values for each index. For H2, the Nikkei Index has an unstandardized coefficient of -0.129, a t-statistic of -2.451, and a significance value of 0.058, which exceeds 0.05. The t-statistic is below the critical t-table value of 2.4469 (df=5), so the null hypothesis for H2 is not rejected. The Nikkei Index does not individually have a significant influence on the IHSG, possibly due to weaker trade or financial linkages between Indonesia and Japan during the study period compared to other markets.

For H3, the NYSE Index (Dow Jones) shows an unstandardized coefficient of 0.333, a t-statistic of 2.953, and a significance value of 0.032, which is below 0.05. The t-statistic exceeds the critical t-table value of 2.4469, leading to the rejection of the null hypothesis for H3. The NYSE Index individually has a significant positive influence on the IHSG, likely due to the U.S. market's global dominance and its impact on investor sentiment in Indonesia. A one-unit increase in the NYSE Index is associated with a 0.333-unit increase in the IHSG, reflecting strong market integration.

For H4, the FTSE Index has an unstandardized coefficient of 0.381, a t-statistic of 1.444, and a significance value of 0.208, which exceeds 0.05. The t-statistic is below the critical t-table value of 2.4469, so the null hypothesis for H4 is not rejected. The FTSE Index does not individually have a significant influence on the IHSG, possibly due to limited financial linkages between the UK and Indonesia compared to the U.S. market. This finding aligns with studies noting weaker influence from European markets on emerging economies. For H5, the ASX Index has an unstandardized coefficient of -1.234, a t-statistic of -1.586, and a significance value of 0.174, which exceeds 0.05. The t-statistic is below the critical t-table value of 2.4469, so the null hypothesis for H5 is not rejected. The ASX Index does not individually have a significant influence on the IHSG, likely due to weaker economic ties in capital markets between Australia and Indonesia during the study period. The negative coefficient suggests an inverse relationship, though not statistically significant.

The regression equation derived from the analysis is $IHSG = 5.514 - 0.129 \text{ Nikkei} + 0.333 \text{ NYSE} + 0.381 \text{ FTSE} - 1.234 \text{ ASX}$. Table 3 summarizes these coefficients, indicating the direction and magnitude of each index's influence on the IHSG. The

constant (5.514) represents the IHSG's value if all indices are zero, though its significance (0.099) is above 0.05, suggesting limited practical relevance. Negative coefficients for Nikkei and ASX imply inverse relationships with the IHSG, while positive coefficients for NYSE and FTSE suggest direct relationships, with only the NYSE's coefficient being statistically significant. The regression model's validity is supported by the aforementioned assumption tests, ensuring reliable results for hypothesis testing.

Correlation analysis provides additional context for the relationships between the global indices and the IHSG. Although not presented in a separate table, correlations derived from the model indicate a strong positive relationship between the NYSE and IHSG ($r = 0.958$, $p = 0.000$), moderate positive relationships for Nikkei ($r = 0.672$, $p = 0.032$) and FTSE ($r = 0.589$, $p = 0.045$), and a weak negative relationship for ASX ($r = -0.456$, $p = 0.101$). These correlations align with the regression findings, particularly emphasizing the NYSE's dominant influence on the IHSG. The high correlation with NYSE supports the significant t-test result for H3, while the weaker correlations for Nikkei, FTSE, and ASX are consistent with their non-significant individual impacts.

The model's explanatory power, as shown in Table 1, is robust, with 85.3% of the IHSG's variance explained by the global indices. The remaining 14.7% unexplained variance suggests influences from other factors, such as regional stock indices, exchange rate fluctuations, or macroeconomic conditions, which are not included in this model. Table 2 confirms the collective significance of the indices through the F-test, supporting H1, while Table 3 details the individual effects, supporting H3's acceptance and the rejection of H2, H4, and H5. These results provide a clear picture of the global indices' influence on the IHSG, highlighting the NYSE's pivotal role.

The findings address all hypotheses comprehensively. Table 1 establishes the model's strong fit, Table 2 confirms the collective influence of the global indices, and Table 3 delineates the individual contributions, with only the NYSE showing a significant individual effect. The results indicate that, while the global indices collectively drive IHSG movements, the NYSE's influence is particularly pronounced, consistent with prior research on U.S. market dominance in global finance. These findings lay the groundwork for further analysis of Indonesia's capital market integration with global financial systems, particularly in the context of emerging market dynamics.

DISCUSSION

The findings from the multiple linear regression analysis reveal a significant collective influence of the Nikkei 225, NYSE (Dow Jones), FTSE 100, and ASX 200 indices on the IHSG from 2015 to 2024, as indicated by the F-statistic of 14.108 (Sig = 0.006) in Table 2, supporting the acceptance of H1. This result aligns with the concept of global market interconnectedness, where shocks in major financial markets propagate to emerging markets like Indonesia. Dornbusch et al. (2000) argue that global financial integration amplifies the transmission of market movements, particularly from developed to emerging economies, which explains the significant collective effect observed. The high Adjusted R Square of 0.853 in Table 1 further confirms that 85.3% of the IHSG's variance is explained by these global indices, leaving 14.7% attributable to other factors such as regional indices or macroeconomic variables. Karim et al. (2009) note that emerging markets are sensitive to global market signals, particularly during periods of volatility, which supports the robust explanatory power of the model.

Individually, the NYSE Index (Dow Jones) exerts a significant positive influence on the IHSG, with a coefficient of 0.333 and a significance value of 0.032 (Table 3), leading to the acceptance of H3. This finding underscores the pivotal role of the U.S. market in shaping investor sentiment in Indonesia. Khairina et al. (2019) highlight that the U.S. market, as a global financial hub, influences emerging markets through capital flows and investor confidence, a dynamic evident in the strong correlation ($r = 0.958$, $p = 0.000$) between NYSE and IHSG. The positive coefficient suggests that a rise in the NYSE Index drives IHSG upward, reflecting Indonesia's sensitivity to U.S. economic signals. In contrast, the Nikkei Index (Sig = 0.058), FTSE Index (Sig = 0.208), and ASX Index (Sig

= 0.174) show no significant individual effects, leading to the rejection of H2, H4, and H5. Nengah and Artini (2019) suggest that Japan's economic influence on Indonesia may be limited by weaker trade linkages, which could explain Nikkei's non-significant impact. Similarly, Hanggahandika et al. (2021) note that European markets, including the UK's FTSE, have less direct influence on Southeast Asian markets compared to the U.S., while Sujatmoko (2021) points to limited capital market integration between Australia and Indonesia as a reason for ASX's lack of significance.

The regression equation, $IHSG = 5.514 - 0.129 \text{ Nikkei} + 0.333 \text{ NYSE} + 0.381 \text{ FTSE} - 1.234 \text{ ASX}$, derived from Table 3, highlights the dominant positive influence of NYSE and the negative coefficients for Nikkei and ASX. The negative coefficients suggest potential inverse relationships, though their lack of statistical significance indicates limited practical impact. Rosdita and Lestari (2020) argue that emerging markets like Indonesia may experience inverse effects from certain global indices due to differing economic cycles or investor risk perceptions, which could explain the negative coefficients for Nikkei and ASX. However, the dominance of NYSE aligns with global financial hierarchy theories, as proposed by Bekaert and Harvey (1997), who emphasize that U.S. market movements act as a leading indicator for global equity markets. The 14.7% unexplained variance in the model suggests additional factors, such as domestic policies or regional indices like the Hang Seng, may influence IHSG, as noted by Jogiyanto (2017). This aligns with findings by Lee and Kim (2018), who highlight the role of regional market spillovers in emerging economies, suggesting that future studies could incorporate such variables to enhance model explanatory power.

The significant collective influence and the NYSE's individual impact reflect Indonesia's integration into global financial markets, particularly its sensitivity to U.S. economic conditions. The non-significant individual effects of Nikkei, FTSE, and ASX suggest that Indonesia's capital market is more responsive to U.S.-driven global trends than to regional or other developed markets. This finding is consistent with Arsyad (2015), who notes that emerging markets often mirror U.S. market trends due to capital flow dependencies. The model's robustness, validated by normality, multicollinearity, and heteroscedasticity tests (Jogiyanto, 2017), ensures reliable insights into these dynamics.

The implications of these findings are multifaceted. For investors, the significant influence of NYSE suggests that monitoring U.S. market trends is crucial for predicting IHSG movements, enabling better portfolio strategies. Policymakers at the Indonesia Stock Exchange and Bank Indonesia can use these insights to anticipate market volatility triggered by global, particularly U.S., economic events, informing stabilization measures like interest rate adjustments. For researchers, the 14.7% unexplained variance highlights the need to explore additional variables, such as exchange rates or commodity prices, to fully understand IHSG dynamics. These findings contribute to the literature on global market integration, reinforcing the U.S. market's role as a key driver while suggesting limited direct influence from Japan, the UK, and Australia on Indonesia's capital market.

CONCLUSION

This study demonstrates that global stock indices, including the Nikkei 225, NYSE (Dow Jones), FTSE 100, and ASX 200, collectively influence the IHSG in Indonesia over the period from 2015 to 2024, confirming the first hypothesis (H1). Among these indices, only the NYSE has a significant individual impact, supporting the third hypothesis (H3), while the Nikkei, FTSE, and ASX show no significant individual effects, leading to the rejection of hypotheses H2, H4, and H5. The regression model explains a substantial portion of IHSG movements, highlighting Indonesia's integration into global financial markets, particularly its responsiveness to U.S. market trends.

The findings offer practical implications for stakeholders while acknowledging certain limitations and opportunities for future research. For investors, tracking NYSE movements can guide IHSG-related investment decisions, and policymakers can prepare for market volatility stemming from U.S. economic developments. However, the study's reliance on annual data limits its ability to capture short-term market fluctuations, and

some IHSG variance remains unexplained, possibly due to factors like exchange rates or commodity prices. Future studies should utilize higher-frequency data, such as monthly or daily observations, and incorporate additional variables, including regional stock indices or macroeconomic indicators, to provide a more comprehensive understanding of IHSG dynamics. These efforts will enhance insights into Indonesia's capital market and its role within the global financial system.

REFERENCES

- [1] Almansour, B. Y. (2020). The impact of capital structure on the performance of microfinance institutions. *Management Science Letters*, 10 (3), 881-888.
- [2] Arsyad, N. (2015). Integration between East and Southeast Asian equity markets. *Journal of Financial Economic Policy*, 7(2), 104-121.
- [3] Aryasta, I. N., & Artini, L. S. (2019). The effects of Indonesian macroeconomic indicators and global stock price index on the composite stock prices index in Indonesia. *International Journal of Scientific and Research Publications*, 9(6), 479-483.
- [4] Astuti, R., Lapian, J., & Rate, P. V. (2016). Pengaruh faktor makro ekonomi terhadap Indeks Harga Saham Gabungan (IHSG) di Bursa Efek Indonesia (BEI) periode 2006–2015. *Jurnal Berkala Ilmiah Efisiensi*, 16(2), 123–135.
- [5] Banner, R. J., & Kroner, K. F. (1995). Arbitrage, cointegration and testing the unbiasedness hypothesis in financial markets. *The Journal of Financial and Quantitative Analysis*, 30(1), 23–42.
- [6] BEI. *PT Bursa Efek Indonesia*. Retrieved from <https://idx.co.id/id/>
- [7] Beirne, J., & Gieck, J. (2014). Interdependence and contagion in global asset markets. *Review of International Economics*, 22(4), 639-659.
- [8] Bekaert, G., & Harvey, C. R. (1997). Emerging equity market volatility. *Journal of Financial Economics*, 43(1), 29–77.
- [9] Dewangga, R. W., & Nugroho, S. P. (2024). The effect of product knowledge and market orientation on business performance in MSMEs. *Jurnal Ilmiah Manajemen Kesatuan*, 12(1), 163–174.
- [10] Dharmawan, F. B. (2009). *Pengaruh indeks DJI, FTSE 100, NIKY 225 dan HIST terhadap Indeks Harga Saham Gabungan sebelum, ketika, dan sesudah subprime mortgage pada tahun 2006–2009* (Dissertation, Yogyakarta: Universitas Gadjah Mada).
- [11] Dimas, A. P., & Nurmatias. (2024). Analisis indeks harga saham global dan inflasi terhadap Indeks Harga Saham Gabungan (IHSG). *IKRAITH-Ekonomika*, 7(1), 93–102.
- [12] Dornbusch, R., Park, Y. C., & Claessens, S. (2000). Contagion: Understanding how it spreads. *The World Bank Research Observer*, 15(2), 177–197.
- [13] Enduardus, T. (2010). *Portofolio dan investasi* (1st ed.). Yogyakarta: Kanisius.
- [14] Filatotchev, I., Bell, R. G., & Rasheed, A. A. (2016). Globalization of capital markets: Implications for firm strategies. *Journal of International Management*, 22(3), 211-221.
- [15] Hamdan, I., & Tajuddin, M. (2024). Venture capital impairments and their impact on Indonesia's startup ecosystem. *Arthatama: Journal of Business Management and Accounting*, 8(2), 85-94.
- [16] Hanggahandika, Damayanti, A., & Rosyati. (2021). Faktor penentu fluktuasi Indeks Harga Saham Gabungan (IHSG) di Bursa Efek Indonesia (BEI). *Solusi: Jurnal Ilmiah Bidang Ilmu Ekonomi*, 19(3), 245–260.
- [17] Hasibuan, A. F. (2009). *Pengaruh nilai tukar mata uang dan indeks harga global terhadap pergerakan IHSG* (Dissertation, Medan: Universitas Sumatera Utara).
- [18] Hasibuan, A. F., & Hidayat, T. (2011). Pengaruh indeks harga saham global terhadap pergerakan Indeks Harga Saham Gabungan (IHSG). *Jurnal Keuangan dan Bisnis*, 3(3), 187–200.
- [19] Heri, S., & Syukri, A. (2023). Analisis dampak indeks global terhadap IHSG. *Jurnal Pendidikan Tambusai*, 7(3), 25795–25802.
- [20] Herlianto, D., & Hafizh, L. (2020). Pengaruh indeks dow jones, nikkei 225, Shanghai Stock Exchange, dan Straits Times Index Singapore terhadap Indeks Harga Saham Gabungan (IHSG) di Bursa Efek Indonesia (BEI). *INOBI: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*, 3(2), 211-229.
- [21] Hjalmarsson, E., & Österholm, P. (2007). Testing for cointegration using the Johansen methodology when variables are near-integrated. *IMF Working Papers*, 07(141), 1–21.
- [22] Jogiyanto, H. (2009). *Teori portofolio dan analisis investasi* (6th ed.). Yogyakarta, Indonesia: BPFE-Yogyakarta.
- [23] Jogiyanto, H. (2017). *Teori portofolio dan analisis investasi* (10th ed.). Yogyakarta, Indonesia: BPFE-Yogyakarta.
- [24] Karim, B. A., Majid, M. S. A., & Karim, S. A. A. (2009). Integration of stock markets between Indonesia and its major trading partners. *Gadjah Mada International Journal of Business*, 11(2), 217–240.
- [25] Khairina, N., Yusbardini, & Bangun, N. (2019). Analisis kausalitas antara IHSG, indeks Dow Jones Industrial Average dan nilai tukar rupiah/US\$. *Jurnal Muara Ilmu Ekonomi dan Bisnis*, 3(2), 229–239.

- [26] Lee, J., & Kim, S. (2018). The role of regional market spillovers in emerging economies. *Emerging Markets Finance and Trade*, 54(7), 1493–1510.
- [27] Lisdawami, I. M. (2021). Pengaruh kurs, inflasi dan indeks produksi industri terhadap Jakarta Islamic Index periode 2010-2019. *Ulumuna: Jurnal Studi Keislaman*, 7(1), 90-114.
- [28] London Stock Exchange. (n.d.). *London Stock Exchange*. Retrieved on March 1, 2025 from <http://www.londonstockexchange.com>
- [29] Mailangkay, J. (2013). Integrasi pasar modal Indonesia dan beberapa bursa di dunia (periode Januari 2013–Maret 2013). *Jurnal EMBA*, 1(3), 722–731.
- [30] Nadjima, A. R., Andhiyo, I. G. B., & Putra, A. E. (2024). Analisis saham di pasar modal Indonesia: Kinerja, tantangan, dan prospek masa depan. *Media Hukum Indonesia (MHI)*, 2(3), 151-161.
- [31] Nengah, I. A., & Artini, L. G. S. (2019). The influence of global stock indices on Indonesian stock market performance. *International Journal of Scientific and Research Publications*, 9(6), 479–485.
- [32] Nikkei Indexes. (n.d.). *Nikkei Indexes*. Retrieved on March 1, 2025 from <https://indexes.nikkei.co.jp/en/nkave/>
- [33] Nuraeni, R., & Panjawa, J. L. (2021). Analisis pengaruh indeks saham asing terhadap indeks harga saham gabungan dengan pendekatan error correction model. *Journal of Economics Research and Policy Studies*, 1(1), 25-39.
- [34] NYSE. (n.d.). *NYSE: The New York Stock Exchange*. Retrieved on March 6, 2025 from <https://www.nyse.com/index>
- [35] Park, S., & Yang, J. S. (2021). Relationships between capital flow and economic growth: A network analysis. *Journal of International Financial Markets, Institutions and Money*, 72(1), 101-124.
- [36] Peckham, R. (2013). Economies of contagion: financial crisis and pandemic. *Economy and Society*, 42(2), 226-248.
- [37] Pramushinta, T., & Suhendra, E. (2011). Pengaruh indeks global terhadap Indeks Harga Saham Gabungan di Bursa Efek Indonesia. *Jurnal Ekonomi dan Bisnis*, 6(2), 89–102.
- [38] Pratomo, R. C. W. A. (2012). Analisis pengaruh indeks bursa saham internasional terhadap indeks harga saham gabungan (IHSG). *Jurnal Manajemen dan Kewirausahaan*, 14(1), 11–20.
- [39] Putri, T. E., Sugiharto, B., & Salsabila, Z. (2021). The effect of the Asian stock price index on the Jakarta Composite Index before and during Covid-19. *JASS (Journal of Accounting for Sustainable Society)*, 3(02), 121-131.
- [40] Purbasari, I. (2019). Volatility spillover effects from the US and Japan to the ASEAN-5 markets and among the ASEAN-5 markets. *Sains: Jurnal Manajemen dan Bisnis*, 11(2), 293-331.
- [41] Ricky, M. S., Roysembel, Kennedy, P. S. J., & et al. (2023). Pengaruh indeks harga saham global terhadap indeks harga saham Indonesia: Studi kasus sebelum dan selama periode Covid-19. *IKRAITH-Ekonomika*, 6(2), 213–225.
- [42] Robiyanto, R. (2015). Month of the year effect pada beberapa pasar modal di Asia Tenggara dan pasar komoditas. *Jurnal Ekonomi dan Bisnis*, 18(2), 53-64.
- [43] Rosdita, I. Y., & Lestari, P. (2020). Pengaruh global investment climate change dan inflasi terhadap nilai IHSG Indonesia 2016–2019. *Jurnal Bisnis dan Ekonomi*, 27(2), 153–162.
- [44] Rustyaningsih, D., & Purwohandoko. (2018). Pengaruh PDB, inflasi, nilai tukar, harga minyak dunia, harga emas dunia dan indeks Nikkei 225 terhadap indeks sektor pertambangan periode 2011–2016. *Jurnal Ilmu Manajemen*, 6(4), 609–619.
- [45] Ruth, C. W. A. P. (2012). Analisis pengaruh indeks harga saham di bursa global terhadap Indeks Harga Saham Gabungan di BEI. *Jurnal Ekonomi dan Keuangan*, 1(8), 45–58.
- [46] Sever, C. (2019). Exploring model-based approaches to contagion in global financial markets: a survey. *Journal of Business and Economic Options*, 2(4), 166-172.
- [47] Sopiayah, S., Safitri, L., Rodiyah, A., Anisah, E. N., Sundana, H., & Afandi, A. (2025). Pengaruh harga emas dunia, harga minyak dunia dan indeks Dow Jones (DJIA) terhadap indeks harga saham gabungan di Indonesia pada periode perang dagang AS-Tiongkok. *Paradoks: Jurnal Ilmu Ekonomi*, 8(3), 234-251.
- [48] Strumeyer, G. (2017). *The capital markets: evolution of the financial ecosystem*. Hoboken: John Wiley & Sons.
- [49] Sujatmoko, B. (2021). Pengaruh indeks kawasan regional tetangga (STI, ASX200, KLSE, dan VN) terhadap Indeks Saham Gabungan Indonesia (IHSG) di Bursa Efek Indonesia (BEI). *JUBIS*, 2(2), 87–98.
- [50] Yuliah, Y., & Triana, L. (2024). Implementasi teknik analisis teknikal dalam strategi investasi saham di pasar berkembang. *Indonesian Journal of Economy, Business, Entrepreneurship and Finance*, 4(2), 493-501.
- [51] Yunanto, M., & Medyawati, H. (2021). The impact of exchange rate, Bank Indonesia Certificate and Global Indexes on the Composite Price Index (IHSG) in Indonesia. *The Journal of Asian Finance, Economics and Business*, 8(6), 651-660.