ABSTRACT

ANALYSIS OF MONETARY POLICY TRANSMISSION IN STOCK PRICE, BOND, AND GOLD CHANNELS IN INDONESIA (PERIOD 2005:07-2009:09)

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The purpose of this script is to know the relative effectivity between monetary policy transmission channels of stock price, bond, and gold in Indonesia. The hypothesis that was submitted is the assessment that the variable of transmission in monetary policy of stock price, bond, and gold has real influence about inflation both of investment and consumption in Indonesia period 2005:07-2009:12.

Model of analysis used is VAR which combined with VECM. Step of trial that was done is stationarity, cointegration and lag optimum test and than estimation with VAR/VECM, Impuls response function, varians decompotition, and classic assumption test.

From the comparation analysis, we get the result that the transmission of monetary policy in stock price with investment is the most effective. We can get this result form the similarity of significant analysis and impulses response. From the comparison of long term, it is gotten the bond channel by investment that can that can response quickly of shock Bi-Rate as Stance of monetary policy. Whereas the result of variance decompotition indicated that bond channel with investment is the transmission of monetary policy which more affective than other channel.

The ineffectiveness of gold price channel in the similarity transmission of the monetary policy, it was proved that inclination of the gold price is to keep on ascending without influenced by inflation. So the gold price can not respond the shock Bi-Rate.

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