



## **Table of Contents**

STATEMENT .....	iii
PREFACE .....	iv
LIST OF FIGURES.....	viii
LIST OF TABLES .....	ix
ABSTRACT .....	x
INTISARI.....	xi
CHAPTER I – INTRODUCTION .....	1
1.1. Background.....	1
1.2. Research Objectives .....	3
1.3. Research Limitations .....	3
1.4. Research Benefits .....	3
1.5. Authenticity of the Research .....	4
1.6. Report Systematic.....	4
CHAPTER II – LITERATURE REVIEW .....	6
2.1. Literature Review .....	6
2.2. Theoretical Background .....	10
2.2.1 Crude Oil .....	10
2.2.2 Indonesia Stock Exchange.....	12
2.3. Hypothesis .....	15
2.3.1 Effects of Oil Price Changes to Market Returns .....	15
2.3.2 Market Efficiency and Oil Price Changes .....	16
CHAPTER III – RESEARCH METHODOLOGY .....	19
3.1. Sample and Population .....	19
3.2. Data and Source of the Data.....	19
3.3. Variable Identification.....	20



3.3.1 Independent Variable .....	20
3.3.2 Dependent Variable .....	20
3.4. Empirical Model .....	21
3.4.1 Effects of Oil Price Changes to Market Returns .....	21
3.4.2 Market Efficiency and Oil Price Changes .....	23
3.5. Hypothesis Testing .....	24
CHAPTER IV – RESEARCH FINDINGS AND DISCUSSION .....	26
4.1. Data Analysis .....	26
4.2. Research Finding Analysis .....	26
4.2.1. Effects of Oil Price Changes to Market Returns .....	26
4.2.2. Market Efficiency and Oil Price Changes .....	33
CHAPTER V – CONCLUSIONS AND SUGGESTIONS .....	36
5.1 Conclusions .....	36
5.2 Suggestions .....	37
REFERENCES .....	39



## **LIST OF FIGURES**

Figure 2.1. Oil Prices, 1994-2007 .....	12
Figure 3.1. Statistical test .....	25
Figure 4.1. Rejection Regions for Two-Tailed Test of First Hypothesis .....	27
Figure 4.2. Rejection Regions for Two Sub-samples of First Hypothesis .....	31



## **LIST OF TABLES**

Table 4.1. Descriptive Analysis .....	26
Table 4.2. Coefficients of regression first hypothesis .....	27
Table 4.3. Percentile Distributions .....	29
Table 4.4. Coefficients of large and small sub-sample regression .....	30
Table 4.5. Coefficients of second hypothesis .....	32
Table 4.6. Coefficients of regression third hypothesis .....	33
Table 4.7. Coefficients of regression fourth hypothesis .....	35