

EFFECT OF COMMODITY PRICE INDICES TOWARDS MSCI ALL COUNTRY WORLD INDEX

THESIS

Submitted as partial fulfillment of the requirements for Degree of *Sarjana Manajemen (S1)* in
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Arranged By:

ADRIANUS ARIO PRASETYA KARLIMAN

Student ID Number: 181224357

Faculty of Business and Economics

UNIVERSITAS ATMA JAYA YOGYAKARTA

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AUTHENTICITY ACKNOWLEDGEMENT

I, Adrianus Ario Prasetya Karliman, hereby declare that I compiled my undergraduate thesis
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Writer,



Adrianus Ario Prasetya Karliman



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Based on the Thesis Defense results that has been held on Tuesday, 24 May 2022 with the following examiners:

1. Mei Jinping
2. Zhao Hongping
3. Wang Qizhen
4. Xu Meng
5. Yu Xin

The examiners team has decided that:


Name : Adrianus Ario Prasetya Karliman
Student Number : 181224357
Program : International Business Management
as a Dual Degree student in Nanjing Xiaozhuang University.

Has passed
Thesis Defense

The thesis revision has been reviewed and confirmed by all examiners.

This letter of statement is made for yudisium/Graduation of Bachelor of Management in Faculty of Business and Economics Universitas Atma Jaya Yogyakarta.

Dean,



FAKULTAS BISNIS
DAN EKONOMIKA
UNIVERSITAS ATMA JAYA YOGYAKARTA

Drs. Budi Suprpto, MBA., Ph.D.

Alamat

Kampus III Gedung Bonaventura
Jalan Babarsari 43 Yogyakarta 55281

URL

<http://www.uajy.ac.id>

Kontak

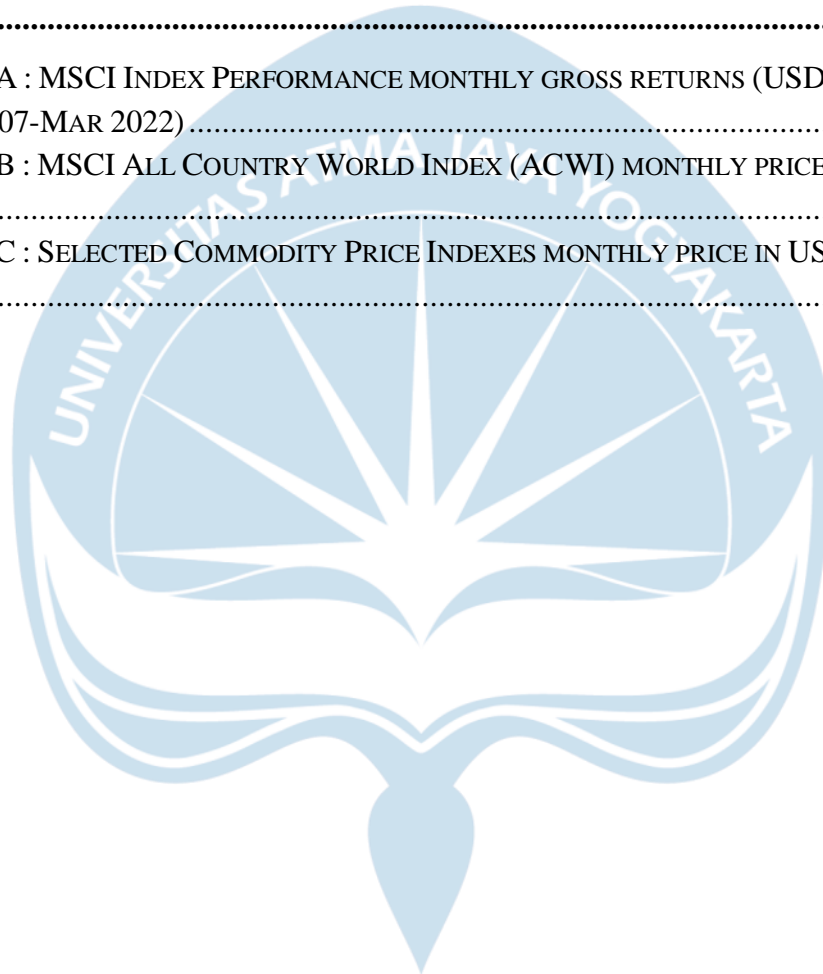
Telepon : +62-274-487711 ext. 3120, 3127
Fax : +62-274-485227
Surel : fbe@uajy.ac.id



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Abstract

Increasingly interconnected global financial markets provides access for market participants in different countries. Stock market in particular is very important for economic development as providers of capital for companies. Most market participants enter the market to grow or hedge their funds against inflation. The basic principle of investing, particularly in stocks, is to calculate the risk and return of securities by taking into account external variables such as economic trends and global reference sector prices, such as commodities. One of the indicators that investors utilize while investing in the capital market, particularly in equities, is the index. This paper focus on MSCI index, the market capitalization of stock market index of companies worldwide, as the benchmark of stock prices. Also, this study analyzed the effect of commodity price indices, retrieved from IMF database towards MSCI All Country World Index (ACWI) index in the period of 2012-2021. The results of this study showed that precious metals index and energy index has a significant correlation towards MSCI ACWI, while food index does not.

Keywords: market, stock, MSCI, index, price