

**Impact of the United States-China Trade War Through Indonesian
Macroeconomic Studies on the LQ-45 Stock Index**

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ABSTRACT

This study aims to analyze the impact of the trade war between the United States and China through Indonesian macroeconomic studies on the LQ-45 stock index in the short and long term. The research method used in this study is a quantitative method. Data collection in this study was obtained online in the form of data on several macroeconomic subsectors. The analysis method used in this study is the Vector Error Correction Model (VECM) to examine the impact caused in the short and long term. The results of this study show that in the short term, only the LQ-45 variable has a self-influence, while in the long term, all variables have an impact on LQ-45. Positive effects were observed from the FED Rate, and Exports, while negative effects were seen from the BI Rate, CNY Rate, USD Rate, and Imports.

Keywords: Trade War, Macroeconomic, Stock Index LQ-45

ABSTRAK

Penelitian ini bertujuan untuk menganalisis dampak perang dagang antara Amerika Serikat dan Tiongkok melalui studi makroekonomi Indonesia terhadap indeks saham LQ-45 dalam jangka pendek dan panjang. Metode penelitian yang digunakan dalam penelitian ini adalah metode kuantitatif. Pengumpulan data dalam penelitian ini diperoleh secara daring berupa data beberapa sub sektor ekonomi makro. Metode analisis yang digunakan dalam penelitian ini adalah Vector Error Correction Model (VECM) untuk mengkaji dampak yang ditimbulkan dalam jangka pendek dan panjang. Hasil penelitian ini menunjukkan bahwa dalam jangka pendek, hanya variabel LQ-45 yang memiliki pengaruh diri, sedangkan dalam jangka panjang, semua variabel berdampak pada LQ-45. Efek positif terlihat dari FED Rate, dan Ekspor, sedangkan efek negatif terlihat dari BI Rate, CNY Rate, USD Rate, dan Impor.

Kata Kunci: Perang Dagang, Ekonomi Makro, Indeks Saham LQ-45

INTRODUCTION

In 2018, the American president carried out a protectionist policy, namely increasing the price of import tariffs and blocking some types of supplies. increasing import tariffs and blocking some types of technology supplies from the US. technology supplies from America. This was done because the Americans felt suspicious of the US trade deficit, which they attributed to trade fraud committed by the US. considered to be due to trade fraud committed by China. According to Gunawan and Arfah (2019), the trade war between the United States and China began in March 2018 when the US and China began in March 2018 when the President of the United States, imposed

import duties of 50 billion dollars on goods originating from China based on the United States Act goods from China based on United States Law Article 301 of 1974 which regulates about governing trade.

According to Putri (2019), the Chinese imposed something similar on about 128 products from United States as a response made by the Americans because China felt it was also harmed. With the two countries imposing customs tariffs on each other and suppressing the economic growth of outsiders, this is the beginning of a trade war between the United States and China. This affects the weakening of world economic growth, including Asia and especially Indonesia, which also establishes economic cooperation with both countries.

According to Meyland and Djoice (2022), the ongoing trade war between the United States and the people's Republic of China, is a war that has implications globally. This trade war has a significant impact on all countries and all industries including capital markets. Trade wars lead to information asymmetry and collective behavior of investors. This can happen because investors share the same information and this information can trigger changes in expectations in the capital market. Based on this, that investment and stock markets in one country cannot be separated from other countries, thus influence each other and give a long impact to other regions, this is often known as the domino effect or contagion effect (Morris, 2010).

In addition to the impact on the economic stability of the two superpowers that are conducting the Cold War, Indonesia and other developing countries are also affected. Of the several elements affected, the capital market is one of several economic activities that are also affected. The trade war between the two superpowers is believed to have an impact on the efficiency of the capital market and the movement of the stock price index of the countries involved, including Indonesia, both conventional and sharia.

According to Teimouri and Raeissadat (2019), although developing countries in the ASEAN region (including Indonesia) do not have a significant position in transactions with America, the tariffs imposed by United States will still have an impact on Indonesia's transactions with the United States. On the other hand, because China is also an important transaction partner for many ASEAN countries, especially Indonesia, the tariff increase will have a considerable impact on transactions between Indonesia and China. In an open economy, export performance is one of the factors that influence economic growth. Export is an activity in international trade by means of the sale of goods and services produced abroad or to other countries. The ongoing United States-China trade war conflict will affect the export performance of the two trading partner countries which then has an impact on economic growth.

The Indonesian capital market itself is a fairly open capital market, so it can be easily influenced by various factors, both internal and external factors. Internal factors are factors that come from within the company such as the fundamental condition of each company, corporate actions or policies taken by the company's

management, and projected performance in the future. In addition to some of these internal factors, there are also some external factors or factors that come from outside the company that can affect the value of a country's capital market. The external factors such as economic conditions and stability of a country, such as interest rates, inflation rates, currency exchange rate fluctuations, and so forth (kompas.com).

According to Heru and Kanti (2022), the flow of capital into the Indonesia Stock Exchange (IDX) is one of the causes of the Indonesian capital market being quite vulnerable to being influenced by various factors that come from abroad, both positive and negative. With large foreign holdings, the IDX will automatically become sensitive to capital market movements. Although the influx of foreign investment into the country can accelerate domestic growth, but the dominance of foreign investors in the capital market makes the capital market more vulnerable to receive influence when there is turmoil abroad such as turmoil on foreign stock exchanges.

There are two types of capital markets in Indonesia, namely conventional capital markets and Islamic capital markets. Both types of capital markets are equally influenced by the macroeconomic conditions of a country. The development of two types of capital markets in Indonesia, of course, have differences between the two. Where the conventional capital market listing on the Indonesia Stock Exchange must comply with all the rules of legality 8 applied by the Indonesia Stock Exchange, while the sharia capital market in addition to legal must also qualify as a sharia capital market in accordance with the fatwa of the Indonesian National Sharia Council No.40/DSN-MUI/X / 2003 which must comply with Sharia rules both in terms of activities, public offerings, securities trading and types of securities traded (Sholihah & Asandimitra, 2017). The purpose of this study is to analyze the influence caused by several macroeconomic factors such as BI Rate, FED Rate, China Rate, the value of USD/IDR Tukar, CNY/IDR exchange rate, exports and imports of the LQ-45 Indonesia Stock Index on the phenomenon of United States -China trade war.

LITERATURE REVIEW

Contagion Effect Theory (Domino Effect)

The Contagion Effect is also known as the domino effect. The term Contagion Effect is often reverted to being defined in accordance with the World Bank. Contagion effect is a common cross-country shock transmission. The pattern of change is analogous to a domino that stands upright, when the earliest domino falls, it will hit the nearest dominoes. This process will continue until the last domino. This domino effect also appears due to the herd factor that enveloped instinct global investor panic, the viral effect referred to in this study is when there is a fluctuation in international trade volume will have an effect/influence on the LQ-45 Stock Index. Contagion Effect indicates as one of the economic conditions to explain how an output can be determined by a phenomenon (Lukman & Yuliawati, 2022).

Open Economy Theory

An open economy can be defined as an economy that involves itself in international trade (export and import) of goods and services as well as capital with other countries. This system provides an opportunity for people to interact in the economic field with other countries whether individuals, private or government. These economic activities can be in the form of trade in goods and services, exchange of technology, and so on. An open economy is an economic system that prioritizes interaction with the outside world through international trade. A country that adheres to an open economic system, can import goods or services that it needs. International Trade Policy and financial markets of the country. An open economy allows companies and individuals to trade with companies and individuals in other countries and participate in foreign capital markets (Muhammad Haikal et al, 2024).

Interest Rate

Interest rate is a measure of investment returns obtained by investors or capital owners and also the size of the cost of capital that must be incurred by the company for the use of funds from investors. The interest rate is capital, so the higher the interest rate, the lower the company's income. Interest rates can affect economic activity so that they can affect company profits (Lukman & Yuliawati, 2022). The interest rate is one of the instruments of monetary policy, which aims to control the inflation rate. Bank Indonesia will issue a benchmark interest rate or known as the BI Rate, with the aim of controlling the rising inflation rate and reducing the amount of money circulating in the community. The BI rate is also influenced by the Central Bank's interest rate policy or the FED Rate, if the BI reference interest rate increases, it will affect lending rates in the banking sector, one of which will result in an increase in mortgage loans and other lending rates (Safitri, 2023).

Exchange Rate

Exchange rates are very important for an economy because of the effects of large exchange rates in the balance sheets of ongoing transactions and for macro variables in an economy. Understanding the exchange rate is simply the price or value of one currency in another currency. This currency rate becomes a benchmark by an investor. He can take advantage of the exchange rate to transact in foreign exchange or also invest in a company. When the currency is weak, he is unlikely to invest his capital in a country whose currency exchange rate is weakening (Sutandi et al, 2021).

According to Mustafa et al. (2021), the money exchange rate represents the price level of exchange from one currency to another and is used in various transactions, including investments. In many cases, the decline in the rupiah exchange rate can lead to a decrease in the role of the national economy or due to increased demand for foreign currency as an international means of payment. The stronger rupiah exchange rate to some extent means that describing the performance in the money market is increasingly showing improvement. As the impact of rising inflation, the domestic exchange rate is weakening against foreign currencies. This results in decreased performance of a company and investment in the capital market is reduced.

The exchange rate is a macroeconomic indicator related to the size of the state budget. The exchange rate assumption is related to the number of transactions in the state budget related to foreign currencies, such as loan receipts and foreign debt payments, oil receipts and fuel subsidies. Thus, the variables of the basic macroeconomic assumptions largely determine the amount of state revenues and expenditures, including balance funds, as well as the amount of financing. The exchange rate describes how much a currency must be destined to acquire one unit of another currency (Muhammad Ali, 2022).

Export

According to Novia and Selvi (2022), export activities are a trading system by issuing goods from within the country to abroad by meeting applicable regulations. Exports are the total goods and services that a country sells to another country, including goods, insurance, and services in a given year. Export is one of the economic sectors that plays an important role through the expansion of markets between several countries, which can extend to one industry, thus encouraging other industries and encouraging other economic sectors. Export is the process by which the products of one country are brought to another country to be sold, based on quality quantity, payment terms, and other requirements based on agreements between exporters and importers in each country. To carry out export activities, goods and services or products produced by each country must be competitive in order to compete and enter the international market (Fitri & Weri, 2020).

Import

Import is the activity of entering goods into the customs area. Import transactions are trade by entering goods from abroad into the Indonesian customs area by meeting the provisions of applicable laws and regulations. This definition means that import activities involve two countries. In this case it can be represented by the interests of both companies between the two different countries and of course also its regulations and acting as a supplier and the other acting as a receiving country (Novia & Selvi, 2022).

RESEARCH METHODS

This research is quantitative research, which is a research method oriented towards collecting data that can be expressed in the form of numbers. This study is a quantitative study using time series data obtained from the research object in the form of the LQ-45 stock index, covering the period January 2018 to December 2023 which coincided with the trade war between the United States and China until the post-trade war between the two. The analytical approach used in this study is the Vector Error Correction Model (VECM), which is one of the components of the VAR model. VAR model selection is based on the nature of time series data that captures economic fluctuations. In the VAR/VECM model, all variables are considered as the same variable, so it is no longer necessary to distinguish between endogenous and

exogenous variables. The stages carried out in the VAR/VECM methodology include Data Stationarity Test, Optimal Lag test, VAR stability test, Johansen Cointegration Test, Granger Causality Test, Vector Error Correction Model Estimation (Adi Adrian and Rofiuddin, 2023)

RESULTS AND DISCUSSION

Data Stationarity Test

The stationarity test in VAR/VECM uses the unit root test with the Augmented Dickey Fuller method (ADF Test). If the value of Prob < 0.05, then the data does not contain a unit root, which means that the data is stationary. Based on the findings of the stationarity test presented in Table 1, it can be seen that most of the variables studied in this study are at non-stationary levels. However, since all variables are expected to exhibit stationarity in the unit root test, a secondary test is performed at the level of the first difference to achieve a stationary result. The results of the stationarity Test at the first difference Level show that all variables are indeed stationary.

Table 1. Stationarity Test
 Source: Data Processed With Eviews 12 (2024)

Variable	Level		First Difference Level	
	t-Statistic	Prob.*	t-Statistic	Prob.*
BI Rate	-1.367065	0.5935	-4.044184	0.0021
CNY Rate	0.237357	0.9732	-8.738984	0.0000
FED Rate	-1.242193	0.6516	-5.461087	0.0000
USD Rate	-3.297339	0.0187	-9.362064	0.0000
Export	-1.081589	0.7188	-13.28674	0.0001
Import	-1.084154	0.7177	-11.16646	0.0001
LQ-45	-2.630090	0.0918	-7.080515	0.0000

Optimal Lag Test

Determination of the optimal lag length is seen from the minimum Akaike Information Criterion (AIC) value. Referring to Table 2, it can be seen that lag 2 indicates the optimal lag length, as indicated by the sequential modification LR Test value. The highest Akaike Information Criterion (AIC) and Schwarz Information Criterion (SC) values are 205.3352, -23.27661, and -21.40329, respectively. Therefore, for this study, a lag of 1 is used.

Table 2. Test Lag Length Criteria
 Source: Data Processed With Eviews 12 (2024)

Lag	LogL	LR	AIC	SC
0	695.4127	NA	-21.18193	-20.94776
1	812.4898	205.3352*	-23.27661*	-21.40329*
2	847.2740	53.51416	-22.83920	-19.32673

VAR Stability Test

The stability of VAR needs to be tested first before conducting any further analysis. The VAR Model is declared stable if the root has a modulus value less than 1 or the DOT is inside the circle. Referring to Figure 1, it can be seen that the model used in this study is relatively stable because all the roots of the polynomial function are located on the unit circle as a result.

Inverse Roots of AR Characteristic Polynomial

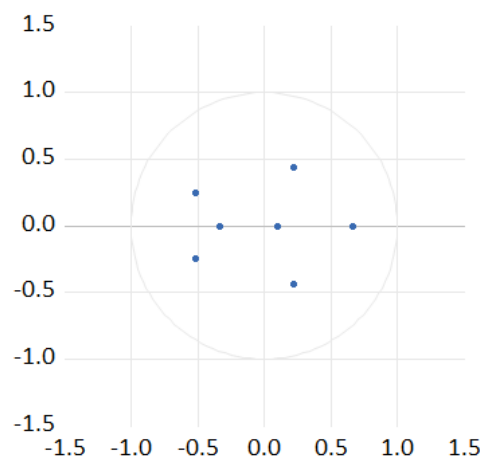


Figure 1. VAR Stability Test
 Source: Data Processed With Eviews 12 (2024)

Cointegration Test

This test is used to determine whether there will be balance in the long term, that is, there is a similarity of movement and stability of the relationship between the variables in this study or not. If the probability value is < 0.05 , then there is a cointegration equation, which means that it has a long-term equilibrium. As illustrated in Table 3, this study reveals the existence of six cointegration relationships. The presence of an asterisk indicates that the probability value is below 5% and The Trace statistic exceeds the critical value. Therefore, these findings provide a basis for further testing through vecm estimation testing.

Table 3. Cointegration Test
 Source: Data Processed With Eviews 12 (2024)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.740065	310.0592	125.6154	0.0000
At most 1 *	0.600657	217.0938	95.75366	0.0000
At most 2 *	0.554296	153.7564	69.81889	0.0000
At most 3 *	0.424122	97.99744	47.85613	0.0000
At most 4 *	0.353036	59.91908	29.79707	0.0000
At most 5 *	0.274146	29.87198	15.49471	0.0002
At most 6 *	0.106421	7.763952	3.841465	0.0053

Vector Error Correction Model (VECM) Estimation

The VECM estimation presented in Table 4 shows that this study produced a statistical F-value of 4.138655, exceeding the critical value of 0.322. This shows that all variables together have a significant influence. In addition, the estimation results show an R-Squared value of 0.355596 or 35.5%, which indicates that about one-third of the variation of the LQ-45 variable can be explained by the variables included (BI Rate, FED Rate, CNY Rate, USD/IDR exchange rate, exports, and imports). Notably, 65.5% of LQ-45 variables were influenced by external factors beyond the scope of this study.

Table 4. Estimated VECM
 Source: Data Processed With Eviews 12 (2024)

Variable	Long Term	
	T-Statistic	Prob.
BI RATE	1.000000	-
CNY RATE	[-3.38357]	(2.61298)
FED RATE	[-0.73042]	(0.05494)
USD RATE	[-3.50269]	(1.29098)
EXPORT	[0.25292]	(0.39969)
IMPORT	[9.23240]	(0.29148)
LQ-45	[-3.86367]	(0.50966)
C	-0.042553	
Variable	Short Term	
	T-Statistic	Prob.
COIN EQ1	0.063597	(0.02095)
BI RATE	[-1.71187]	(0.12266)
CNY RATE	[-6.53458]	(0.08832)
FED RATE	[0.32114]	(0.10524)
USD RATE	[-3.52403]	(0.17207)

EXPORT	[-7.03848]	(0.10257)
IMPORT	[3.55701]	(0.12494)
LQ-45	[-2.16209]	(0.16448)
C		
<hr/>		
R-SQUARED	0.355596	
ADJ R-SQUARED	0.269675	
F-STATISTIC	4.138655	
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In The Long Term

$$BI\ RATE = - 0.042553 - 8.841205\ CNY - 0.040131\ FFR - 4.521903\ USD + 0.101089\ EXP + 2.691097\ IMP - 1.969170\ LQ45$$

In this study, all variables, namely CNY rate, FED Rate, USD Rate, Export, Import, and LQ-45 variables did not significantly affect the BI Rate. This is because all variables have a Prob value > 0.05.

$$CNY\ RATE = - 0.042553 + 1.000000\ BI - 0.040131\ FFR - 4.521903\ USD + 0.101089\ EXP + 2.691097\ IMP - 1.969170\ LQ45$$

In this study, all variables, namely BI Rate, FED Rate, USD Rate, Export, Import, and LQ-45 variables did not significantly affect the CNY Rate. This is because all variables have a Prob value > 0.05.

$$FED\ RATE = - 0.042553 + 1.000000\ BI - 8.841205\ CNY - 4.521903\ USD + 0.101089\ EXP + 2.691097\ IMP - 1.969170\ LQ45$$

In this study, all variables, namely BI Rate, CNY Rate, USD Rate, Export, Import, and LQ-45 variables did not significantly affect the FED Rate. This is because all variables have a Prob value > 0.05.

$$USD\ RATE = - 0.042553 + 1.000000\ BI - 8.841205\ CNY - 0.040131\ FFR + 0.101089\ EXP + 2.691097\ IMP - 1.969170\ LQ45$$

In this study, all variables, namely the BI Rate, CNY Rate, FED Rate, Export, Import, and LQ-45 variables did not USD Rate significantly affect the USD Rate. This is because all variables have a Prob value > 0.05.

$$EXPORT = - 0.042553 + 1.000000\ BI - 8.841205\ CNY - 0.040131\ FFR - 4.521903\ USD + 2.691097\ IMP - 1.969170\ LQ45$$

In this study, all variables, namely BI Rate, CNY Rate, FED Rate, USD Rate, import, and LQ-45 variables did not significantly affect exports. This is because all variables have a Prob value > 0.05.

$$IMPORT = - 0.042553 + 1.000000\ BI - 8.841205\ CNY - 0.040131\ FFR - 4.521903\ USD + 0.101089\ EXP - 1.969170\ LQ45$$

In this study, all variables, namely the BI Rate, CNY Rate, FED Rate, USD Rate, Export, and LQ-45 variables do not significantly affect the BI Rate. This is because all variables have a Prob value > 0.05.

$$LQ45 = - 0.042553 + 1.000000 BI - 8.841205 CNY - 0.040131 FFR - 4.521903 USD + 0.101089 EXP$$

In this study, all variables, namely BI Rate, CNY Rate, FED Rate, USD Rate, import variables did not significantly affect LQ-45. This is because all variables have a Prob value > 0.05.

In The Short Term

$$BI RATE = 0.000319 - 0.037973 CNY - 0.027589 FFR + 0.578681 USD - 0.039144 EXP - 0.030846 IMP + 0.242511 LQ45$$

In this study, the CNY Rate, USD Rate, and LQ-45 variables did not significantly affect the BI Rate. This is because the variable has a value of Prob > 0.05. As for the variable FED Rate, Export, and Import significant effect, because it has a value of Prob < 0.05.

$$CNY RATE = 0.000319 + 0.032622 BI + 0.009939 FFR + 0.008291 USD - 0.003496 EXP + 0.024768 IMP - 0.009828 LQ45$$

In this study all variables, namely BI Rate, FED Rate, USD Rate, Export, Import, and LQ-45 variables significantly affect the CNY Rate. This is because all variables have a Prob value < 0.05.

$$FED RATE = 0.000319 + 1.639347 BI - 2.802365 CNY - 6.765336 USD + 0.538799 EXP - 0.240112 IMP + 0.657820 LQ45$$

In this study, all variables, namely BI Rate, CNY Rate, USD Rate, Export, Import, and LQ-45 variables did not significantly affect the FED Rate variable. This is because all variables have a Prob value > 0.05.

$$USD RATE = 0.000319 + 0.042333 BI + 0.571862 CNY + 0.030373 FFR + 0.034407 EXP + 0.000572 IMP + 0.031478 LQ45$$

In this study, BI rate, CNY Rate, and LQ-45 variables did not significantly affect the USD rate variable. This is because the variable has a value of Prob > 0.05. Meanwhile, the variable FED Rate, Export, and Import significant effect, because it has a value of Prob < 0.05.

$$EXPORT = 0.000319 - 0.210102 BI - 1.811333 CNY + 0.093499 FFR - 1.605291 USD + 0.629698 IMP - 0.410025 LQ45$$

In this study, the BI Rate, CNY Rate, USD Rate, Import, and LQ-45 variables did not significantly affect the Export variable. This is because the variable has a value of Prob > 0.05. Meanwhile, only the FED Rate variable has a significant effect, because it has a Prob value < 0.05.

IMPORT = 0.000319 - 0.597718 BI - 2.931547 CNY + 0.076898 FFR - 1.472370 USD - 0.064072 EXP - 0.498400 LQ45

In this study, BI rate, CNY Rate, USD Rate, export, and LQ-45 variables did not significantly affect the import variables. This is because the variable has a value of Prob > 0.05. Meanwhile, the variable FED Rate and imports have a significant effect, because it has a value of Prob < 0.05.

LQ-45 = 0.000319 - 0.304509 BI - 0.206103 CNY - 0.022719 FFR + 0.169618 USD - 0.019146 EXP - 0.098320 IMP

In this study variables BI Rate, CNY Rate, USD Rate, exports, and imports did not significantly affect the variable LQ-45. This is because the variable has a value of Prob > 0.05. Meanwhile, the variable FED Rate and export significant effect, because it has a value of Prob < 0.05.

Discussion

After conducting the study, it can be seen that the variables of the stock index LQ-45 influence each other and are mutually influenced by other variables. In this study, it was found that variables such as BI Rate, CNY Rate, USD Rate, and imports did not have a significant effect on the LQ-45 variable. Meanwhile, the Fed rate and export variables have a significant effect.

The findings of this study indicate that the short-term impact of BI rate on LQ-45 is not significant, but in the long term it has a negative impact. This result is in line with the Random Walk theory which states that stock price movements are unpredictable and fluctuate. This study also received support from previous research conducted by Sutandi et al. (2021) which reported the negative influence of the BI rate on LQ-45. In addition, the study reveals the positive impact of FED interest rates on LQ-45. These findings are consistent with research conducted by Muhammad Ali (2022) observing the positive influence of FED rates on stock indices. The positive long-term effect of the FED rate on the LQ-45 suggests that an increase in the FED rate during the period of the trade war between the United States and China may lead to an increase in the shares of issuers in the LQ-45.

Similarly, the study identified a positive effect of the USD exchange rate on the LQ-45. This finding is in line with research conducted by Heru Wahyudi and Kanti Rahayu (2022), which reported the positive influence of the USD exchange rate on stock returns in the agricultural sector. The long-term positive effect of the USD exchange rate on the LQ-45 suggests that the increase in the USD exchange rate during the period of the trade war between the United States and China may lead to an increase in the issuer's shares in the LQ-45. On the contrary, the study revealed the negative impact of the CNY exchange rate on the LQ-45. These findings support the Random Walk theory, which suggests that stock price movements are random and do not depend on previous prices (Muhammad Ali, 2022).

Finally, the study reveals the positive long-term effects of exports on LQ-45, as exports are considered an indicator of Indonesia's economic growth. This finding is in line with the importance of exports in contributing to economic growth. In contrast, imports have a negative impact on the LQ-45, in line with Random Walk theory, which argues that future stock price movements are independent of current prices. Empirical studies conducted by Halisa and Annisa (2022) also support these findings, reporting negative effects.

CONCLUSIONS AND ADVICE

The findings of this study indicate that in the short term, only the LQ-45 variable has a self-influence, while in the long term, all variables have an impact on LQ-45. Positive effects were observed from the FED Rate, and exports, while negative effects were seen from the BI Rate, CNY Rate, USD Rate, and imports. The VECM estimation results show that LQ-45 only responds positively to shocks caused by USD Rate, while LQ-45 responds negatively to shocks caused by BI Rate, CNY Rate, FED Rate, USD Rate, Export, and Import.

This research focuses on analyzing time series data. However, it is important to note that the observation period is limited to the duration of the trade war between the United States and China, until the end of 2023. To enhance future research, it is recommended to extend the observation period. In this study, six factors have been considered as influential on the LQ-45 Stock Index, but there are several other factors that have not been incorporated into the research model. Future researchers can expand the model by including variables such as inflation and the Overseas Stock Price Index. In addition, the analytical tools used in this study are relatively basic. Future researchers can dig deeper and use more complex analytical methods, such as incorporating a spatial perspective.

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