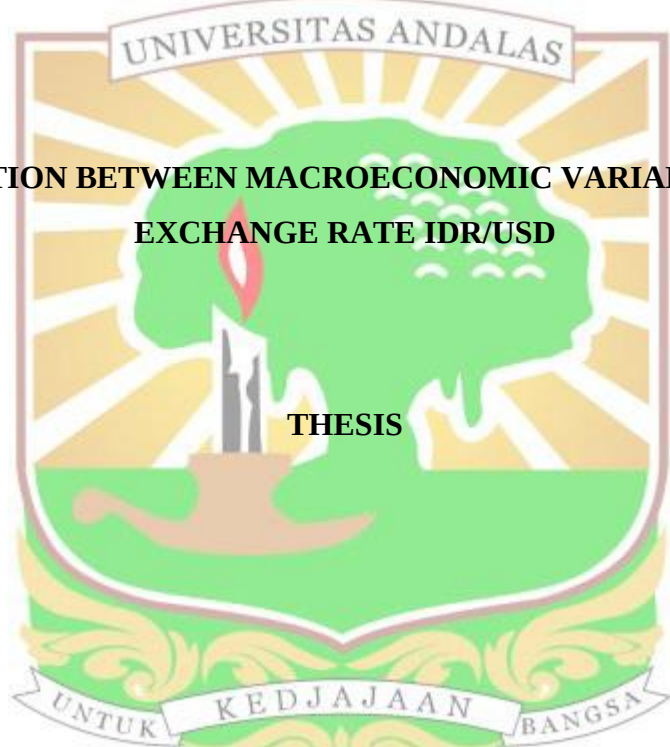




UNIVERSITAS ANDALAS

**COINTEGRATION BETWEEN MACROECONOMIC VARIABLES AND THE
EXCHANGE RATE IDR/USD**

THESIS



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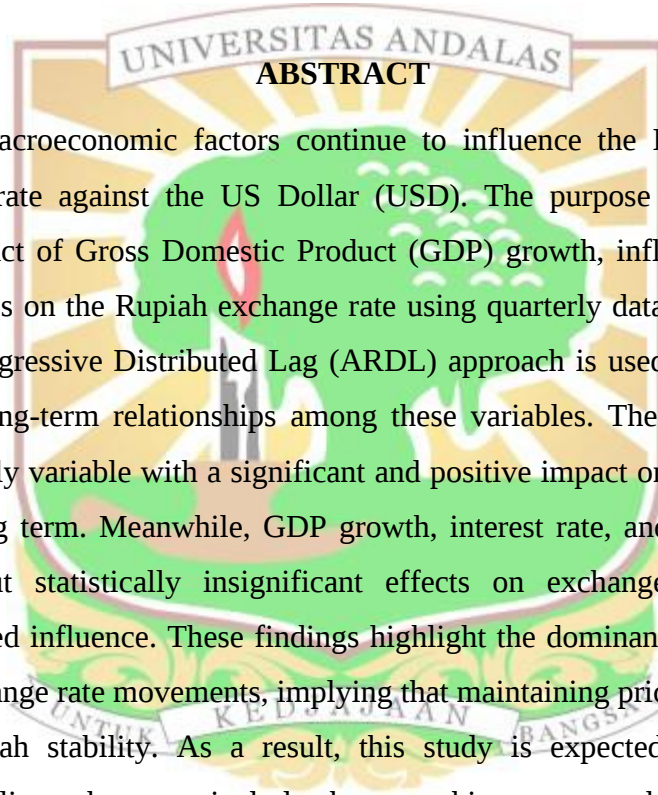
2025

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Submitted to the Department of Economics
On September 19, 2025
To fulfill some of the requirements for achieving a degree
Bachelor of Economics



ABSTRACT

Several macroeconomic factors continue to influence the Indonesian Rupiah's (IDR) exchange rate against the US Dollar (USD). The purpose of this study is to examine the impact of Gross Domestic Product (GDP) growth, inflation, interest rates, and trade openness on the Rupiah exchange rate using quarterly data from 2010 to 2022. The Autoregressive Distributed Lag (ARDL) approach is used to investigate both short-term and long-term relationships among these variables. The findings show that inflation is the only variable with a significant and positive impact on the Rupiah in both the short and long term. Meanwhile, GDP growth, interest rate, and trade openness all have positive but statistically insignificant effects on exchange rate fluctuations, indicating a limited influence. These findings highlight the dominant role of inflation in determining exchange rate movements, implying that maintaining price stability is critical to ensuring Rupiah stability. As a result, this study is expected to provide useful information to policymakers, particularly those working to strengthen monetary policy and manage macroeconomic stability in Indonesia.

Keywords: Exchange Rate, Inflation, GDP Growth, Interest Rate, Trade Openness, ARDL

Thesis Advisor: Yessy Andriani, S.E, M.IDEC