

The Resilience of Finance Analysis in Time Series Perspective: Case Study in Volatility of Indonesian Currency Rate

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Some researchers or institutions conducted the finance analysis to minimize the future-risk in investment problems. It would be complicated when the complexity sector could not be modeled easily as well, but the time series analysis in finance had been maintained since years ago as the stable perspective to the data. The currency and inflation rate are two factors that influence some factors in economic and finance term in Indonesia. This has been obviously since the monetary crisis (1997), where Indonesia suffered the huge descent period. Some analysts usually make their research in finance as the time series perspective from that point.

The volatility (comparison between coefficient of variance of inflation to the currency rate) as a time series function shows that Indonesia has the lower value (.87) than other countries in the same region such as Thailand (.95), Brunei (1.23), and Malaysia (5.67). Nevertheless, it is not the sign that the welfare in Indonesia is better than those countries. Another result shows that inflation rate influence the currency rate in 4 days after (4 lagged) with the .76 as the correlation in both high-pass filtered time series; this become one tool to take some “tactical management” action in finance analysis term.