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The weakening of economic growth in China have an impact on the decline in China's export products and on the countries that have strong partner relationships such as Indonesia. Moreover, it also had an impact on the stocks market of China and Indonesia that can be seen during the period of January 3, 2011-December 31, 2015, SHCOMP and JCI continues to fluctuate. Which is where the development of stock index fluctuations that occurred in Indonesia and China stock market tend to be similar. This can happen because of existence of volatility in domestic stock market could be affected by volatility from global stock markets. The effect would have greater impact if the capital markets are located in same region.

This study used time series data to be analyzed by several methods, which is Augmented Dickey-Fuller test, EGARCH, and granger causality test using statistical software EViews 8.

The result showed that data rate of JCI and SHCOMP is stationary in first difference by changing the JCI and SHCOMP daily data into the return rate data. But, JCI and SHCOMP data still have heteroskedastisity problem so it can be analyzed by EGARCH. Results of the EGARCH analysis showed that there is volatility spillover in Indonesia and China stock markets . Then, granger causality test shows that volatility spillover in the stock markets of Indonesia and China did not have a relationship. So, investors can predict the movement of stock prices in both markets by observing other information that affects the movement of Indoensia and chian stock markets.

Keywords: Indoesia Stock Market; China Stock Market; Volatility Spillover; EGARCH