ANALYSIS THE DAY OF THE WEEK EFFECT BASED ON RETURN AND ABNORMAL RETURN IN STOCK LQ45 IN THE PERIOD 2007-2008

By

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Capital market is the market for long-term financial instruments that can be traded, whether in the form of debt or equity. Efficient capital markets (Efficient Market) is a market where prices reflect the availability of information created in full. In an efficient market theory states that stock returns do not differ on any trading day. But the phenomenon of The Day of the week effect, stating that the difference of return for each trading day in a week where on Monday tend to produce negative returns. The Day of The Week Effect is a seasonal anomaly in which the impact will be opposite the expected results in the efficient capital market positions. The problem in this study is whether there is a significant difference in return between day trading and whether there are significant differences abnormal return on Monday with other trading days.

The purpose of this study was to prove the validity of the efficient market anomaly in IDX based on analysis of The Day of the week effect. The hypothesis of this research is that there is a significant difference in returns between trading days, there is a significant abnormal return occurred in IDX and is significantly different abnormal return on Monday with other trading days. The object of the research is listed issuers on 45 LQ constant over the period 2007-2008 there are a total of 14 issuers. The analytical method used is the analysis of return calculations with market expectations models are developed using regression techniques. The statistical methods used to test hypotheses are descriptive and quantitative analysis through analysis of variance (ANOVA), the average difference test (t test) in one sample test to examine whether there is a significant abnormal return between day trading and independent sample test to test Monday abnormal return significantly different in comparison to other trading days.

The results of this study indicate that the results of descriptive statistical average return and abnormal return to the 14 stocks showed that on average the highest return was obtained on Friday and the lowest average return on Mondays This shows that the return tends to increase at the weekend ie low on Friday and Monday. Based on ANOVA test results showed no difference found average stock return among the 14 trading days for stocks. It is identified that the Indonesian capital market has an average rate of return the same on each day's trading to investors. Based on the results of the average difference test using t - tests showed the results of calculations can not find a significant abnormal return, so that shows there is not the day of the week effect. Based on the different test results indpenden sample t-tests indicated that the abnormal return significantly different from Monday's abnormal return on Friday. The results of this study showed that there were indications of the day of the week but not significant effect. Thus it can be said can not find the phenomenon of The day of the week effect on the Indonesian Stock Exchange especially in the LQ-45 during the period 2007-2008.