

ABSTRACT

IDENTIFICATION OF WEEKEND EFFECT (DAY OF THE WEEK EFFECT) ON RETURN INDEX KOMPAS-100 IN IDX PERIOD 2007.09-2009.12

By

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This study aimed to test a weak form of efficient markets in Indonesia Stock Exchange with a focus on the weekend effect (day of the week effect) on the Kompas-100 index during the period 2007.09-2009.12. In this study, the hypothesis being tested is thought to have weekend effects on the return index Kompas-100 and might not have the weekend effect on return index Kompas-100. This study uses a model TARCM (p, q) as a model that can explain the weekend effect on the index Kompas-100 during period 2007.09-2009.12. Results showed that there is no weekend effect (day of the week effect) on Kompas-100 index during the period 2007.09 - 2009.12, as shown by the returns on Monday are lower and statistically significant compared with the other four trading days, and obtained the highest return on Thursday.

Keywords: Weekend Effect (Day of The Week Effect), Efficient Market Hypothesis, TARCM

JEL Classification: A11, C01, G14