

ABSTRACT

Capital markets have an important role in the economy of a country that can turn the economy of a country in order to continue to grow and develop. On the Indonesia Stock Exchange on the capital market with the LQ45 index there is high liquidity, selection of issuers and considering market capitalization. Along with the development of economics and technology, companies that are actively trading are needed by having efficient management strategies in order to maintain the level of stock returns.

This study aims to determine the effect of Stock Trading Frequency, Stock Trading Volume and Market Capitalization on Stock Returns on the Indonesia Stock Exchange LQ45 Index for the 2013-2017 period partially or simultaneously. Data is obtained from the Indonesia Stock Exchange with 45 issuers with purposive and sampling criteria which have obtained 24 companies sampled. This study uses quantitative methods with secondary data usage for the period 2013-2017.

The results of this study indicate that partially trading frequency variables and market capitalization proved to have a significantly positive effect on stock returns, while the trading volume variable proved to have a not significant effect on stock returns. Simultaneously, the Frequency of Stock Trading, Stock Trading Volume, and Market Capitalization have a significant effect on stock returns in LQ45 companies in the Indonesia Stock Exchange 2013-2017.

Keywords: Frequency of Stock Trading, Stock Trading Volume, Market Capitalization, Stock Return