

Abstract

The objective of this research is to analyse whether the Day of the Week Effect and Week-four Effect occurred in the LQ45 index. The Day of the Week Effect is the difference between Monday's return to the other days of the week significantly. Week-four Effect reveals that Monday Effect only happens in the fourth and fifth week of the month when the first week to the third week is considered insignificant negative or equal to zero.

The secondary data was collected such as daily stock prices from LQ45 from February 2011 to February 2016. SPSS was used to analyse the data; t-test and the ANOVA analysis model were used in the study which showed whether the Day of the Week Effect and Week-four Effect were present based on return or not.

This paper shows that both the Day of the Week Effect and Week-four Effect did not occur between February 2011 to February 2016.

Keywords: return, stock market anomaly, the day of the week effect, week four effect