ABSTRACT

Along with the emergence of government policies, the release of the Indonesian Council of Ulema (MUI) fatwa related to cigarettes, and the incessant anti-smoking campaign becomes a big challenge for the cigarette industry in managing the risks that will occur in the future. The government realizes that cigarettes are detrimental to public health, so it should be limited. These causes the movement of GGRM and HMSP stock returns to fluctuate and tend to weaken in the period of 01 September 2014 - 01 September 2016.

Through this research will be measured VaR to know the risk of the company's shares of cigarette sub sector by using time series data and analyzed by using the simulation method Historis and Monte Carlo.

The results showed the VaR value of GGRM and HMSP stock with the historical method is 3.28 and 2.54%. While the value of VaR shares GGRM and HMSP with Monte Carlo method is 3.52% and 3.14%. Monte Carlo simulation gives greater result than Historical Simulation, because Monte Carlo simulation do iteration repeatedly by involving random number generation and many synthesize the data so that sample data becomes more which makes the calculation is bigger.

Keyword: Value at Risk, Historical Simulation, Monte Carlo simulation, Risk, Return