

A THESIS

**INTERNATIONAL EFFICIENT PORTFOLIO: THE
PERFORMANCE OF SELECTED ASIAN EMERGING
CAPITAL MARKETS BASED ON MARKOWITZ
MODEL**



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declare that intellectual content of this thesis is result of my original work, entitled as **“international efficient portfolio: the performance of selected Asian emerging capital markets based on Markowitz model”**. All ideas, statements, analysis and notes here are written from my knowledge. This writing does not contain other’s works, apart from those that have been acknowledged and pointed out in references.

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ABSTRACT

The growth of emerging Asian capital markets has received much attention in the past few years. Investors have been attracted to the potential for high returns along with diversification benefits of these markets. The aim of this study is analyzing selected Asian emerging capital markets and making an international efficient portfolio based on Markowitz model. First step was an economic analysis of selected countries and then capital market analysis to choose profitable capital markets among them. After finding Indonesian and Malaysian capital market which worth to invest in among all selected capital markets and portfolio was built with the securities of these two markets. The securities were selected which were always listed in most liquid capital market index LQ45 for Indonesia and KLSE30 for Malaysia. 15 securities from LQ45 and 13 securities from KLSE30 were elected to make a portfolio. Markowitz efficient portfolio principles doesn't suggest only one portfolio, it gives several efficient portfolio for investors to choose based on their risk tolerance. After finding efficient portfolio using INVEST software, an optimal portfolio were selected among all efficient portfolios.

Keywords: *Markowitz model, efficient portfolios, Asian emerging markets, Index, stocks.*

INTISARI

Dalam beberapa tahun terakhir, pertumbuhan pasar modal Asia yang sedang muncul menarik banyak perhatian. Melalui diversifikasi dari pasar tersebut yang bermanfaat, para *investor* telah tertarik karena potensi keuntungannya tinggi. Penelitian ini bertujuan untuk menganalisa pasar modal Asia terpilih yang sedang muncul dan untuk membentuk portfolio internasional secara efisien berdasarkan model Markowitz. Analisa kondisi ekonomi Negara-negara yang dipilih merupakan langkah pertama, kemudian, diikuti analisa pasar modal dalam rangka pemilihan pasar modal yang menguntungkan. Di antara pasar modal yang dipilih, ditemukan bahwa pasar modal Indonesia dan Malaysia unggul untuk diinvestasikan, oleh karenanya, portfolio dibentuk dengan saham-saham dari kedua pasar tersebut. Saham-saham yang terpilih merupakan yang selalu terdaftar di saham paling likuid yaitu indeks LQ45 untuk Indonesia, sedangkan indeks KLSE30 bagi Malaysia. Agar dapat membentuk portfolio, 15 saham dari LQ45 dan 13 saham dari KLSE30 telah dipilih. Hasil dari model Markowitz dengan prinsipnya; memberikan beberapa pilihan portfolio yang efisien bagi para investor tergantung toleransi resiko yang diambil bukan hanya satu portfolio yang harus dipilih. Dengan menggunakan perangkat lunak INVEST, sebuah portfolio yang

efisien dan optimal akhirnya ditemukan, terpilih diantara portfolio-portfolio yang efisien.

Keywords: *Model Markowitz, portfolio internasional, pasar modal Asia yang sedang muncul, indeks, saham.*

