

CHAPTER V

CONCLUSION

5.1 Conclusion

Liquidity research findings and statements varies with various people across the globe. Pastor and Stambaugh (2003) measure of U.S. stock market liquidity by following the impact of volume traded and price changes. In one of their earlier studies, Amihud and Mendelson (1986) measured the link between market liquidity and stock market returns. Chordia, Sarbar, and Subrahmanyam (2002) find that volatility of aggregate liquidity in the U.S. Affects bonds and stocks and that it is correlated with monetary policy. Bortolotti et al. (2004) argue that liquidity is the fundamental aspect of stock market development.

The objective of this research is to help us examine and to analyze the variables of the stock market gathered from their historical data with its relationship to liquidity, its comparative form or relative measure of liquidity, and the level of the excess stock return.

The scope of this research study is the companies that were always listed in the LQ45 from 2002 until 2012 using daily historical price data. This research result gives many controversial results, whereas the results are somewhat puzzling and different than other researches in similar study. In this study, The result of data analysis that has been done shows that:

1. SIZE does affect excess stock returns.
2. Book value of equity to the market value of equity has no effect on excess stock returns.
3. Stock turnover rate has no effect on excess stock returns.
4. Coefficient of variation of turnover has no effect on excess stock returns.
5. Price has no effect on the variable of excess stock returns.
6. Relative measure of liquidity (RML) has no effect on excess stock returns.
7. Variation of the relative measure of liquidity does not have any effect on excess stock returns.

5.2 Research Limitations

This study has a couple of limitations items, namely:

1. This study has limitations those variables that affect excess stock returns only size. Future studies may add other variables that affect the stock excess returns.
2. This research was conducted only at the companies always listed in LQ 45 years from 2002 to 2012.

5.3 Future Research Suggestion

This research is far from perfect, so if anyone wants to this or similar type of research, there are some things that they need to take heed, they are:

1. Use other types of index, IHSG for example. And try not to put the category of “Always in index A” for different results. By taking another sample hopefully it will yield more accurate, better results and give contribution to this area of study.
2. Taking more time series data to make the analysis better. With the usage of more time series data hopefully it will give results that are more comprehensive and more precise than before. In that it will contribute further to increase the level of competence in the particular discipline served.

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APPENDIX I
DATA LISTING

Astra Agro Lestari (AALI)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0032	28.4980	0.5747	0.0037	0.0037	1.0165	0.5807	0.1578	0.1856	1.1758
2	2003	0.0008	28.4866	0.6502	0.0028	0.0030	1.0805	-0.0225	0.1757	0.2059	1.1722
3	2004	0.0033	28.9673	0.5601	0.0023	0.0026	1.1385	0.5866	0.1755	0.2413	1.3754
4	2005	0.0023	29.5311	0.4065	0.0014	0.0022	1.5979	0.7553	0.0659	0.0995	1.5102
5	2006	0.0047	30.1592	0.2306	0.0006	0.0006	0.9280	0.8740	0.0315	0.0378	1.2023
6	2007	0.0040	30.8839	0.1652	0.0011	0.0009	0.7834	1.0642	0.0432	0.0401	0.9264
7	2008	-0.0034	31.0748	0.2181	0.0019	0.0013	0.6576	0.2095	0.0669	0.0492	0.7361
8	2009	0.0042	31.0015	0.2242	0.0011	0.0008	0.7318	-0.0701	0.0431	0.0343	0.7942
9	2010	0.0010	31.1969	0.2064	0.0010	0.0007	0.7275	0.2152	0.0475	0.0392	0.8262
10	2011	0.0001	31.1774	0.2441	0.0006	0.0004	0.6294	-0.0189	0.0424	0.0502	1.1847
11	2012	-0.0003	31.1424	0.2808	0.0007	0.0005	0.8051	-0.0343	0.0378	0.0332	0.8776

Aneka Tambang (ANTM)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0001	28.0713	1.3022	0.0015	0.0020	1.3405	-0.1007	0.0877	0.1194	1.3620
2	2003	0.0060	28.2284	1.0369	0.0021	0.0028	1.3255	0.1635	0.1872	0.3335	1.7819
3	2004	0.0001	28.5940	0.9731	0.0044	0.0042	0.9566	0.4414	0.3880	0.3871	0.9976
4	2005	0.0037	29.1733	0.6592	0.0033	0.0038	1.1394	0.7848	0.1811	0.2061	1.1378
5	2006	0.0043	29.9672	0.4341	0.0030	0.0021	0.7082	1.2121	0.1722	0.1392	0.8082
6	2007	0.0018	31.9467	0.1928	0.0064	0.0074	1.1611	0.4478	1.8085	2.2428	1.2402
7	2008	-0.0050	30.7928	0.4439	0.0067	0.0073	1.0898	-0.6846	1.6268	1.8022	1.1078
8	2009	0.0039	30.5575	0.4788	0.0063	0.0063	1.0048	-0.2096	1.7987	1.6218	0.9016
9	2010	0.0008	30.6855	0.4564	0.0031	0.0023	0.7186	0.1365	1.0335	0.8558	0.8281
10	2011	-0.0016	30.5624	0.5859	0.0015	0.0011	0.7320	-0.1158	0.5800	0.3686	0.6356
11	2012	-0.0008	30.2641	0.9452	0.0015	0.0031	1.9932	-0.2555	0.5666	0.7423	1.3101

Astra International (ASII)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0034	29.7473	0.8413	0.0661	0.0713	1.0774	0.6789	12.3397	9.0243	0.7313
2	2003	0.0026	30.3267	0.8353	0.0285	0.0206	0.7245	0.1528	12.4773	11.0225	0.8834
3	2004	0.0035	30.9137	0.6437	0.0234	0.0173	0.7406	0.7929	9.8208	6.6121	0.6733
4	2005	0.0005	31.4092	0.4731	0.0164	0.0133	0.8113	0.6413	2.6363	2.0725	0.7861
5	2006	0.0023	31.4936	0.4844	0.0187	0.0132	0.7028	0.0880	3.2059	2.1317	0.6649
6	2007	0.0029	31.9364	0.3813	0.0156	0.0105	0.6757	0.5572	1.9142	1.5529	0.8113
7	2008	-0.0033	31.9416	0.5001	0.0164	0.0121	0.7355	0.0085	1.8121	1.3870	0.7654
8	2009	0.0060	32.2273	0.4660	0.0117	0.0061	0.5190	0.3215	1.6066	0.9962	0.6200
9	2010	0.0023	32.8954	0.2608	0.0101	0.0060	0.5893	0.9581	1.4579	0.8380	0.5747
10	2011	0.0016	33.1709	0.3020	0.0096	0.0057	0.6013	0.3168	1.9112	1.0461	0.5473
11	2012	0.0003	35.6115	0.0309	0.0009	0.0005	0.5708	0.1467	1.7167	1.1636	0.6778

Bank Central Asia (BBCA)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0031	30.2433	0.8613	0.0020	0.0020	0.9788	0.6517	0.4080	0.4370	1.0710
2	2003	0.0016	30.5018	0.7330	0.0014	0.0013	0.8706	0.2703	0.3622	0.3275	0.9044
3	2004	0.0006	31.1899	0.4333	0.0011	0.0011	0.9958	-0.0083	0.6739	0.6224	0.9236
4	2005	0.0008	31.3644	0.3800	0.0013	0.0012	0.9346	0.1892	0.4929	0.4565	0.9260
5	2006	0.0022	31.6165	0.3399	0.0009	0.0006	0.7318	0.2906	0.3374	0.2894	0.8579
6	2007	0.0018	31.9203	0.2850	0.0008	0.0006	0.7316	0.3551	0.2319	0.1915	0.8256
7	2008	-0.0021	31.9130	0.3254	0.0009	0.0005	0.6077	-0.4996	0.4837	0.3220	0.6657
8	2009	0.0022	32.1730	0.3097	0.0006	0.0004	0.7064	0.2969	0.4150	0.3114	0.7502
9	2010	0.0015	32.6026	0.2396	0.0005	0.0003	0.6392	0.5367	0.3408	0.1987	0.5829
10	2011	0.0012	32.8371	0.2323	0.0005	0.0003	0.6694	0.2643	1.3483	9.2972	6.8956
11	2012	0.0008	32.9028	0.2682	0.0005	0.0003	0.6333	0.0616	0.4660	0.3069	0.6585

Indofood SuksesMakmur (INDF)

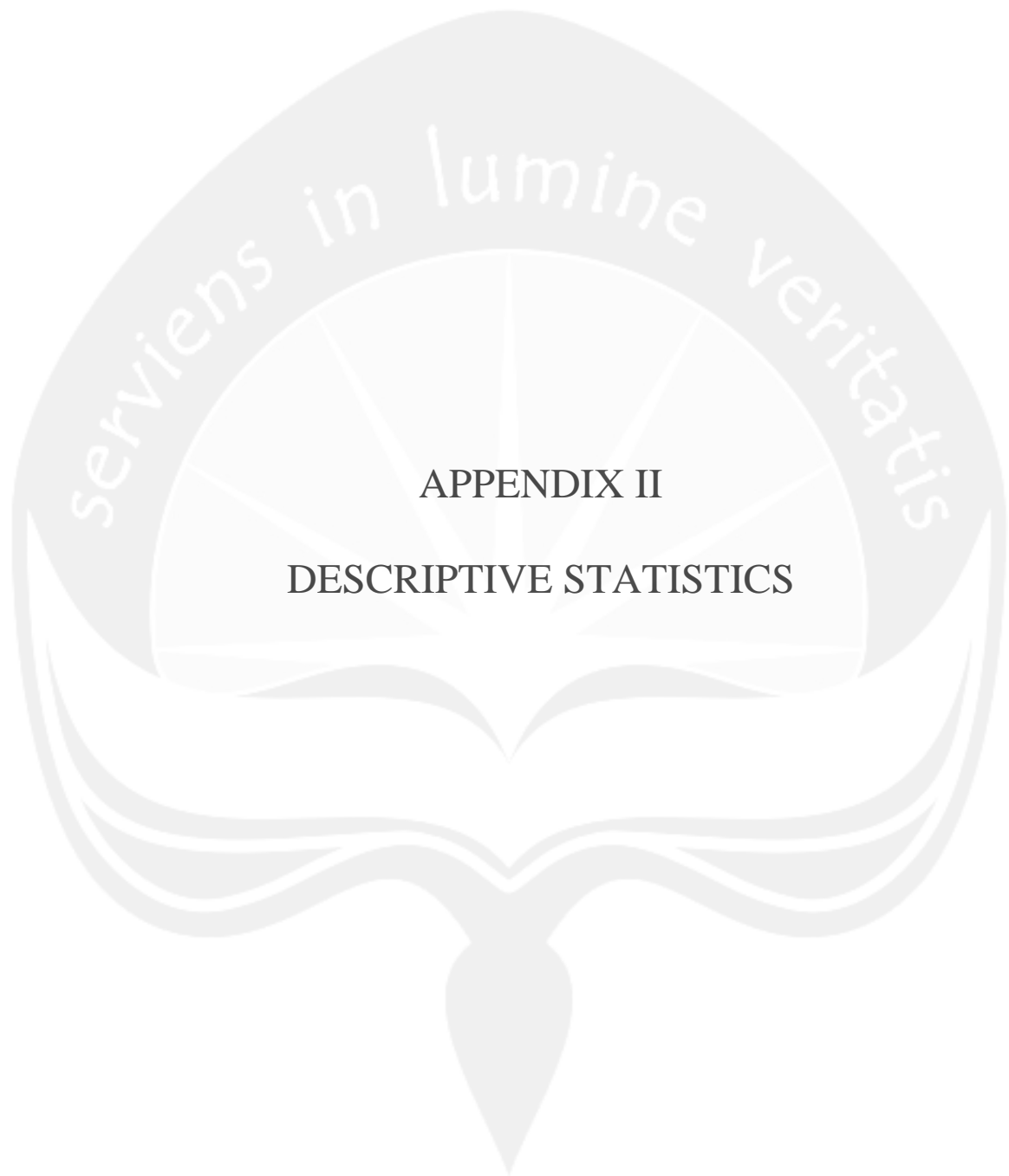
No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0006	29.7223	0.4764	0.0032	0.0030	0.9620	0.0978	1.0685	1.0950	1.0248
2	2003	0.0018	29.5652	0.6036	0.0020	0.0022	1.0937	-0.1519	0.7811	0.8806	1.1273
3	2004	0.0003	29.5675	0.6174	0.0012	0.0013	1.1552	0.0022	0.4916	0.5679	1.1553
4	2005	0.0010	29.8504	0.4815	0.0035	0.0033	0.9503	0.3269	1.1021	1.0368	0.9408
5	2006	0.0021	29.9582	0.4969	0.0034	0.0032	0.9378	0.1139	1.0771	1.0458	0.9709
6	2007	0.0035	30.5370	0.4009	0.0027	0.0025	0.9505	0.7838	0.6556	0.6973	1.0635
7	2008	-0.0039	30.5227	0.5422	0.0025	0.0020	0.8202	0.0604	0.5216	0.4724	0.9058
8	2009	0.0066	30.5497	0.6833	0.0045	0.0044	0.9890	0.0237	1.0929	1.0144	0.9282
9	2010	0.0017	31.2689	0.4487	0.0026	0.0029	1.1499	1.0641	0.7510	0.8904	1.1856
10	2011	0.0000	31.4748	0.6834	0.0015	0.0028	1.8574	0.2263	0.5576	0.8549	1.5331
11	2012	0.0012	31.4616	0.7461	0.0014	0.0009	0.6262	-0.0134	0.4817	0.3536	0.7341

Telekomunikasi Indonesia (TLKM)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0014	31.2473	0.3986	0.0020	0.0016	0.7832	0.3158	0.6942	0.5039	0.7259
2	2003	0.0029	31.5034	0.3748	0.0015	0.0010	0.6400	0.2916	0.7430	0.6690	0.9004
3	2004	-0.0004	32.5237	0.1605	0.0008	0.0006	0.7733	0.3871	0.7592	0.5060	0.6665
4	2005	-0.0025	30.6356	1.1634	0.0050	0.0031	0.6281	-0.8486	5.7585	5.8492	1.0157
5	2006	0.0027	31.0812	0.9085	0.0049	0.0029	0.5884	0.5614	5.4214	3.6269	0.6690
6	2007	0.0002	31.3646	0.8115	0.0059	0.0041	0.6934	0.3276	5.0333	3.5915	0.7135
7	2008	-0.0013	31.0780	1.1258	0.0060	0.0033	0.5525	-0.2492	5.1534	4.4702	0.8674
8	2009	0.0017	31.1027	1.2288	0.0044	0.0024	0.0009	0.0250	3.8848	2.6586	0.6843
9	2010	-0.0006	31.1427	1.3291	0.0060	0.0044	0.7272	0.0422	7.2987	5.9939	0.8212
10	2011	-0.0004	31.0214	2.0568	0.0042	0.0028	0.6550	-0.1154	6.6234	4.3687	0.6596
11	2012	0.0013	31.1568	2.0066	0.0047	0.0023	0.5036	0.1412	7.7833	5.1257	0.6586

United Tractors (UNTR)

No	Year	Excess Stock Returns	SIZE	BM	TURN	STDTURN	CVTURN	PRICE	RML	STDRML	CVRML
1	2002	0.0000	27.1908	1.8403	0.0103	0.0130	1.2548	0.1034	0.4327	0.4418	1.0211
2	2003	0.0072	27.5424	1.9602	0.0099	0.0132	1.3257	0.3768	0.5567	0.7582	1.3620
3	2004	0.0038	29.0899	0.7502	0.0035	0.0033	0.9438	1.5954	0.4742	0.4751	1.0018
4	2005	0.0027	29.9359	0.4159	0.0036	0.0029	0.8280	1.3278	0.2941	0.1804	0.6134
5	2006	0.0029	30.3917	0.2989	0.0020	0.0014	0.7304	0.5775	0.1709	0.1450	0.8485
6	2007	0.0026	30.8107	0.2449	0.0021	0.0017	0.7765	0.5204	0.1558	0.1429	0.9172
7	2008	-0.0026	31.1142	0.4353	0.0026	0.0024	0.9243	0.1588	0.1875	0.1579	0.8420
8	2009	0.0062	31.2483	0.4292	0.0016	0.0010	0.5967	0.1431	0.1442	0.0880	0.6108
9	2010	0.0026	31.8107	0.2500	0.0013	0.0008	0.6594	0.7601	0.1220	0.0697	0.5712
10	2011	0.0008	32.1083	0.3138	0.0012	0.0008	0.6622	0.2004	0.1769	0.1022	0.5778
11	2012	-0.0010	32.1187	0.3749	0.0016	0.0010	0.6077	0.0117	0.2295	0.1393	0.6066



APPENDIX II

DESCRIPTIVE STATISTICS

Descriptives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Excess Stock Returns	77	-1.00	-.05	-.0953	.10812
SIZE	77	27.19	35.61	30.8259	1.36778
BM	77	.03	1.00	.5306	.26914
TURN	77	.00	.07	.0052	.00883
STDTURN	77	.00	.07	.0045	.00873
CVTURN	77	.00	1.99	.8553	.30029
PRICE	77	-.85	1.60	.2885	.42379
RML	77	.03	12.48	1.6423	2.67646
STDRML	77	.03	11.02	1.4210	2.25847
CVRML	77	.55	6.90	.9820	.72919
Valid N (listwise)	77				



APPENDIX III

CLASSICAL ASSUMPTION

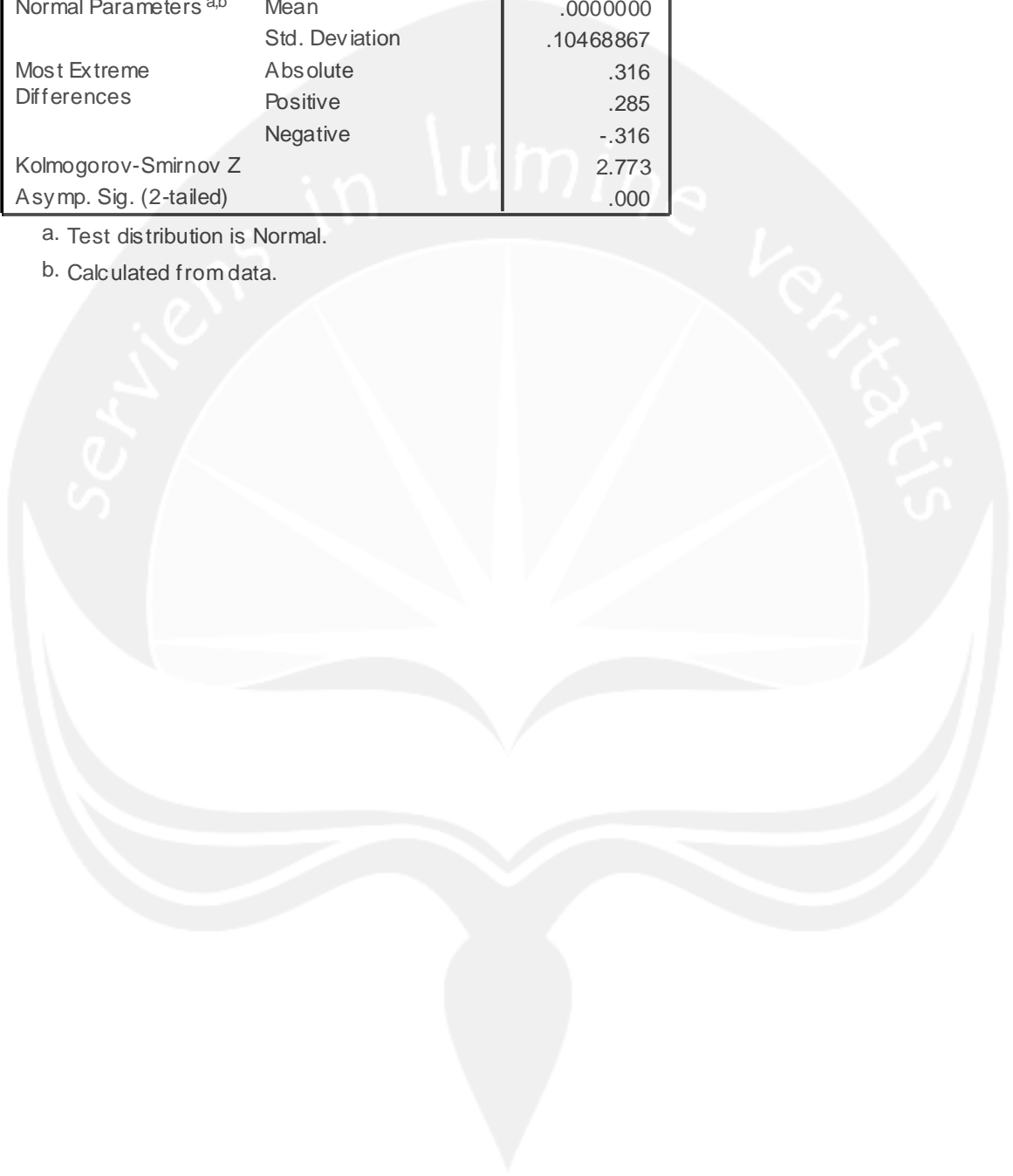
Normality Tests

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		77
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.10468867
Most Extreme Differences	Absolute	.316
	Positive	.285
	Negative	-.316
Kolmogorov-Smirnov Z		2.773
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

b. Calculated from data.



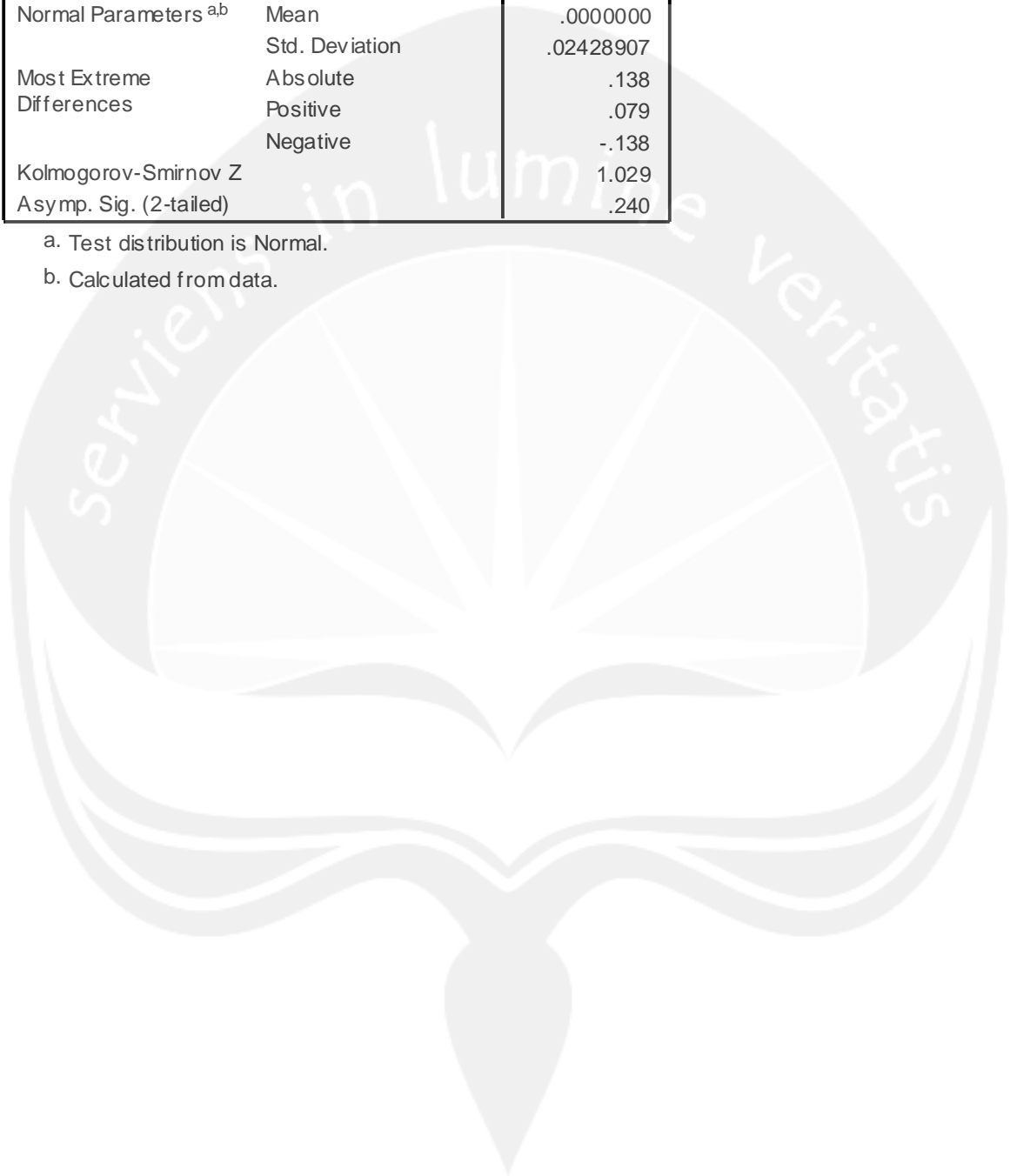
Normality Tests

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		56
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.02428907
Most Extreme Differences	Absolute	.138
	Positive	.079
	Negative	-.138
Kolmogorov-Smirnov Z		1.029
Asymp. Sig. (2-tailed)		.240

a. Test distribution is Normal.

b. Calculated from data.



Multicollinearity Test

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CVRML, PRICE, TURN, BM, STDRML, SIZE, CVTURN, RML, STDTURN ^a		Enter

a. All requested variables entered.

b. Dependent Variable: Excess Stock Returns

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	SIZE	.211	4.750
	BM	.365	2.741
	TURN	.027	37.173
	STDTURN	.020	48.973
	CVTURN	.181	5.532
	PRICE	.794	1.260
	RML	.031	32.179
	STDRML	.029	34.787
	CVRML	.226	4.426

a. Dependent Variable: Excess Stock Returns

Multicollinearity Test

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE ^a	.	Enter

- a. All requested variables entered.
b. Dependent Variable: Excess Stock Returns

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	SIZE	.216	4.630
	BM	.366	2.730
	TURN	.330	3.031
	CVTURN	.258	3.869
	PRICE	.752	1.330
	RML	.271	3.688
	CVRML	.208	4.813

- a. Dependent Variable: Excess Stock Returns

Heteroscedasticity Test

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: abs

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.394 ^a	.155	.014	.01374

a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.001	7	.000	1.102	.379 ^a
	Residual	.008	42	.000		
	Total	.009	49			

a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

b. Dependent Variable: abs

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.097	.101		.959	.343
	SIZE	-.002	.003	-.210	-.690	.494
	BM	.000	.014	.006	.024	.981
	TURN	.495	1.999	.061	.248	.806
	CVTURN	.006	.013	.130	.464	.645
	PRICE	-.011	.007	-.231	-1.413	.165
	RML	-.008	.008	-.288	-1.057	.297
	CVRML	-.014	.015	-.284	-.912	.367

a. Dependent Variable: abs

Autocorrelation Test

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Excess Stock Returns

Model Summary^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.516 ^a	.266	.144	.02599	2.084

a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

b. Dependent Variable: Excess Stock Returns

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.010	7	.001	2.175	.056 ^a
	Residual	.028	42	.001		
	Total	.039	49			

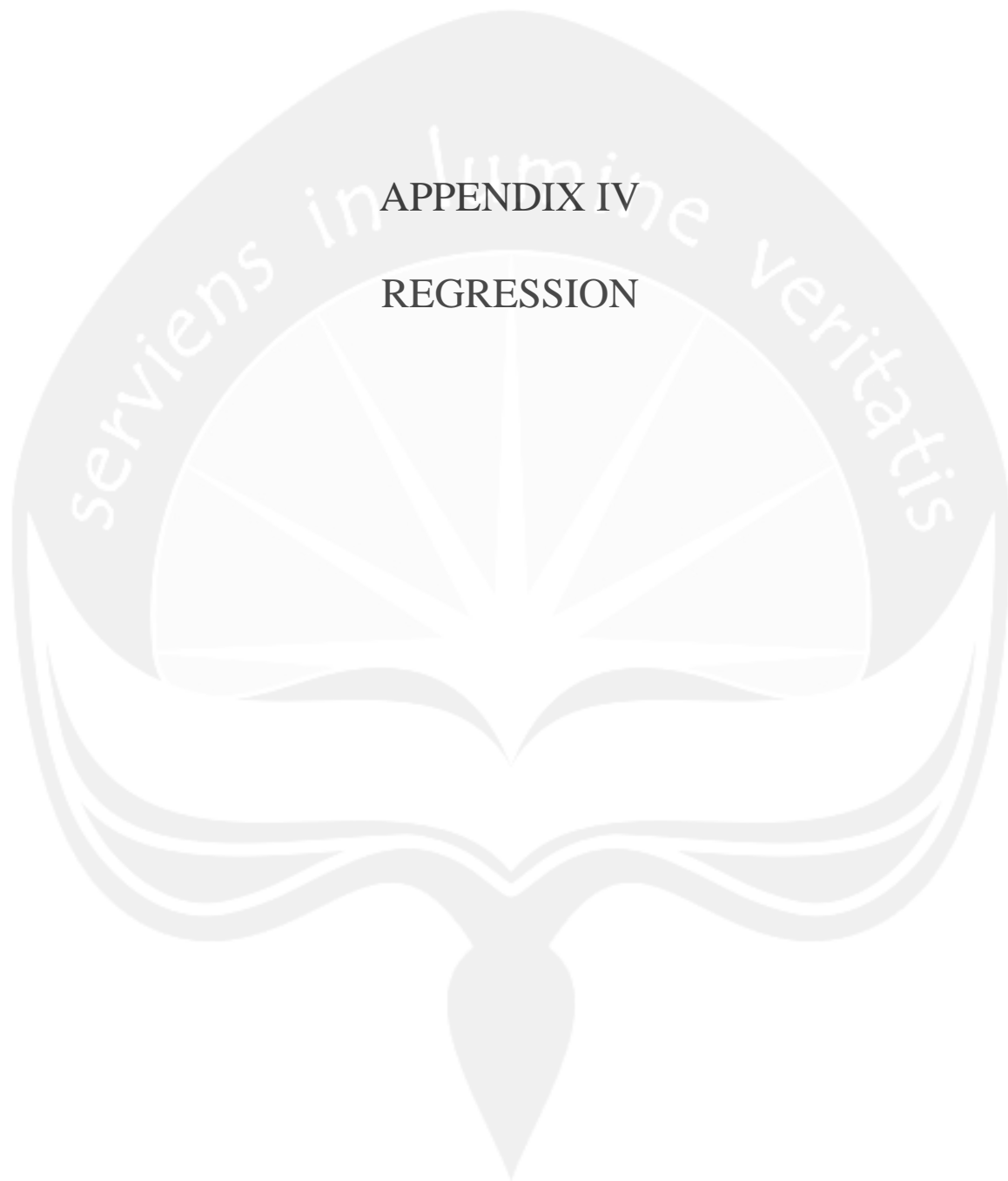
a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

b. Dependent Variable: Excess Stock Returns

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.585	.191		-3.060	.004
	SIZE	.016	.006	.782	2.749	.009
	BM	.028	.026	.234	1.069	.291
	TURN	3.200	3.781	.195	.846	.402
	CVTURN	-.006	.024	-.063	-.243	.810
	PRICE	-.020	.014	-.216	-1.414	.165
	RML	-.013	.015	-.218	-.857	.396
	CVRML	.019	.029	.192	.661	.512

a. Dependent Variable: Excess Stock Returns



APPENDIX IV

REGRESSION

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE	.	Enter

a. All requested variables entered.

b. Dependent Variable: Excess Stock Returns

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516 ^a	.266	.144	.02599

a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.010	7	.001	2.175	.056 ^a
	Residual	.028	42	.001		
	Total	.039	49			

a. Predictors: (Constant), CVRML, TURN, PRICE, BM, RML, CVTURN, SIZE

b. Dependent Variable: Excess Stock Returns

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.585	.191		-3.060	.004
	SIZE	.016	.006	.782	2.749	.009
	BM	.028	.026	.234	1.069	.291
	TURN	3.200	3.781	.195	.846	.402
	CVTURN	-.006	.024	-.063	-.243	.810
	PRICE	-.020	.014	-.216	-1.414	.165
	RML	-.013	.015	-.218	-.857	.396
	CVRML	.019	.029	.192	.661	.512

a. Dependent Variable: Excess Stock Returns