



CONTENTS

FRONT COVER.....	i
COVER.....	ii
APPROVAL PAGE	iii
DECLARATION.....	iv
DEDICATION	v
ABSTRACT	vi
PREFACE	vii
TABLE OF CONTENTS	ix
LIST OF TABLES.....	xii
CHAPTER I . INTRODUCTION	1
1.1. Background.....	1
1.2. Research Question	2
1.3. Research Objectives	2
1.4. Hypothesis.....	3
1.5. Research Contribution	3
1.6. Research Systematic Report	3
CHAPTER II LITERATUR REVIEW	5
2.1. Previous Research.....	5
2.2. Theoretical Background.....	7
2.2.1. Index Futures	7



2.2.2.	Contract Specification.....	9
2.2.3.	Trading Hours	9
2.2.4.	Trading Method and System.....	10
2.2.5.	Settlement.....	10
2.2.6.	LQ45	10
2.2.7.	Criteria for LQ45 Composite Index	11
2.2.8.	Index Evaluation and Replacement.....	11
2.2.9.	Base Day of LQ45 Index	12
2.2.10.	Volatility	12
2.2.11.	Beta	15
CHAPTER III	RESEARCH METHODOLOGY	17
3.1.	The Sample.....	17
3.2.	The Data	19
3.3.	Methodology	20
CHAPTER IV	ANALYSIS.....	29
4.1.	Descriptive.....	29
4.2.	Hypothesis Analysis.....	35
4.2.1.	Analysis of Before Futures Index Trading Versus After Futures Index Trading.....	35
4.2.1.1.	Analysis by Periods.....	38
4.2.1.2.	Analysis of All Periods.....	43
4.2.2.	Analysis of LQ45 versus Non-LQ45.....	47
4.2.2.1.	Analysis by Periods.....	47



4.2.2.2. Analysis of All Periods.....	55
CHAPTER V CONCLUSIONS AND RECOMMENDATIONS	57
5.1. Conclusions.....	57
5.2. Recommendations	58
BIBLIOGRAPHY	59
APPENDIXS.....	61



LIST OF TABLES

Table 2.1.	Contract Specification.....	9
Table 3.1.	The Firms Composite of LQ45	18
Table 3.2.	The Firms Composite of Non-LQ45	19
Tabel 3.3.	Table Period	22
Tabel 4.1.	Summary of the Average Variance, Mean Price, Log Market Value (LnMv), Beta, and Trading Volume For LQ45 Stocks.....	32
Tabel 4.2.	Summary of the Average Variance, Mean Price, Log Market Value (LnMv), Beta, and Trading Volume For Non-LQ45 Stocks.....	33
Table 4.3.	Result of OLS Parameter Estimated From the Regression Model (4) Before Futures Index Trading	36
Table 4.4.	Result of OLS Parameter Estimated From the Regression Model (4) After Futures Index Trading	37
Table 4.5.	Value of b_1	39
Table 4.6.	The Value of (b_1)	41
Tabel 4.7.	Summary of the Average Variance, Mean Price, Log Market Value (LnMv), Beta, and Trading Volume	45
Table 4.8.	Result of OLS Parameter Estimated From the Regression Model (4)	46



Table 4.9. Result of OLS Parameter Estimated From the Regression	
Model (8) for LQ45 Stocks.....	48
Table 4.10. Result of OLS Parameter Estimated From the Regression	
Model (8) for Non-LQ45.....	49
Table 4.11. Value of b_1	50
Table 4.12. The Value of (b_1)	53
Table 4.13. Result of OLS Parameter Estimated From the Regression	
Model (8)	56