

## MARKET ANOMALY TESTING: THE DAY OF THE WEEK EFFECT ON LQ45 STOCKS IN INDONESIA STOCK EXCHANGE

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### ABSTRACT

*Indonesia Stock Exchange (IDX) has continuously grown in the unexceptional speed, playing a vital role in the development of the country. As the existence of IDX is vital, it should satisfy the characteristics of efficient. According to Fama (1970) market is said to be efficient if the market reacts quickly and accurately to information entering the market. This characteristic implies that a certain pattern of stock price would not exist as the information continuously spread. However, as the research advances, the concept of an efficient market hypothesis become a pro-contra in the financial sector for practitioners and academics as the evidence of market anomaly existed in various countries. Therefore, this research objective is to test the existence of market anomaly, specifically to the day-of-the-week phenomena using descriptive analysis and a statistical F-test and T-test for the multiple regression model. The data used in this study consists of daily returns of twenty-two LQ45 stocks that are constantly listed from 2013 to 2018. The result shows that the day-of-the-week partially and simultaneously affect twenty-two LQ45 stock return from the period of 2013 to 2018. Thus, the market anomaly of the-day-of-the-week effect existed on LQ45 stocks in Indonesia Stock Exchange. The authors believe that this study will be beneficial for investors in making an investment decision, also contribute to a literature study of market anomaly testing.*

*Keywords: Efficient Market Hypothesis, Market Anomaly, The Day-of-the-Week Effect, Stock Return, and Trading Days*

### I. INTRODUCTION

The concept of an efficient market hypothesis remains to become a pro-contra in the financial sector for practitioners and academics as the evidence of market anomaly existed. In general, the market said to be efficient if the market reacts quickly and accurately to information entering the market (Fama, 1970). The implication of the concept of the efficient market hypothesis is that there is no pattern of price movement that investors could use to get large profits consistently and continuously in the long run. However, there are shreds of evidence that such a pattern of abnormality existed in various indices. This could affect the investors to develop an investment strategy to gain a higher or lower return than its intrinsic value. Such a condition called a market anomaly.

The market anomaly can come out with different types and terms. One of the famous market anomalies is the calendar effect which consist of day-of-the-week effects. In general, the-day-of-the-week-effect varied into two types: Monday effect and weekend effect. The Monday effect suggested that Monday negatively affects the stock return, while weekend effect suggested that Friday is positively affected the stock return (Mulyadi and Anwar, 2009). Different studies from across the countries have been investigating the existence of the day-of-the-week effect as it has been the subject of a considerable amount of academic research. One of the oldest research by Agrawal (1994) who uses the sample of four emerging country stock exchange to determine the day-of-the-week effect. He mentioned that the day-of-the-week and seasonal effect exists in four different emerging stock markets. On the other hand, Jaffe (1985) and Gultekin (1983) uses an international sample and shows the evidence that the day-of-the-week exists. The latest one by Xiao (2016), also shows the evidence that the day-of-the-week effect is persistent where it has an effect on the stock return specifically on Monday and Friday.

Several shreds of evidence of the-day-of-the-week effect also existed in Indonesia stock exchange. One of the earlier research by Cahyadingdyah (2005), shows that the day of the week effect shows the lowest return happened on Monday and the highest return happens on Friday. Another research by Iramani and Ansyori Mahdi (2006) and Ambarwati (2009) also strengthen the existence of this phenomenon, which also suggests the result where the Monday effect and weekend effect persisted in Jakarta Stock Exchange for the period 1999-2003 and in LQ 45 for the period 2006. According to Gibbons and Hess (1981), the Monday effect and weekend effect phenomena are more determined by psychological factors which lead to less rational behaviour and economic decisions that are more influenced by emotional factors, psychological behaviour, and investor mood.

An analysis of this day-of-the-week effect is interesting because some recent studies in the USA have found that the negative Monday seasonal resulted tends to disappear in recent periods, especially the eighties (Pandey, 2004). This suggests the possibility that the old evidence of the day-of-the-week effect may have changed throughout studies. Therefore, the research objectives are: (1) To test the existence of market anomaly, (2) To investigate the significance of the day of the week to the LQ-45 stocks index on Indonesia Stock Exchange. The study used the method of descriptive analysis and a statistical F-test and T-test for the multiple regression model. In this case, the author will choose LQ 45 stock in Indonesia Stock Exchange period 2013 to 2018 as the sample to examine the day-of-the-week effect.

### II. EFFICIENT MARKET HYPOTHESIS

The efficient market hypothesis is one of the famous paradigms of investment theory. The theory was first stated by Fama (1970) which defines the efficient market as a market that fully reflected the available information. That is, the variation of price

changes is independent, therefore, the actual stock price at every point in time represent an almost accurate estimation of intrinsic value (Fama, 1970). He added, as the price variations are nearly independent, the theory of efficient market is associated with “random walk”, that is, a term used in the finance literature to describe a fluctuation of price where all the price changes represent a random behaviour. Thus, even uninformed investors with a diversified portfolio would possibly get the same rate of return with the experts.

The study of the efficient market has been distinguished into three different forms considering three types of information (Fama, 1970):

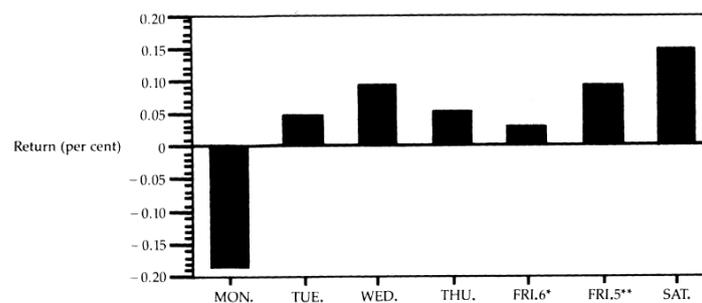
1. Weak form EMH happens when the current prices fully reflect the historical information of past prices and returns. Hence, investors cannot rely on technical analysis as their investment strategy. This form is consistent with the random walk hypothesis whereas the stock prices variances are independent and move randomly.
2. Semi-strong form EMH happens when the current prices fully reflect the historical information of price and publicly available information that is relevant to the company. In this form, the investors cannot devise investment strategy based on fundamental analysis which includes the analysis of balance sheets, income statements, and announcements of dividend changes to gain an abnormal return.
3. Strong form of EMH happens when the current price fully reflects all information that is available about the company, including the private, past and present information. No one can beat the market in this form, even the one who has the privilege to have private information.

### III. FINANCIAL MARKET ANOMALY

Anomaly is a generic term of unusual behaviour that usually occurs when an event happens without any logical explanation to the causes with regard to any theory, model or hypothesis. Such phenomena usually deviate the existing paradigms that are too fundamental and systematic to be dismissed as a random error (Tversky & Kahneman, 1986). In refer to the financial market, they added, the existence of anomalies indicates the markets are inefficient or deviates the market perform under the assumption of efficient market hypothesis. Therefore, any movements of stock that cannot be explained by efficient market hypothesis are called financial market anomalies. Some market anomalies happen once and vanish, while others happen frequently or continuously, in simple, financial market anomaly can be divided into three basic types which are fundamental anomalies, technical anomalies and calendar or seasonal anomalies.

### IV. THE DAY OF THE WEEK EFFECT

Fig.1 The Day-of-the-Week Effect (D. Keim and R. Stambaugh, 1984)



The day-of-the-week effect is the type of anomalies that affect the stock returns to intimately tied to the day of the week. According to several studies, the market has a tendency to end each week on a strong note which Friday return tends to be significantly positive and to start each week on a weak return on Monday. D.Keim and R. Stambaugh (1984) studies on the day-of-the-week effect in S&P composite, documented that from 1928 to 1982, Monday is the only down day, and is significantly different from all other days. While for the last trading day of the week which is Friday, the effect towards a stock return shows a substantial positive average return. The phenomena described the day-of-the-week as Monday effect and weekend effect. Figure 2.2 illustrates average daily returns of the S&P composite for each day of the week from 1928 to 1982. On one of the most recent study, Xiao (2016) added, the day-of-the-week effect persisted in the American stock market from 2010 to 2015 which affect the stock return to have the lowest daily returns on Monday, and build up to the peak on Friday.

Other studies had shown evidence that the day-of-the-week also happens in several countries, with a slight difference in the findings. Jaffe and Westerfield (1985) find a slight difference day-of-the-week effect on Australia and Japan which the Tuesday returns tend to be negative and lower than Mondays, but Canada and UK have the same effect on the stock returns in the S&P Composite. Aggarwal (1994) added in his studies of day-of-the-week effect on eighteen countries, most of the markets experience a day of the week effect in their respective stock markets independent of the US seasonal, with nine out of 18 countries shows that Monday returns are the lowest, while seven others exhibit a strong negative Tuesday seasonal. Friday returns are positive in all countries.

Currently, there hasn't been a strong theoretical reason that can explain the day-of-the-week effect due to one representative explanation in one capital market may not necessarily be applied in another, given the different characteristics and behavior of investors. In regards to that matter, researchers still sought to explain this type of anomaly by examining various kinds of methodology with the measurement errors (e.g. Gibbons and Hess, 1981; Keim and Stambaugh, 1984); the trading and non-trading periods (e.g. Rogalski, 1984); various behavior of individual and institutional investors (Lakonishok and Maberly, 1990); the tendency of corporate news release (e.g. Penman, 1987; Dyl and Maberly, 1988). From all of the studies, however, the findings only represent the explanation for the day-of-the-week effect in some stock market.

## V. STOCK RETURN

Return is profit or an investment which is usually expressed as an annual percentage rate. In relation to the stock return, it is the expected rate of return of shares on investments made in stocks or several groups of stocks through a portfolio. According to Jones (2002), He defined return as a capital gain or loss. This stock return can be used as an indicator of the profitability of trading activities in the capital market. There are two types of return, which are (Jogiyanto, 2003):

1. Actual return is the return that has occurred and is calculated based on historical data. Return realization is used as one measure the important measurement of the performance of the company.
2. Expected return is the return expected by investors in the future. Unlike the realization return that has already occurred, the expected return of its nature has not yet occurred.

## VI. RESEARCH HYPOTHESIS

According to the previous research, the effect of the trading days is significant towards the stock return (Cross, 1973; Aggarwal, 1994; Jaffe and Wasterfield, 1985; Cahyadingdyah, 2005; D.Keim and Staumbaugh, 1999). Nine out of eighteen emerging countries show in the regression result that Monday return is the lowest and the rest shows Tuesday returns are the lowest. Furthermore, the studies also find evidence of Friday's return effect towards the stock return in all countries is significantly positive. The similar effect also happened in the listed LQ45 stocks where the studies find the evidence of the Monday effect and Friday Effect (Ambarwati, 2009). This incident deviates the idea of efficient market hypothesis where a pattern of return should not exist.

**$H_1$  : The trading day on Monday negatively influences the daily return of LQ45 stocks in the Indonesia Stock Exchange.**

**$H_2$  : The trading day on Tuesday positively influences the daily return of LQ45 stocks in the Indonesia Stock Exchange.**

**$H_3$  : The trading day on Wednesday positively influences the daily return of LQ45 stocks in the Indonesia Stock Exchange.**

**$H_4$  : The trading day on Thursday positively influences the daily return of LQ45 stocks in the Indonesia Stock Exchange.**

**$H_5$  : The trading day on Friday positively influences the daily return of LQ45 stocks in the Indonesia Stock Exchange.**

## VII. METHODOLOGY

The population used in the study are companies that are included in the LQ 45 index on the IDX, during the period from January 2013 - December 2018. As for the sample selection, the study specifies certain criteria, which are: (1) A stock that is consistently listed in the LQ45 stock index during the period 2013 to 2018, (2) A stock that is actively traded in Indonesia Stock Exchange, (3) A stock that is only performing in the trading days, other days such as holiday, pre-holiday and post-holiday are removed, (4) A stock that did not experience any stock dividend and stock split during the period of observation

The dependent variable used in this study is the daily average actual return of LQ45 stocks. As for the independent variables, the study used five independent variables which represent daily returns of five days in a week: Monday, Tuesday, Wednesday, Thursday, and Friday. The measurement of this denoted as a dummy variable,  $D_{Monday} = 1$  for Monday return and 0 for the rest of days, likewise for Wednesday, Thursday and Friday (Aggarwal, 1994).

The study applies the descriptive statistical analysis to compare the mean and standard deviation, and classical assumption testing to test the reliability of data whether it fits the model. Then after, the data is applied to the multiple regression model by Aggarwal (1989) to test the significance of trading days on LQ45 stock return using F and T statistical test. This regression model denoted as follows:

$$R_t = a_1 + a_2 D_{TUES_t} + a_3 D_{WED_t} + a_4 D_{THUS_t} + a_5 D_{FRI_t} + e_t$$

**Equation.1** Multiple Regression Model (Aggarwal, 1989)

$R_t$  = Return on day t

$D_{i,t}$  = Dummy variable representing the day (Monday, ..., Friday)

$a_i$  = Mean returns for the day (Monday, ....., Friday)

From the regression model above,  $R_t$  represent the return on the index, and  $D_{i,t}$  represents the trading day of the week denoted as dummy variable (Monday, Tuesday,..., Friday) so that  $D_{1t} = 1$  if day t is a Monday, zero for the other days and so on. Monday is measured by  $a_1$ , or the coefficient, while for the other days is denoted by  $a_2$  to  $a_5$  which measures the differences between the return on Monday and the return for the other trading days.

### VIII. RESULTS & DISCUSSION

Out of 45 listed stocks in LQ45, the sample specified into 23 constantly listed LQ-45 stocks on the Indonesia Stock Exchange during the period of observation. Most of the companies are the top companies who have a high capitalization in the Indonesia Stock Exchange market. They come out from various industry, such as property, consumer goods, financial institution, telecommunication, media and energy.

**Table 1: Descriptive Statistical Analysis Result**

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean (%)</i>	<i>Std. Deviation</i>
Monday	264	-2.48	2.45	-0.0127	1.0091
Tuesday	264	-2.48	2.42	0.0871	0.954
Wednesday	264	-2.46	2.44	0.2267	0.97301
Thursday	264	-2.47	2.24	0.0593	0.94724
Friday	264	-2.33	2.36	0.0078	0.91103
<b>Total</b>	<b>1320</b>				

The total number used in the study is 1320, with each trading days contributed 264 data. Referring to the descriptive statistical analysis of average daily actual return period January 2013 until December 2018 showed in table 1, a negative mean return occurs on Monday at -0.0127 ranging from -2.46 to 2.45, and a positive mean return occurs during Tuesday to Friday, with Wednesday shows the highest positive return during the weak. This means that most of the share returns experiencing a decrease on Monday, while most of the share return on Wednesday experiencing an increase with the highest return of 0.2267, ranging from -2.46 to 2.44. As for Tuesday, Thursday and Friday, the average return shows positive return sequentially at 0.0871, 0.0593, and 0,0078.

Although the average actual return on Monday shows the highest return, the standard deviation also shows the highest number of 1.0091. This means that Monday have the highest risk comparing to the other trading days also there is an indication that the Monday effect occurs during the trading day period January 2013 to December 2018. The lowest standard deviation occurs on Friday, amounting to 0.91103, which indicates that Friday has the lowest risk comparing to other trading days, ranging from -2.33 to 2.36.

**Table 2: Classical Assumption Testing**

<i>Type of Test</i>	<i>Indicator</i>	<i>Value</i>	<i>Result</i>
Normality Test	Komogorov-Smirnov Sig. Value	0.8 > 0.5	Normally Distributed
Heterocedasticity Test	ANOVA Sig. Value	0.038 > 0.5	No Heterocedasticity
Multicollinearity Test	Tolerance Value	0.625 > 0.10	No Multicollinearity
	VIF Value	1.6 > 10	
Autocorrelation Test	Durbit Watson Value	dU < 1.992 < 4-dU	No Autocorrelation

Based on the classical assumption test with each indicator of the test, the data passed each type of test which includes the normality test, heteroscedasticity test, multicollinearity test and autocorrelation test. Corresponding to that result, therefore, the data can proceed into the multiple regression analysis adopted by Aggarwal (1984) and test the hypothesis using the F and T statistical test.

**Table 3: Multiple Regression Coefficient**

	Coefficients <sup>a</sup>	
	Unstandardized Coefficients	
	B	Std. Error
(Constant)	0.227	0.059
Monday	-0.239	0.084
Tuesday	-0.14	0.084
Thursday	-0.167	0.084
Friday	-0.219	0.084

Based on the regression result showed in the coefficients Table 2, therefore the multiple regression equation is denoted as follows:

$$Y = 0.227 - 0.239D_{Monday} - 0.140D_{Tuesday} - 0.167 D_{Thursday} - 0.219D_{Friday}$$

**Equation 1 Multiple Regression Result**

The independent variable in this study is a dummy variable of trading days denoted as  $D_{Monday}$ ,  $D_{Tuesday}$ ,  $D_{Thursday}$ ,  $D_{Friday}$ . From the following multiple regression equations, it explains each trading day effect towards the LQ-45 stock return that is:

1. A negative coefficient regression of Monday (-0.239) explain that when the trade happens on Monday, it tends to decrease the stock return by -23.9 per cent. Comparing to other trading days, the trading day on Monday has the highest negative mean return on the stock return.
2. A negative coefficient regression of Tuesday (-0.140) explains that when the trade happens on Tuesday, it tends to decrease the stock return by -14 per cent.
3. A negative coefficient regression of Thursday (-0.167) explains that when the trade happens on Thursday, it tends to decrease the stock return by -16.7 per cent.
4. A negative coefficient regression of Friday (-0.219) explains that when the trade happens on Tuesday, it tends to decrease the stock return by -21.9 per cent. The independent variable Wednesday trading day in this study was excluded from the regression model as can be seen in Table 4.8

The trading day on Wednesday is excluded by SPSS under the consideration that the variable already represented by other independent variables. This incident happens because the regression model using dummy variables, where the exclusion of an independent variable used to prevent any existing perfect multicollinearity (Gujarati,1978). Furthermore, Aggarwal (1989) already mentioned this in his day-of-the-week regression model where the trading day on Monday excluded from the model, but yet still represented by the constant value from the model. Therefore, the coefficient measurement of the trading days on Wednesday can be represented as follows:

1. A positive coefficient regression of Wednesday (-0.219) explains that when the trade happens on Wednesday, it tends to increase the stock return by 22.8 per cent. Comparing to other trading days, the trading days on Wednesday has the highest positive mean on the stock return. This result also explains the highest mean return occurred on Wednesday.

Table 4 ANOVA Table for F test

ANOVA <sup>a</sup>					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.628	4	2.407	2.615	.034 <sup>b</sup>
Residual	1237.853	1345	0.920		
Total	1247.482	1349			

Based on Table 3, the calculation results with an error rate ( $\alpha$ ) = 0.05 obtained  $F_{count}$  value of 2.615 while the F value of the table is 2.386. As the value of  $F_{count} > F_{table}$  (2.615 > 2.386), the overall (simultaneous) variable, that is Monday, Tuesday, Wednesday, Thursday, and Friday has a significant effect on LQ-45 stock return. Thus, the first hypothesis which states that the trading day simultaneously has a significant influence on the daily return of LQ45 stocks in the Indonesia Stock Exchange, is accepted.

The result is consistent with the study by Aggarwal (1989), Frank (1973), Jaffe and Wasterfield, (1985), Keim and Stambaugh (1984), Dwi Cahyaningdyah (2005), Mahdi (2005), and Ambarwati (2009) where the trading days simultaneously affect the stock return. The multiple regression model by Aggarwal (1989) can be as the basis to test the existence of the day-of-the-week effect on stock returns. However, considering that the model did not consider any risk and time lag, the result varied from the study by Berument and Kiyamaz (2001). Therefore, further investigation with different models can contribute a new perspective to the existence of the day-of-the-week effect on the stock returns.

Table 6 Coefficient Table for T Test

Coefficients <sup>a</sup>		
	t	Sig.
(Constant)	3.839	0
Monday	-2.867	0.004
Tuesday	-1.672	0.095
Thursday	-2.004	0.045
Friday	-2.621	0.009

From the t-test result shown in Table 4.10, using a 95 per cent confidence level and the degree of freedom of 1349, the t-table is at 1.960. The interpretation of t-test for the independent variables are discussed below:

1. The  $t_{count}$  and the significance value for Monday is at -2.867 and 0.004. With the condition where the  $|t_{count}| > t_{table}$  (-2.867 > -1.960) and the significant < the significant level (0.004 < 0.05), it concludes that trading day on Monday partially has significant effect towards the LQ-45 stock return.
2. The  $t_{count}$  and the significance value for Tuesday is at -1.672 and 0.095. With the condition where the  $|t_{count}| < t_{table}$  (-1.672 > -1.960) and the significant value > significant level (0.095 < 0.05), it concludes that trading day on Tuesday partially has an insignificant partial effect towards the LQ-45 stock return.
3. The  $t_{count}$  and the significance value for Wednesday, which represented by the constant number is at 3.839 and 0.000. With the condition where the  $|t_{count}| > t_{table}$  (3.839 > 1.960) and the significant value is below the significant level (0.000 < 0.05), it concludes that trading day on Wednesday partially has significant effect towards the LQ-45 stock return.
4. The  $t_{count}$  and the significance value for Thursday is at -2.004 and is 0.045. With the condition where the  $|t_{count}| > t_{table}$  (-2.004 > -1.960) and the significant value < the significant level (0.045 < 0.05), it concludes that trading days on Thursday partially has significant effect towards the LQ-45 stock return.
5. The  $t_{count}$  and the significance value for Friday is -2.621 and is 0.009. With the condition where the  $|t_{count}| > t_{table}$  (-2.621 > -1.960) and the significant value < the significant level (0.009 < 0.05), it concludes that trading days on Friday partially has significant partial effect towards the LQ-45 stock return.

From the partial T statistical test for five independent variables, only Tuesday has insignificant effect towards the LQ-45 stock return, while the rest is statistically significant. Thus, the second hypothesis which states that the trading day partially has a significant influence on the daily return of LQ45 stocks in the Indonesia Stock Exchange, is accepted.

The result of the highest positive effect and mean stock return is inconsistent with the previous research (Aggarwal, 1948, Frank, 1973; French, 1980; Keim and Stambaugh, 1984; Dwi Cahyaningdyah, 2005; Mahdi, 2005; and Ambarwati, 2009). It shows that the highest return occurs on Wednesday rather than Friday, which by other means, the weekend effect did not exist in LQ45 stocks from 2013 to 2018. A similar result also happened in the study on the Irish Stock Exchange (Lucey, 2000) and Japan

Stock Exchange (Jaffe and Wasterfield,1985) where the highest return occurs on Wednesday. A study by Lucey (2006) provides a comprehensive explanation of this seasonality in Irish Stock Exchange with three main theoretical contenders: Market Settlement Hypotheses, Market News Hypotheses, and Firm News Hypotheses. Out of all contenders, information arrival hypotheses are the most relevant to explain the midweek seasonality, though a thorough analysis should be made to strengthen the explanation.

## IX. CONCLUSION

The study's result proves the existence of the day-of-the-week effect on LQ45 stock return for the period of January 2013 to December 2018. Based on the descriptive statistical analysis, a negative mean return occurs on Monday, while a positive mean return occurs from Tuesday to Friday where Wednesday shows the highest mean return. Concerning the significant effect of the trading days on the stock return, the study points out the hypotheses test result as follows:

### 1. F Statistical Test

The F statistical test indicates that trading days simultaneously have a significant effect on the daily return of LQ45 stocks in Indonesia Stock Exchange.

### 2. T Statistical Test

The result indicates that trading days partially has a significant effect on the daily return of LQ45 stocks in Indonesia Stock Exchange. Monday shows the highest negative effect on the stock return, while Wednesday otherwise. This result indicates an existing Monday effect which can be linked into the effect of the press release and the investor's behaviour. Although the result proves the existence of the partial effect on stock return, however, Tuesday is the only day that is statistically insignificant.

From the hypothesis result above, the study answers the research question whether the day-of-the-week effect exists in the LQ45 stock from the period of 2013 to 2018. From five hypotheses, the result concludes only the first hypothesis is accepted, while the remaining hypothesis is rejected. The low number of the coefficient of determination of the regression model indicates a weak independent variable to explain the variances due to the usage of a dummy variable but yet still can be a variable to consider in making an investment decision.

As the main objective of this study is to test the existence of the day-of-the-week effect on LQ45 stock exchange, it did not discuss some relevant points to the study, which are:

1. The study did not comprehensively provide arguments in regards to the factor that caused such the phenomena to happen and only mention some of the factors that is press releases and investor's behavior.
2. The study used only one of the day-of-the-week model by Aggarwal (1989), which limits the regression analysis based on the model.
3. The variables used in this study are limited to average actual return while there are several options such as abnormal return daily trading volume and the volatility of stocks for instance.

In hopes for further improvement of the day-of-the-week effect, the author proposes some recommendations for future researchers to:

1. Provide a study to investigate the determinants of the day-of-the-week effect in LQ45 stocks return. There are references to this type of study, one of the example is a study by Lucey (2006)
2. Examine the existence of the day-of-the-week effect with other regression model using the ARCH and GARCH method (Berument and Kiymaz (2001) for instance. Different model and method may contribute a new perspective to this type of study.
3. Try to add or test other different independent variables to the study of the day-of-the-week effect on stock return. Several options are abnormal return daily trading volume and the volatility of stocks for instance. By doing so, this could provide more explanation to the variances of stock return.

As for investors, although the trading day statistics have a significant effect on the LQ45 stock return, however, the author recommend the investor to consider other variables before the trading days in making an investment decision. This is due to the low coefficient of determination results in the regression model, which means other independent variables could explain more variances compare to trading days.

## APPENDIX

Table 5 List of Sample

No	Stock Code	Company Name
1	ADRO	Adaro Energy Tbk.
2	AKRA	AKR Corporindo Tbk.
3	ASII	Aneka Tambang Tbk.
4	BBCA	Bank Central Asia Tbk.
5	BBNI	Bank Negara Indonesia Tbk.
6	BBRI	Bank Rakyat Indonesia Tbk.
7	BMRI	Bank Mandiri (Persero) Tbk.
8	BSDE	Bumi Serpong Damai Tbk.
9	GGRM	Gudang Garam Tbk.
10	ICBP	Indofood CBP Sukses Makmur Tbk.
11	INDF	Indofood Sukses Makmur Tbk.
12	INTP	Indocement Tunggal Prakasa Tbk.
13	JSMR	Jasa Marga (Persero)
14	KLBF	Kalbe Farma Tbk.
15	LPKR	Lippo Karawaci Tbk.
16	MNCN	Media Nusantara Citra Tbk.
17	PGAS	Perusahaan Gas Negara (Persero) Tbk.
18	PTBA	Tabang Batubara Bukit Asam (Persero) Tbk.
19	SMGR	PP (Persero) Tbk.
20	TLKM	Telekomunikasi Indonesia (Persero) Tbk.
21	UNTR	United Tractors Tbk.
22	UNVR	Unilever Indonesia Tbk.

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