ABSTRACT

This study aims to examine the effect of liquidity and order imbalance on intraday stock returns of stocks included in the KOMPAS100 index at the Indonesia Stock Exchange, considering non-synchronous trading as a moderating variable. Liquidity in this study is measured using two approaches: trading volume activity and the Amihud Illiquidity Ratio, while order imbalance is calculated based on the sign volume method, classifying transactions as buyer-initiated or seller-initiated based on return direction at the minute level. Meanwhile, non-synchronous trading is proxied by the ratio of zero volume transactions, which measures the lack of transactions within a minute interval.

This research uses high-frequency data, covering the period from August to December 2024, and analyzes stocks that consistently belong to the KOMPAS100 index during this period. The results of the analysis show that trading volume activity has a significant positive effect on intraday stock returns, while the Amihud Illiquidity Ratio has a significant negative effect. Order imbalance was found to have a positive impact on intraday stock returns, supporting the role of buy and sell pressures in the formation of intraday stock prices. These findings support market microstructure theory and expand the literature related to stock market dynamics in emerging markets, particularly in Indonesia. The practical implications of this study are expected to serve as a reference for investors, especially high-frequency trading participants, in designing trading strategies that are responsive to liquidity and order imbalance in the market.

Keywords: *Liquidity, Order Imbalance, Intraday Stock Return, Sign Volume, High-Frequency Data.*