

ABSTRACT

The purpose of this research is to analyze the simultaneous relationship between trading volume and order imbalance, the influence of past performance, market risk, market capitalization, tick size to trading volume and the influence of tick size, depth and bid-ask spread to order imbalance of companies were listed on LQ 45 index.

Sample in this research were selected by using purposive sampling method with some selected criterias. 55 companies listed on 2014's LQ 45 index were chosen as sample. The statistic method that used in this research are descriptive analysis, classical assumption test (Normality test, Heteroscedasticity test, multicollinearity test, autocorrelarity test), simultaneous equation models analysis (Two Stage Least Squares), Hausman Test, hypothesis test (F-statistics Test, t-statistics test, and Coefficient of Determination Test).

The results showed that trading volume is related simultaneously to order imbalance; past performance, market risk and market capitalization have a positive and significant effect to trading volume, tick size has a negative and significant effect to trading volume, order imbalance has a negative and not significant effect to trading volume; tick size, depth, bid-ask spread, and trading volume have no significant effect to order imbalance.

Keywords: Trading Volume, Order Imbalance, Past Performance, Market Risk, Market Capitalization, Tick Size, Depth, Bid-Ask Spread