

## **ABSTRACT**

*This study aims to analyze the form of optimal portfolio at the securities on LQ 45 during August-2008 until Januari 2011. In investment especially in stock, we have two factors, stock return and risk factor. When investor making an investment, they willing to get an optimal return. Portfolio is basically related to how one allocates a number of stocks into various investment types that results on optimal profits.*

*This research is using Single Index Model. Data used in this research was monthly closing stock price and the trade frequency of LQ 45 stock from August 2008- January 2011.*

*The result of the research shows that by using Single Index Model in 21 companies that always belongs to LQ 45 securities for 5 period (August 2008-January 2011) there are seven companies that could be the candidate of optimal portfolio, they are BBNI, SMGR, UNTR, LISP, BBKA, ASII and INDF. Based on calculation, an investor who invest in this stock will get portfolio return at the rate of 3.88% and 1.76% risk. To invest, investors can share their stock into some companies, in which SMGR has 22.84 % proportion, ASII 21.38 %, UNTR 18.77 %, BBNI 17.37 %, LISP 8.62 %, BBKA 8.21 % dan INDF 2.81 %. Although included to the candidate of portfolio, investor did not used Cut-off rate ( $C^*$ ) for choose the securities during August 2008-January 2011.*

*Keywords: LQ 45, single index model, optimal portfolio, expected return and varian of portfolio, and trading frequency of securities*