

ABSTRACT

In capital market, the investor has the objective to obtain an appropriate investment return. Each investor is requiring of relevant information with transaction development in stock. This is very important to be made in consideration in compiling strategy and decision making of investment in capital market. In this research will discuss about trading volume, kurs and stock return relation in 2003-2013 periods. This research be accepted because there are still differences between each other researchs.

The population of this research is all the data of trading volume, kurs and stock return in January 2003 until December 2013. Samples were taken by using purposive sampling method so that obtained 132 samples. The analysis method of this research use Error Correction Model (VECM) analysis by Eviews 6.

The result of this reseacrh shows that trading volume has a positive coefficient but not significant to stock return. Stock return has positive significant to trading volume and exchange rate have negative significant influence to stock return and trading volume. There is no causal relationship between stock return and trading volume.

Keywords: Return of stock market invesment, Trading volume, Exchange rate