ABSTRACT

In investment, Investor have a freedom to chosen type of company share which go public. Beside chosen share, investor have a freedom to buy amount of share and period to hold the financial asset. However investor have to own consideration to lessen risk until to get optimal gain. If investor predicts that company share which have been bought could earn a profit, hence the investor will hold his share in longer period, perhaps on the chance that sell price of the share will be higher in the future and conversely. Therefore the period a investor hold his fund at a certain company share for the certain time so-called Holding Period represent this research.

The aim of this research is to analyse whether there are influence of bid ask spread, market value and varian return to Holding Period. This research examines Holding Period at shares of LQ45 in Indonesian Stock Exchanges on period February 2008- January 2009. Sample from this research are 34 company which always be listed in LQ45. Method of analysis are t-test, and multiplier regression. The data in this research are closing price, shares outstanding, trading volume, and bid and ask price.

The result of Adjusted R^2 *obtained value 26.3% variation of holding period can be explained the independent variables there are bid-ask spread, market value and varian return while 73.7% can be explained by other variables outside model. While from result t-test obtained evidence that variable of bid-ask spread have a positive effect and significant to holding period, variable of market value have a positive effect and no significant to holding period and variable varian return have a positive effect and significant to holding period. The result have been tested with significance* $\alpha = 5\%$ *and most have an effect to holding period is varian return. From result of F-test obtained evidence that bid-ask spread, market value and varian return in simultaneously have an effect to holding period. The result is investor of capital market expected more pay attention to factor of varian return, because giving information which of vital importance for investor. If varian return increase (the share uncertainty bigger and bigger) will be better quickly release the company share and if varian return decrease (the share uncertainty smaller and smaller) will be better hold the company share in longer period. The other factor which need pay attention is bid-ask spread and market value. The increasing of bid-ask spread and market value will longer the share will be owned by investor.*

Keywords: bid-ask spread, market value, varian return and holding period.