

## ABSTRAK

Penelitian ini bertujuan untuk menguji efektivitas penerapan *price limit* dalam mengurangi volatilitas dan meredam overreaction pada perusahaan yang termasuk dalam indeks LQ 45 di Bursa Efek Indonesia. Penelitian dilakukan pada kelompok saham yang mencapai limit atas ( $stock_{up}$ ) dan saham yang mencapai limit bawah ( $stock_{down}$ ) saat kondisi pasar sedang *bullish* maupun *bearish*.

Kefektifan *price limit* dalam mengurangi volatilitas akan dianalisis dengan membandingkan volatilitas harian saham sebelum dan setelah pencapaian limit. Uji statistik akan dilakukan dengan uji *Wilcoxon signed rank-test*. Sedangkan untuk mengetahui apakah *price limit* dapat meredam *overreaction*, akan dianalisi dengan membandingkan proporsi *price reversal stock<sub>hit</sub>* dengan  $stock_{0,9}$  dan akan diuji dengan uji *Mann Whitney U-Test*.

Dari hasil penelitian diketahui bahwa *price limit* efektif mengurangi volatilitas pada saat kondisi pasar *bearish* baik pada  $stock_{up}$  maupun  $stock_{down}$ . Tetapi *price limit* tidak efektif dalam meredam *overreaction*.

Kata kunci: *price limit*, volatilitas, *overreaction*

## ***ABSTRACT***

*This study aims to test the effectiveness of the implementation of price limit to reducing volatility and also reduce overreaction on the companies that included in the index LQ 45 at the Indonesian Stock Exchange. The study was conducted on a group of stock that reached the up limit (stock up) and stock that reached under limit (stock down) when market condition are bullish and bearish.*

*The effectiveness of price limit in reducing the volatility will be analyzed by comparing the daily volatility of the stock before and after the attainment of the limit. Statistical test will be performed by Wilcoxon signed rank-test. As for whether price limit can reduce overreaction, will be analyzed by comparing of price reversal stock hit with stock 0,9, statistical test will be performed by Mann Whitney U-Test.*

*From the survey results revealed that price limit effectively reduce volatility when market is bearish, even both on stock up and stock down. But, price limit is not effective in reducing overreaction.*

*Key words:* *price limit, volatility, overreaction*