**ABSTRACT**

*Renaldo Ignatius / 23150357 / 2018 / The Influence of The Day of The Week Effect and Week Four Effect on stock return in LQ 45 index in Indonesia Stock Exchange over a period of January – December 2017 / Martha Ayerza Esra, S.E., M.M.*

*The focus of this research is to examine the effect of The Day of The Week Effect and Week Four Effect phenomenon on the stock return in Indonesia Stock Exchange. By the existence of The Day of The Week Effect and Week Four Effect phenomenon, it will affect the level of return obtained by the investor who use the information of the anomaly pattern and able to predict it.*

*This research is based on Efficient Market Hypothesis theory and Random Walk theory which support the efficient market condition. According to these two theories, the condition of the efficient capital market is where the pattern of stock price should move randomly and unpredictably. Therefore this research aim to examine the validity of the anomaly that oppose the efficient market conditions. Behavioral Finance theory is used to discuss the factor that caused this phenomenon from the investor psychological point of view.*

*The object of this research is the companies that registered as the member of LQ 45 index in Indonesia Stock Exchange during a period of January – December 2017. Based on the purposive sampling method by considering certain criteria determined by researcher, it shows that there are 36 companies registered as sample of this research. The purpose of the data analyzing technique is to test each variable and hypothesis using the Kruskal Walliis Test and Wilcoxon Test through software SPSS Version 23. The test was conducted to see the difference of daily stock return on each trading day.*

*The results of the research found that The Day of The Week Effect and Week Four Effect phenomenon had an effect on stock return on LQ 45 index in Indonesia Stock Exchange.*

*The conclusion that can be drawn by the results of this research is that the condition of the Indonesia capital market, especially the LQ 45 index, shows an anomaly that supports inefficient capital market condition. Where exist the phenomenon of The Day Of The Week Effect which causes a significant differentiation between daily stock returns on each trading days in a week and there is a phenomenon of Week Four Effect which causes a negative return on Monday concentrated in the fourth and fifth weeks of each month. Therefore, investor can use the information given by this phenomenon as part of their plans and investment strategy to optimize returns.*

*Keywords : Stock return, The Day of The Week Effect, Week Four Effect, Efficient Market Hypotesis, Behavioral Finance, LQ 45 index.*