

## **Abstract**

In investing, investors are very concerned about the company's liquidity factor. High liquidity will make an investor interested in investing, because liquidity is identical to the asset that can be traded in large quantities, in a short time, at low cost, and without affecting the price. And to increase liquidity, the Stock Exchange in the world set tick size on stock. One of them is the Indonesian Stock Exchange that alter the determination of the tick size on January 6, 2014 last. The purpose of this study was to determine the impact of tick size to liquidity as measured by the Relative Spread dimension and Depth to the Relative Spread.

Population is the object of this research is all issuers incorporated in the Composite Stock Price Index in IDX. The criteria used are a sample of issuers incorporated in Composite Stock Price Index that have a minimum price of Rp5,000 and has a daily transaction since July 2013 to June 2014. Technical data analysis tools used are panel data regression models to test, and test-F for testing variables and coefficients of determination for a great influence.

Panel data regression model established in this study is a model Fixed Effect. Based on the analysis and discussion it was concluded as follows: Based on the results of hypothesis testing the effect of tick size reduction on Bid Ask Spread is measured by using the Relative Spread through F test, showed that the tick size reduction of the stock price significantly influence the Relative Spread in JCI period July 2013 - June 2014. Based on the results of hypothesis testing the effect of tick size reduction on Depth measured using Depth to the Relative Spread through F test, showed that the fraction of share price changes have a significant effect on the Relative Spread in JCI period July 2013 - June 2014.

**Keywords:** *Tick Size, Liquidity, Relative Spread, Depth to Relative Spread*