

## ***ABSTRACT***

*The phenomenon of price reversal occurs when shares - stock that has a deficient performance (Loser) provide a level of abnormally high returns compared to stocks that have high levels of good performance (Winner) and therefore the phenomenon of price reversal can be used by investors to earn abnormal returns using strategies kontrarian. Therefore, a research to investigate the phenomenon of price reversal in the Indonesian Capital Market is needed.*

*The purpose of this study was to determine and analyze the differences between winner stock CAAR and loser stocks formation period with observation periods during the quarter and semi-annually to determine the phenomenon of price reversal in the Indonesian capital market in particular Business Index 27.*

*The process of this study include two phases: the formation and observation. Formation stage is the stage to form a portfolio of winner and loser. Observation phase is the stage to prove price reversal on the winner and loser portfolios. The study consisted of 7 period of formation and also 7 period of observation. Each sub of replication took time for three months which was formed during the January 2015 - December 2016. For the half-yearly period consists of three periods of formation and three period of observation. For each replication semiannual period has a duration of 6 months.*

*CAAR data processing results found a significant difference between CAAR period of formation and observation period winner and loser stocks quarterly period. However, neither in CAAR period of formation nor winner stock observation and loser stocks semi-annual period, there was no significant differences found.*

*So, we can conclude that the phenomenon of price reversal occurs in the Indonesian capital market in particular stocks belonging to the Business Index 27 but only a quarter period. Therefore, investors can capitalize on this phenomenon to earn abnormal returns.*

**Kata Kunci : Price Reversal, Anomaly winner and loser, Cummulative Average Abnormal Return, Contrarian Strategy**