ABSTRACT

Stock is one instrument that can be used in investment activities. Investments can be made in the stock market, whether it is conventional capital market or the Islamic capital market. Investors generally want a high stock returns with low risk.

This study aimed to minimize risk and achieve the expected profit or diversification using Constant Correlation, after assessing the performance of the portfolio is formed using the Sharpe and Treynor Measure.

This research is descriptive quantitative research that describes the state of the object and does not intend to take or draw conclusions that are generally applicable. This study will use transaction data daily or annual price of stocks in the index are consistent Jakarta Islamic Index (JII) in 2011 to 2015.

The results showed that the formation of the portfolio using Constant Correlation formed five optimal portfolio. Which in this study, there are three stocks that have a higher excess return than other stocks that SMGR, UNVR, and KLBF. While stocks most frequently included in the optimal portfolio during the study period that is LPKR, TLKM, and UNVR.

And for optimal portfolio performance evaluation results using Sharpe, 4 portfolio obtain best performance results with the value of 1.675. Meanwhile, using the Treynor portfolio of first obtain best performance results with a value of 0.0154.

Keywords: Optimal Portfolio, Jakarta Islamic Index, JII, Constant Correlation, Measure Sharpe, Treynor Measure.