ABSTRACT

Sitting in the LQ 45 range is an honor for a banking company, because it indicates if the capital market participants believe and also have admitted if the level of liquidity and market capitalization of the company is good. For issuers who have entered into the LQ 45 index does not mean to be able to relax, but must still work hard to maintain its position because these shares will continue to be monitored by the Indonesia Stock Exchange (BEI).

This research will calculate PER and PBV of the banking sector that stands still in LQ45 within 5 years (2011-2016) and provide a comparable result whether there is a significant difference between the result of calculation of fair share by both methods and comparable stock valuation within banks that persisted in LQ 45 index for 5 years. The data used in the form of secondary data i.e. financial statements and data of dividend distribution company in cash. Data collection gathered are secondary data taken from www.idx.com, www.e-bursa.com, Bloomberg, ICMD, and yahoo finance.

Hypothesis testing is done by Kolmogorov Smirnov normality test, and t-test i.e. independent samples t-test used to determine whether two samples unrelated to each other have different mean values. The purpose of t-test in this study are to compare stock price as a dependent variable and price earnings ratio as an independent variable, whether there are significant differences or not on the stock prices, and as price-book value become independent variable then stock price as dependent variable, whether there are significant differences or not on the results.

Keywords: LQ 45 Index, Banking Industry, Valuation, PER, PBV