

ABSTRACT

In decision making there are usually several investor behaviors, namely rational and irrational. In rational behavior investors have the desire to get high returns and low risk, while in irrational behavior will buy shares when prices go down and sell when prices increase with the aim of getting a maximum return. Irrational behavior is usually called herding behavior or behavior that is often found in aspects of life, not only in the investment world but tends to occur when a fame occurs at a time.

This research is quantitative research which aims to find out whether herding behavior occurred in the Indonesian and Malaysian stock markets in 2015-2018. By using the Cross Sectional Absolute Deviation (CSAD) method and quantile regression. From the results of this study, it can be concluded that herding behavior was not detected in the Indonesian stock market when any market conditions, while in the Malaysian stock market herding behavior was detected when market conditions were in a high return market.

Keyword: herding behavior, CSAD, Quantile Regression