ABSTRACT

Stock investment is a way for investors to gain profits in the future. But investors in the capital market generally invest their funds in stocks that have high returns with certain risks. Investors must pay attention to the important things in investing, namely the level of return and risk. Many investors who dare to face risks such as high risk, high expected return in investing in shares.

There are ways to minimize risk but still with an attractive rate of return. Diversification is an important thing to do to minimize risk. Diversification is done by arranging an optimal portfolio. That way can reduce the level of risk to the stock and maximize return.

Therefore this study aims to determine the optimal portfolio formation on IDX30 shares with the Single Index Model, as well as to test the performance of the optimal portfolio with Treynor Ratio. The criteria included in the sample are companies that have consistently entered into the IDX30 index on the Indonesia Stock Exchange during the 2014-2018 period.

This research is a quantitative study with sample selection using purposive sampling and the data used are secondary data. The population in this study is a company that consistently entered IDX30 on the Indonesia Stock Exchange during the 2014-2018 period, amounting to 16 companies. The research sample of 9 companies.

The conclusion of this study shows that there are 9 stocks that are portfolio candidates of the 16 shares studied. In this study, portfolio returns are greater than market returns and portfolio risk is greater than market risk. This research proves that the greater the level of risk from investment, the greater the benefits. The results of performance measurement with a Treynor ratio were found to be positive which means the portfolio is worth investing. The suggestion that the writer can give is that further research should use the daily closing price of the stock price so that more detail, population and samples can be used in addition to IDX30 stock formation and other testing models so that it can be known more and know in other sectors. Investors are advised to pay attention to the performance of the portfolio. The portfolio in this study is said to be worth investing because it has a positive Treynor value.

Keywords: Optimal Portfolio, Single Index Model, Treynor Ratio