ABSTRACT

Changes in index performance everytime become a risk in strategy to obtain maximum return on investment. The index as a reflection of market performance is used as a reference in investing in stocks. Because stock prices on the index are constantly changing, it is necessary to have a prediction model to determine future price movements of the index.

This study aims to create a prediction model using Beta, Alpha, Value at Risk(VaR) and Momentum (MoM) to determine the effect on index performance. This research was conducted using a quantitative method with secondary data, the sample in the form of daily index prices for countries in the European Union for the period 2011-2022 which was selected using the purposive sampling method with a total of19 countries and analyzed using logistic regression.

The results of this study indicate that partially beta and alpha have a significant negative effect on index performance, while Value at Risk and momentum have a significant positive effect on index performance. Simultaneously beta, alpha, Var and momentum have a significant effect on the performance of the index.

The author suggests that the model in this study can be used to predict other Index

Keyword : Index, Beta, Alpha, Value at Risk, Momentum