

## **ABSTRACT**

This study entitled "Analysis of Market overreaction On Manufacturing In Indonesia Stock Exchange," by Kiki Suharno being mentored by Mr. Y. Andri Putranto, S.E., M.Sc, Ak. This study aims to provide empirical evidence whether the overreaction phenomenon (overreaction) that marked the loser portfolio outperformed the winner portfolio of manufacturing companies on the Stock Exchange. This study uses two classifications of shares to indicate the presence of a collection of portfolios overreaction winner and loser portfolios using market adjusted model. The sample selection is done using purposive sampling as much as 78 manufacturing companies in Indonesia Stock Exchange by year test period 2009-2011. The research variables are the average abnormal return. Data analysis techniques using different test Independent sample t-test using SPSS statistical software version support 19. The results of this study indicate the absence of a marked overreaction loser portfolios outperform the winner portfolios but T test results in this study indicate that there are differences in average abnormal return between a portfolio of significant loser and winner portfolios.

Keywords: overreaction, winner and loser portfolios, market adjusted model, Abnormal Return, average abnormal return.