



The Effect of Bid-Ask Spread, Market Value, Risk of Return, Dividend Payout Ratio, Return on Asset and Company Age on Holding Period in Indonesia

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ABSTRACT

This study aims to determine the effect of the bid-ask spread, market value, risk of return, dividend payout ratio, return on assets, and firm age on the holding period of the LQ45 stock index. The objects of this research are companies listed on LQ45 on the Indonesia Stock Exchange for the 2019-2021 period. The data analysis technique in this study was quantitative analysis expressed in numbers and calculations using statistical methods with the help of E-Views 10 software. This study used a sample of 36 companies taken by the purposive sampling method. The data analysis used is the classical assumption test, multiple linear regression analysis, and hypothesis testing. The results showed that market value and return on assets had a significant positive effect and risk of return had a significant negative effect on the holding period, while the bid-ask spread, dividend payout ratio, and company age had no effect on the holding period. Based on the Adjusted R2 value, there is still 51.26 percent of the holding period variable which is influenced by other variables outside the independent variables of this study.

Keywords: Holding Period, Bid-Ask Spread, Market Value, Risk of Return, Return on Asset, Past Return Performance, Company Age, LQ45

1. Introduction

Stocks are one of the most widely offered types of investment by companies, are most in demand by investors, and dominate the transaction volume of shares on the Indonesia Stock Exchange. Each form of investment has a different risk in the choice of analysis method implemented. Investors need to know how long to hold on to their shares to maximize profits. The length of ownership of a share by an investor is called the holding period. In Indonesia, the development of stocks has increased every year. The number of companies selling their shares to the public has increased yearly, but this is not in line with the increase in the volume of transactions for the sale of shares held. The high volume of sales transactions reflects that investors often trade their shares, which also means that these shares are not held by investors for a long time. The development of these shares can be seen in Table 1

Table 1- Development of the Number of Companies Selling Shares to the Public and the Volume of Transactions Selling Shares on the IDX in the 2017-2021

Year	Number of Companies	Sales Transaction Volume (in thousands of shares)
2017	566	2844845
2018	619	2536279
2019	668	3562367
2020	713	523856
2021	766	52452

Source : Indonesia Stock Exchange, 2022

In investing, this needs to be considered by investors to hold onto their share ownership for a longer time, one of which is if it is predicted that the selling price of shares (ask) will increase compared to the buying price of shares (bid) in the future. This is done to maximize profits. Conversely, investors will immediately release their share ownership if it is predicted that the selling price (ask) will decrease in the future. This is done to minimize the risks that must be faced. However, an imbalance occurs in stocks that have a small bid-ask spread but a long holding period and vice versa. These events can be seen in Table 2 and Table 3.

Table 2- List of 5 Stocks with the Shortest Holding Period in 2021

Company	Holding Period	Bid-Ask Spread
Aneka Tambang Tbk	0.38	13%
ErajayaSwasembadaTbk	0.53	19%
Perusahaan Gas Negara Tbk	0.64	19%
Bank Tabungan Negara Tbk	0.97	18%
Media Nusantara Citra Tbk	1.20	15%

Source: Indonesia Stock Exchange, 2022

Table 3-List of 5 Stocks with the Longest Holding Period in 2021

Company	Holding Period	Bid-Ask Spread
H.M. SampoernaTbk	12.16	13%
Charoen Pokphand Indonesia Tbk	9.62	13%
Indofood CBP SuksesMakmurTbk	7.19	9%
Unilever Indonesia Tbk	6.48	15%
Bank Central Asia Tbk	6.12	9%

Source: Indonesia Stock Exchange, 2022

Another factor that affects the holding period is the market value. Market value shows the value of a company, the greater the market value, the longer investors hold their share ownership. However, discrepancies are found in table 4

Table 4-List of 5 stocks with a relationship between holding period and market value

Company	Holding Period	Market Value (in billion rupiah)
Bank Central Asia Tbk	6.11	899,907
Telkom Indonesia Tbk.	3.89	400,211
Kalbe FarmaTbk	3.88	75,703
Astra International Tbk	3.36	230,756
Bank Rakyat Indonesia Tbk	3.19	501,881

Source: Indonesia Stock Exchange, 2022

Another thing that is a factor in the occurrence of the holding period is the risk of return or deviation of stock returns as reflected by the standard deviation. With regard to stock risk, investors will hold stocks for a shorter time. However, some stocks have discrepancies as attached in table 5

Table 5-List of 5 Stocks with Relationship between Holding Period and Risk of Return

Company	Holding Period	Risk of Return
Barito Pacific Tbk	4.88	34%
Indo TambangrayaMegahTbk	1.29	22%
PabrikKertas Tjiwi Kimia Tbk	1.18	26%
Perusahaan Gas Negara Tbk	0.67	23%
EraaSwasembadaTbk	0.58	20%

Source: Indonesia Stock Exchange, 2022

The greater the Dividend Payout Ratio, the more profitable the Investor, so that the holding period will be longer. However, discrepancies were found in Table 6.

Table 6- List of 5 Stocks with Relationship between Holding Period and Dividend Payout Ratio

Company	Holding Period	DPR
XL Axiata Tbk	1.63	42.50%
Perusahaan Gas Negara Tbk	0.64	69.51%
EraaSwasembadaTbk	0.57	36.19%
Aneka Tambang Tbk	0.38	50.31%
AKR CorporindoTbk	0.26	52.73%

Source: Indonesia Stock Exchange, 2022

The higher the Return on Assets, the better the performance of the company because it can manage its assets to generate maximum profits, thus making investors tend to hold their shares for a longer period of time. However, there are still discrepancies in Table 7.

Table 7-List of 5 Stocks with Relationship between Holding Period and Return on Asset

Company	Holding Period	ROA
Unilever Indonesia Tbk	6.48	30.20%
Kalbe FarmaTbk	3.89	12.40%
Bukit AsamTbk	1.33	21.89%
Media Nusantara Citra Tbk	1.20	11.13%
Adaro EnergiTbk	1.12	12.20%

Source: Indonesia Stock Exchange, 2022

The age of the company is another factor that investors need to consider when investing their capital. Companies that have been established for a long time show how long the company can survive and have more stable profitability. So researchers will conduct research with the title "The Effect of Bid-Ask Spread, Market Value, Risk of Return, Dividend Payout Ratio, Return on Assets and Firm Age on Holding Period"

2. Theory Basis and Hypothesis Development

Signal Theory

Signaling theory were first put forward by Spence (1973) which explains that the sender (owner of the information) provides a signal or signal in the form of information that reflects a condition of a company that is beneficial to the recipient (investor). This information will have meaning or value for investors if the existence of this information causes them to make transactions in the capital market, where these transactions are reflected in the company's financial statements, public opinion, and other market indicators. The existence of information can affect the length of time an investor holds a number of funds in a particular company.

Bid-Ask Spread

The Bid-Ask Spread is a factor considered by investors to make a decision on whether to hold or sell the shares (Wisayang, 2010). The bid-ask spread, which is a function of transaction costs, predicts that financial assets with larger spreads will also generate higher expected returns, as a result, investors expect a long holding period. This supports research conducted by Ani Veridiana (2020) Desi et al (2019) and Titik et al (2017) that the bid-ask spread variable has a positive and significant effect on the holding period. Based on the description above, the following hypotheses can be made:

H1: The bid-ask spread has a positive effect on the holding period

Market value

Market Value is the company's overall value that occurs in the stock market in a certain period. For investors, the greater the market value, the longer it holds its share ownership (holding period) because it is considered that large companies are more financially stable. Research conducted by Tiara et al (2018) Ani Veridiana (2020) Titik et al (2017) and NaufalMurtadho (2019) state that market value has a positive and significant influence on the holding period. Based on the description above, the following hypotheses can be made:

H2: Market value has a positive effect on the holding period

Risk of Return

The Risk of Return is a deviation of stock returns as reflected by the standard deviation (Ernawati et al, 2016). The relationship between return and risk is a unidirectional and linear relationship, meaning that the greater the risk borne, the greater the expected rate of return. Risky stocks make investors not want to bear the high risk of the shares they hold so investors will have the desire to quickly release these shares. Research on the relationship between holding period and risk of return conducted by Maulina (2010), Warang-angin and Fauzie (2013), and Arma (2013) found that risk of return has a negative and significant effect on holding period, this supports the theory that put forward. There is a high-risk high return because investors believe stocks that have high risk also have a high expected return. Based on the description above, the hypothesis can be taken as follows:

H3: Risk of return has a negative effect on the holding period

Dividend Payout Ratio

The greater the dividends distributed, the greater the dividend payout ratio (DPR). The calculation of the DPR is an illustration of how much dividend will be distributed to shareholders from the total net profit earned by the company. Therefore, if a company's DPR is high, the company will distribute dividends in a high amount as well. Seeing the characteristics of investors who want to obtain welfare for their investments in the future, the shares of companies with high DPR will be in great demand and will be maintained for a long time by investors. The greater the DPR, the more profitable the investors are, conversely, if the DPR is low, it will be detrimental to investors because investors prefer large dividend distributions (Brigham and Houston, 2006). This will have an impact on decision-making in determining the holding period of shares by investors, so the DPR has a positive effect

on the holding period of shares. This is consistent with research conducted by Nurwani et al (2012), Kusumayanti (2015), and Ernawati et al (2016) which state that the DPR has a significant positive effect on the holding period. So an increase in the value of the DPR will have an impact on an increase in the holding period of ordinary shares. Based on the description above, the hypothesis can be taken as follows:

H4: The dividend payout ratio has a positive effect on the holding period

Return on Asset

When the company's performance is good, the company's financial condition is also good. One of the benchmarks for company performance is to look at Return on Assets (ROA). According to Almira & Wiagustini (2020), Return on Assets, or what is often referred to as ROA is a profitability ratio that shows the extent to which the company's ability to generate profits using the assets owned by the company. Research conducted by Wijanarko and Margasari (2018) states that Return on Assets has a positive effect on holding period, this is because a higher return on assets can indicate better company performance because it can manage its assets in generating maximum profit. This causes investors to tend to hold their shares for a longer period of time in order to continue to obtain high returns from their investments. Based on the description above, the hypothesis can be taken as follows:

H5: Return on assets has a positive effect on the holding period

Firm age

Firm Age itself is the life span/life cycle of a company. Ulum (2009) suggests that company age can be calculated from the IPO date to the annual report date. The age of the company is something that must be considered by investors in investing their capital, companies that have been established for a long time will have more mature financial conditions. Companies that have not been established for a long time will find it more difficult to form profit forecasts compared to companies that have been established for a long time. Investors hold stocks for a long time because they expect greater returns over a longer period of time. Company age has a significant positive correlation with whether the company is mature or not. Research by Fama & French (2000) and Megginson (1997) states that mature companies have higher returns than relatively young and growing companies. Relatively young companies with high growth rates tend to have small returns. Based on the description above, the hypothesis can be taken as follows:

H6: Firm age has a positive effect on holding period

3. Methodology

Types of Research

This type of research is a type of quantitative research. According to Sugiyono (2013), quantitative research is a type of research where the data is presented in the form of numbers. The data used in this study is secondary data from LQ 45 companies listed on the Indonesia Stock Exchange in 2019-2021.

Data Source

LQ 45 company data used in this study is secondary data obtained from www.idx.co.id. Sources of data also come from the financial statements of each company published by the company concerned.

Population

The population according to Sugiyono (2013) is a generalized area consisting of objects/subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn. The population used in this study is LQ 45 companies listed on the Indonesia Stock Exchange in 2019-2021.

Sample

The sample according to Sugiyono (2013) is part of the number and characteristics possessed by the population. The sample used in this study is LQ 45 companies listed on the Indonesia Stock Exchange as of 31 December 2019-2021. The criteria for determining the sample in this study are as follows:

- a. LQ 45 company listed on the Indonesia Stock Exchange from 2019-2021.
- b. LQ 45 company that publishes annual financial reports as of December 31 from 2019-2021
- c. Companies that have complete data regarding the information on closing price and previous share price, number of outstanding shares, transaction volume, bid price and ask price, dividends, earnings per share, revenue, fixed assets, total assets, and net profit.

Data collection

According to Sugiyono (2013), data collection techniques are the main steps in research, because the main goal of the research is to obtain data. Without knowing the data collection techniques, the researcher will not get data that meets the established data standards. The data collection technique used in this study is a documentation technique. The data used is secondary data, namely data that has been published or published for the general public. Data was obtained through the Indonesian Stock Exchange website in the form of LQ 45 company financial reports for 2019 - 2021.

Independent Variable

1. The bid-ask spread

is the difference between the highest purchase price that causes a dealer to agree to buy a certain stock and the lowest selling price that causes a dealer to agree to sell their shares (Atkins and Dyl 1997:314). High spreads make investors hold their investments in the long term. The spread obtained by investors who agree to buy shares at the bid price and sell at the ask price is used to cover transaction costs that occur (Margareta, 2015). To be able to gain from selling shares, investors must sell above the ask price.

2. Market value

market value is defined as the stock price that occurs on the stock market at a certain time by market participants (Wisayang, 2010). Theoretically, a large market value development will lead to a longer stock holding period. Long-term investors benefit from investing in stocks. Investors like this buy shares and keep them for a long period of time (annual) and during that time investors benefit from the dividends paid by the company every certain period.

3. Risk of Return

The risk of return is the magnitude of the deviation between the expected return and the actual return (Ernawati, 2016). The relationship between return and risk is a unidirectional and linear relationship, meaning that the greater the risk borne, the greater the expected rate of return

4. Dividend Payout Ratio

The dividend payout ratio is the percentage of income that will be paid to shareholders as a "cash dividend". The dividend payout ratio is the ratio between the dividend per share and earnings per share in the period in question (Husnan, 1998). The dividend per share component contains an element of dividends, so the greater the dividends distributed, the greater the dividend payout ratio.

5. Return on Assets

Return on assets is a profitability ratio that shows the extent to which a company's ability to generate profits using the assets owned by the company (Almira & Wiagustini 2020). The company's financial ratios are related to earning or profitability aspects. ROA serves to measure the company's effectiveness in generating profits by utilizing its assets. The greater the ROA owned by a company, the more efficient use of assets it will increase profits. Large profits will attract investors because the company has a higher rate of return.

6. Company Age

Company Age itself is the life span/life cycle of a company. Ulum (2009) suggests that company age can be calculated from the Initial Public Offering date to the annual report date. Companies that have not been established for a long time will find it more difficult to form profit forecasts compared to companies that have been established for a long time.

Dependent Variable

The dependent variable in this study is Holding Period. Holding Period is the length of time it takes investors to invest with the amount of money they are willing to spend. According to Santoso (2008) Holding Period is a variable that gives an indication of the average length of time investors hold shares of a company.

Data Analysis Method

1. Descriptive Statistical Analysis

According to Sugiyono (2013), descriptive statistical analysis is used to explain data descriptions of all variables in the study seen from the minimum value, maximum value, mean (mean), and standard deviation. The descriptive statistical analysis aims to provide an overview of the distribution and behavior of research sample data.

2. Classic Assumption Test

The classical assumption test was carried out to find out whether the data used is feasible for analysis because not all data can be analyzed by regression. The purpose of the classical assumption test is to find out whether the estimation results of the regression performed are free from bias

which results in the regression results not being used as a basis for testing hypotheses and drawing conclusions. In this study, 4 classic assumption tests were used, namely the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

3. Hypothesis Testing

This study uses multiple regression model hypothesis tests. This analysis aims to determine the direction of the relationship between the independent variables and the dependent variable, whether each independent variable is positively or negatively related, and to predict the value of the dependent variable if the value of the independent variable increases or decreases.

4. Results and Discussion

Table 8- Results of Descriptive Statistical Analysis Financial Performance Descriptive Statistics

Variabel	N	Minimum	Maximum	Mean	Std. Dev
Holding Period	108	0.132	15.207	3.455	2.830
Bid-Ask Spread	108	0.071	0.358	0.187	0.066
Market Value	108	2553	899907	115820.472	169816.869
Risk of Return	108	0039	0.340	0.124	0.056
Dividend Payout Ratio	108	0.013	1.666	0.503	0.318
Return on Asset	108	-3.510	35.800	7.101	6.951
Firm Age	108	1	39	21.722	8.776

Based on the table above on the LQ 45 companies listed on the Indonesia Stock Exchange. holding period shows that the magnitude is between 0.132 to 15.207 with an average of 3.455 at a standard deviation of 2.830. The highest holding period for shares occurred in the company Unilever Indonesia Tbk (UNVR) in 2019 worth 15.207, while the lowest holding period occurred for the Bank Tabungan Negara Tbk (BBTN) company in 2020 amounting to 0.132.

Bid Ask Spread shows that the magnitude is between 0.071 to 0.358 with an average of 0.187 at a standard deviation of 0.066. The highest Bid Ask Spread for shares occurred for the company Barito Pacific Tbk (BRPT) in 2020 and 2021 worth 0.358 or 35.8%, while the lowest Bid Ask Spread occurred for the company Bank Central Asia Tbk (BBCA) in 2019 amounting to 0.071 or 7.1%. Market Value shows that the magnitude is between 2553 to 899907 with an average of 115820.472 at a standard deviation of 169816.869. The highest market value for shares occurred in the company Bank Central Asia Tbk (BBCA) in 2021 worth 899,907,865,000,000 while the lowest market value occurred in the company AKR Corporindo Tbk (AKRA) in 2020 worth 2,553,345,969,120. Risk of Return shows that the magnitude is between 0.039 to 0.340 with an average of 0.124 at a standard deviation of 0.056. The highest risk of return on shares occurs in the company Barito Pacific Tbk (BRPT) in 2020 worth 0.34 or 34%, while the lowest risk of return occurs in the company Telkom Indonesia Tbk (TLKM) in 2019 worth 0.039 or 3.9%. Dividend Payout Ratio shows that the magnitude is between 0.01305 to 1.6667 with an average of 0.503 at a standard deviation of 0.318. The highest dividend payout ratio occurred in the company Tower Bersama Infrastructure Tbk (TBIG) in 2019 worth 166.67%, while the lowest dividend payout ratio occurred in the company Bank Tabungan Negara Tbk (BBTN) in 2020 worth 1.305%. Return on Asset shows that the magnitude is between -3.510 to 35.800 with an average of 7.101 at a standard deviation of 6.951.

The highest return on assets occurred for the company Unilever Indonesia Tbk (UNVR) in 2019 worth 35.80%, while the lowest return on assets occurred for the company Perusahaan Gas Negara Tbk (PGAS) in 2020 worth -3.51%. Firm age shows that the magnitude is between 1 to 39 with an average of 21.722 at a standard deviation of 8.776. The highest company age occurs in the Unilever Indonesia Tbk (UNVR) company in 2021 worth 39 years, while the lowest company age occurs in the Sharia National Pension Savings Bank Tbk (BTPS) company in 2019 which is 1 year old.

Classical Assumption Test Results

1. Normality Test Results

Table 9- Normality Test Results (JB-test)

Jarque-Bera Variabel	Probability	Minimum
5.2382	0.0728	Normal data

From the table above, results of the Jarque-Bera value (5.2382) and the probability value (0.165 > 0.05). Based on these results, it can be said that the data in this study are normally distributed

2. Multicollinearity Test Results

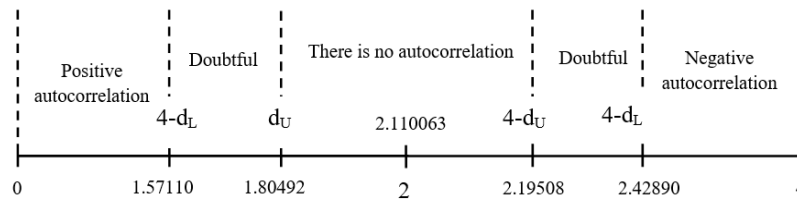
Table 10- Multicollinearity Test Result

Variable	Centered VIF
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Bid Ask Spread	2.894386
Market Value	1.317922
Risk of Return	2.699448
Dividend Payout Ratio	1.114492
Return on Asset	1.195959
Company Age	1.092445

the VIF value on the Bid-Ask Spread, Market Value, Risk of Return, Dividend Payout Ratio, Return on Assets and company age variables is below the predetermined value or smaller than 10, it can be concluded that the test results show no symptoms of multicollinearity.

3. Autocorrelation Test Results



The calculation results above show that the DW of 2.110063 lies between the dU and (4-dU) values of 1.80492 and 2.19508 ($dU < DW < 4-dU$) so it can be concluded that there is no autocorrelation in the regression model used in this study.

4. Heteroscedasticity Test Results

Table 11- Heteroscedasticity Test Result **Heteroskedasticity Test: Breusch-Pagan-Godfrey**

<i>F</i> -statistic	1.108722	<i>Prob. F</i> (6,101)	0.3626
<i>Obs*R</i> -squared	6.673814	<i>Prob. Chi-Square</i> (6)	0.3521
<i>Scaled explained SS</i>	8.065532	<i>Prob. Chi-Square</i> (6)	0.2333

The results of the heteroscedasticity test using the Breusch Pagan Godfrey Test obtained an *Obs*R*2 value of 6.673814 with a probability of 0.3521. These results indicate that $0.3521 > 0.05$, which means that the probability is greater than α . So it can be concluded that the residuals have a homogeneous variance and the assumption of heteroscedasticity is met.

Hypothesis Test Results

1. Results of Multiple Linear Regression Analysis

Table 12- Results of Multiple Linear Regression Calculations

$HldPr = \alpha + \beta_1 Spread + \beta_2 MktVal - \beta_3 RoR + \beta_4 DPR + \beta_5 ROA + \beta_6 UmrPrsh + \epsilon$					
Variable	Hypothesis	Coefficient	Significance	t-statistik	t-table
C	No	-3.799398	0.0000	No	No
Bid-Ask Spread	+/-	2.631618	0.1131	1.598285	1.98373
Market Value	+	0.375134	0.0000	6.125232	1.98373
Risk of Return	-	-6.188281	0.0012	-3.331186	1.66008
Dividend Payout Ratio	+/-	0.158915	0.4540	0.751664	1.98373
Return on Asset	+	2.754837	0.0071	2.749302	1.98373
Firm Age	+/-	0.199093	0.0830	1.750886	1.98373
Adjusted R-squared	0.487492				
Prob(F-Statistic)	0.000000				
N	108				
*Significant at the 5% level					

then the results of multiple regression analysis can be written as follows:

$$Y = -3,799398 + 2,631618X_1 + 0,375134X_2 - 6,188281X_3 + 0,158915X_4 + 2,754837X_5 + 0,199093X_6$$

2. Test Results T

Based on Table 4.5 on the results of multiple linear regression calculations, the following hypothesis is obtained:

- a. First Hypothesis Testing, the result is that the bid-ask spread variable has a t-count value (1.598285) < t-table (1.98373) so that H0 is rejected and Ha is accepted. The significance value is greater than the probability level used ($0.1131 > 0.05$), so it can be concluded that the bid-ask spread has no significant effect on the stock holding period.

- b. Second Hypothesis Testing, the result shows that the market value variable has a t-count (6.125232) > t-table (1.98373) so that H₀ is rejected and H_a is accepted. The significance value is greater than the significance level used (0.0000 < 0.05), so it can be concluded that market value has a significant effect on the stock holding period.
- c. Third Hypothesis Testing, the result is that the risk of return variable has a t-count (3.33118) > t-table (1.66008) so that H₀ is accepted and H_a is rejected. The significance value is smaller than the significance level used (0.0012 < 0.05), so it can be concluded that the risk of return has a significant effect on the stock holding period.
- d. Fourth Hypothesis Testing, the result shows that the dividend payout ratio variable has a t-count (0.751664) < t-table (1.98373) so that H₀ is accepted or H_a is rejected. The significance value is smaller than the significance level used (0.4540 > 0.05), so it can be concluded that the dividend payout ratio has no significant effect on the stock holding period.
- e. Fifth Hypothesis Testing, the result shows that the variable return on assets has a t-count (2.749302) > t-table (1.98373) so that H₀ is rejected and H_a is accepted. The significance value is smaller than the significance level used (0.0071 < 0.05), so it can be concluded that return on assets has a significant effect on the stock holding period.
- f. Sixth Hypothesis Testing, the result is that the age variable of the firm has a t-count value (1.750886) < t-table (1.98373) so that H₀ is accepted and H_a is rejected. The significance value is greater than the significance level used (0.0830 > 0.05), so it can be concluded that the age of the company has no significant effect on the holding period of shares.

3. Test Results F

Table 13- F-Statistics Test Results

F _{count}	F _{table}	Prob	Description
17.96289	2.189672	0.000000	Accept H _a

Based on Table 13, the results obtained are $F_{count} (17.96289) > F_{table} (2.189672)$ so that H₀ is rejected and H_a is accepted. The significance value is smaller than the significance level used (0.000000 < 0.05) this means that statistically, the variables Bid-Ask Spread (X1), Market Value (X2), Risk of Return (X3), Dividend Payout Ratio (X4), Return on Assets (X5), Company Age (X6) together have a significant influence on the Holding Period (Y).

Discussion

1. The Effect of the Bid-Ask Spread on the Holding Period

The bid-ask spread variable has a regression coefficient with a positive sign of 2.631618. The results of the t test showed that the value of t-count (1.598285) > t-table (1.98373) and the probability value is greater than the probability level used (0.1131 > 0.05), so it can be concluded that the bid-ask spread has no significant effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

2. Effect of Market Value on Holding Period

The market value variable has a regression coefficient with a positive sign of 0.375134. The t-test results obtained t-count (6.125232) > t-table (1.98373) and the significance value is greater than the significance level used (0.000 < 0.05), so it can be concluded that market value has a positive and significant effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

3. Effect of Risk of Return on Holding Period

The risk of return variable has a regression coefficient with a negative sign of -6.188281. The t-test results obtained t-count (3.33118) > t-table (1.66008) and the significance value is smaller than the significance level used (0.0012 < 0.05), so it can be concluded that the risk of return has a negative and significant effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

4. Effect of Dividend Payout Ratio on Holding Period

The dividend payout ratio variable has a regression coefficient with a positive sign of 0.158915. The t-test results obtained t-count (0.751664) < t-table (1.98373) and the significance value is smaller than the significance level used (0.4540 > 0.05), so it can be concluded that the dividend payout ratio has no significant effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

5. Effect of Return on Assets on Holding Period

The variable return on assets has a regression coefficient with a positive sign of 2.754837. The t-test results obtained t-count (2.749302) > t-table (1.98373) and the significance value is smaller than the significance level used (0.0071 < 0.05), so it can be concluded that return on assets has a significant positive effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

6. Effect of Company Age on Holding Period

Based on the t-test it is known that the Company age variable has a regression coefficient with a positive sign of 0.199093. The t-test results obtained t-count (1.750886) < t-table (1.98373) and the significance value is greater than the significance level used (0.0830 > 0.05), so it can be concluded that firm age has no significant effect on holding period of stocks on the LQ45 Index for the 2019-2021 period.

5. Results and Discussion

Conclusion

Based on the results of research and discussion conducted regarding "The Influence of Bid-Ask Spread, Market Value, Risk of Return, Dividend Payout Ratio, Return on Assets and Company Age on Holding Period (Empirical Study of LQ 45 Companies Listed on the Indonesia Stock Exchange in 2019-2021)", it can be concluded as follows:

1. The Bid Ask Spread has no effect on the Holding period. The ineffectiveness of the bid-ask spread on the holding period may be due to several reasons, including the sample in this study being the most active stock traded on the IDX. The most active shares cause high stock price fluctuations. High fluctuations in stock prices will also lead to high liquidity, so this causes these shares not to be held by investors for a longer time.
2. Market Value has a significant positive effect on the holding period. Market value reflects the overall value of a company that occurs in the stock market. If the market value is large, the size of the company will also be greater. The size of the company will affect the holding period of shares owned by investors. If the company's market value is large, the longer the investors will retain their share ownership or the longer the holding period of their shares.
3. Risk of Return has a negative and significant effect on the holding period. This is consistent with the existence of high-risk high return, the relationship between risk and return is a unidirectional and linear relationship, meaning that the greater the risk borne, the greater the expected rate of return. Risky stocks make investors not want to bear the high risk of the shares they hold so that investors will have the desire to quickly release these shares
4. Dividend Payout Ratio has no significant effect on the holding period. Not all investors like dividends, some investors prefer capital gains, because capital gains provide a greater and faster profit rate. In addition, the tax on capital gains is lower than the dividend tax
5. Return on Assets has a significant positive effect on the holding period. an increase in return on assets is influenced by the inflow of assets or other increases in the assets of the entity as well as the repayment of its obligations during the period incurred and the meaning describes the profitability of a company. In terms of investing, of course, investors want a profit, the higher the level of profitability, the longer investors hold ownership of their shares.
6. Company Age has no significant effect on the holding period. The age of the company cannot be fully used as a benchmark for estimating a longer or shorter period of holding shares.

Suggestion

Based on the results of research data analysis and based on several things that have been concluded previously, the researcher suggests the following things:

1. For potential investors who wish to invest in stocks, it is better to pay attention to the company's Market Value, Risk of Return, and Return on Assets which have been proven to have a significant effect on the holding period.
2. For future researchers, it is better to use other research objects outside the LQ45 Index and add years of research so that they can clearly describe the conditions of the holding period.
3. Future researchers need to add other variables that affect the holding period, from the test results it is known that Adjusted R2 is still 51.26 percent which affects the holding period outside the independent variables of this study.

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