

Abstract

In the investments world, there are some important indicators needed by investors to anticipate a loss of assets. One of the important indicators should be observed is volatility. Volatility is often used as a marker of rise or fall in the price of the stock. One of the properties of the volatility is asymmetric, the volatility will be higher if stock price goes down and would be lower if the stock price rises. This asymmetrical nature related with leverage effect which means volatility tends to increase when the news is bad (bad news) and tend to decrease when news is good (good news). As investors, we're hard to predict the ups and downs of prices through the news, because there are too large number of news released by the media. However, volatility can be seen from the movement of historical data. From the historical data it can be retrieved some information, such as price, return and volatility. This final task performed an analysis of the nature of asymmetrical Generalized Autoregressive Conditionals Heteroscedasticity (GARCH) and Stochastic Autoregressive Volatility (SVAR) volatility model. In addition, it specified the model predictions on the Indeks Harga Saham Gabungan (IHSG) using both models of the volatility. Based on the results of the analysis, SVAR model can accommodate the asymmetric nature than GARCH model and both models give a good return prediction results on the conditions of data that do not have extreme fluctuations.

Keywords: Asymmetric, return, volatility, GARCH, SVAR.