ABSTRACT

ANALYSIS OF IPO AFTERMARKET LIQUIDITY ON THE INDONESIA STOCK EXCHANGE: STOCK TRADING VOLUME AND UNDERPRICING

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The present study has been conducted for the purpose of analysing the effect of underpricing and stock trading volume on stock liquidity after Initial Public Offering (IPO) on the Indonesia Stock Exchange (IDX) in the 2019-2023 period. The concept of stock liquidity is measured by two proxies: namely turnover and spread. The research employs quantitative methods, incorporating descriptive and verification approaches. The data utilised in this study is secondary in nature, originating from the Indonesia Stock Exchange. The analysis technique employed is multiple linear regression, facilitated by the SPSS software. The research sample consisted of 48 companies that experienced underpricing during the IPO, with an observation period of 20 days after the IPO. The findings indicate that underpricing and stock trading volume exert a favourable influence on post-IPO stock liquidity. It was observed that an increase in underpricing and trading volume was associated with higher stock turnover and a reduction in the spread, indicating an enhancement in liquidity.

Keywords*: Underpricing, Stock Trading Volume, Stock Liquidity, IPO.*