

ABSTRACT

Defensive stocks is stock which has low beta (under one). Defensive Stock Strategy has been known during the last five years dan inconsistency relation occur between return and risk which the stock of companies with a low beta or a low risk has high return.

This research has the purpose to analyze the influence of the book market, size, profitability and return against defensive stocks. The collection of data using secondary data during the research period from 2010-2013 that contains in the index LQ45 of Indonesia Stock Exchange (IDX). Methods of analysis using regression analysis to testing hypotheses with the coefficient of determination (R^2), F statistic test, and t statistical test. then classic assumption test that includes normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

Result from this research explains that the profitability and size variable effect positively and significantly against return of defensive stock. Then Book to Market have a positive effect, but not significant to return of defensive stocks. Adjusted R Square value of 0.273 while the rest 72.7% return of defensive stock (RDS) can be explained by other variables.

Keyword: Book to Market, Size, Profitability, and Return of Defensive Stocks

