# THE EFFECT OF TRADING FREQUENCY, VALUE, AND VOLUME ON CAPITAL INVESTMENT DECISION MAKING IN THE CAPITAL MARKET THAT IS INDICTED BY JAKARTA ISLAMIC INDEX (JII)

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## ABSTRACT

Business people have many considerations when making decisions to make capital investments, mainly because of various considerations of risk that will be accepted both now and in the future. Predictions to obtain maximum profits are also a major consideration. Specifically, the purpose of this study is to predict the effects of frequency of trading, the volume of trade, and value trading when making capital investment decisions, not only in large part but also simultaneously. Secondary data was obtained using data that was already available on the IDX, especially issuers indexed in the Jakarta Islamic Index (JII), which were then obtained in accordance with the problem formulation. The data was approved until January 2017 to December 2018. The results of the analysis convinced the author, the fact of trade affects investment decisions, trading volume is also able to influence investment decisions, and the value of trade also greatly influences investment returns. Cumulative trading frequency, trading volume, and value trading also influence capital investment decision making at JII.

**Contribution/ Originality:** This study contributes to the existing literature by predicting the effects of frequency of trading, the volume of trade, and value trading when making capital investment decisions, not only in large part but also simultaneously.

## 1. INTRODUCTION

Trading agents in buying and selling transactions always use a variety of considerations, starting from the frequency of transactions that occur to the issuer, trading volume (number of lots transacted) that occur every day, week, month, quarter or year, and value (total transaction value) traded) every day, week, month, quarter, or yearly.

In addition to the three variables, there are many other considerations that are used by traders (traders and investors) in determining the decision to invest in the capital market, including equity,

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profitability, capital structure, asset structure, value or stock price, company structure, company size, company value, etc.

In this paper intentionally limited to three aspects, namely the frequency of transactions that occur, transaction volume, and the value or value of transactions that are traded in influencing traders and investors in making stock investment decisions.

Transaction volume is seen from the number of shares traded in each time unit. Hypothetically it greatly influences the psychology of trading players (traders and investors) because they believe that the shares are attractive to buy and have the opportunity to always rise in price, and it will be easy to get profits.

In accordance with the above opinion, Hernowo (2018) explains that the psychology of a trader greatly affects the level of success in investing, because it affects the decisions taken when trading stocks. The basic behavior of traders when trading shares are divided into two, namely seeking pleasure and avoiding suffering (loss). When in a state of loss traders will make several alternative choices including the fight, that is, traders are confident in the analysis. Then the second alternative is to survive or accept the situation, and the last is to leave losses or cut losses.

The value of transactions that occur in each unit of time is also a concern for the traders because the value of these transactions also greatly affects their psychology so they are interested in investing their capital in these shares. They have hopes of getting profits quickly in large quantities in accordance with the amount of capital invested.

The frequency of trading that occurs in a stock offered by the issuer is also a concern because the more frequent the frequency that occurs means the more attractive the shares. With such conditions, it means that many traders are watching the movements of these stocks. So, the higher the frequency of trades that occur, the more attractive the shares will be to buy. In a sense, the motivation of trading players to buy shares that have a high trading frequency is also high, because they believe the purchased shares will soon rise in price, and soon get profit.

The decision of people to buy or not buy certain shares is a strategic step taken by investors or traders. When they make a mistake in making a decision, the opportunity to make a profit becomes smaller. However, when their decision-making steps are right, then the opportunity to gain profits instantly can be achieved easily, quickly, and in large quantities according to the number of lots sold.

The process of making a decision to buy or not buy can also be said to be an art in processing information obtained by traders. It is this art that is studied every day, tested, and practiced by them. Many experts say that the decision-making process to buy or not buy shares in certain issuers must be based on existing data, but all only mean that it can be used as a basis for making predictions, and making investment decisions.

So trading frequency, volume trading, and value trading can also reflect the level of investor confidence in emissions. When investors place high trust in certain issuers, it means they have a high interest in buying shares of the issuer.

Such conditions are used by securities (bro) in making paid services (premium) to their customers (customers) to use their analytical services as a basis for making decisions to buy or not buy stock in the Market. Service fees vary greatly depending on the broker. The more expensive the monthly fee (premium) pegged, the more variables used by brokers in determining the issuer's shares. The more variables used to predict, the more predictions are expected to be made. The accuracy of this prediction is used by brokers in giving advice to customers (customers) in determining the stock investment made. It's just that, the name of the prediction cannot be exactly 100%. There must be an error margin. However, it can already be said to be better, than just relying on the graph of fluctuating daily stock nutrients.

The superiority of information is very important in the decision-making process. Graham, Harvey, & Huang (2016) conclude that traditional portfolio choice theory assumes that investors maximize expected utility based on their beliefs about returning future assets and disposing of assets. However, forming beliefs about the distribution of return assets in the future is difficult. Every day, a large amount of new information arrives. The implications of new information about returning future assets are very uncertain and difficult to decipher. Thus, the distribution of the investor's subjective probability of returning a future asset is ambiguous, that is, the probability

distribution itself is uncertain. This uncertainty is different from the traditional concept of risk, where the probability distribution of the return of assets is known to investors.

Furthermore, it was explained that there is a relationship between competency and investor behavior. psychological investors also influence aspects of investor decision making. In other words, investor behavior is influenced by psychological aspects, competence, and information on frequency.

High investor competency causes them to be more willing to bet on the investment process. Their own judgment because they feel skilled or knowledgeable will cause a high level of courage to invest. In other words, there is a significant influence between the Competence effect and trading frequency. In other words, there is a significant influence between Investor competence and trading frequency(Tversky & Heath, 1991).

Various sources of portfolio information for an issuer are needed in making decisions. Brokers as parties that have both data resources and building sophisticated application systems (software) as sophisticated machines(Vinet & Zhedanov, 2010)that will easily present the results of the second-quarter data analysis, which is owned both in the form of output data analysis results, charts , account information, Order events for buy or sell entries, Graphical order book viewers, Interval based data research platforms, Tick data research platforms, Archived data about Estimated daily data size, Estimated daily records, Accumulated total size of central repository (Nazaruk & Rauchman, 2013) and various recommendations on a stock for certain issuers to sell or buy in minutes, hours, days, or long-term units.

In other words, various powers provided by brokers to customers who need data and recommendations include: 1) Reference Data and Securities Master (ticker symbol, exchange, security description, corporate actions, etc.), 2) Fundamental Data (corporate financials, analyst reports, filings, etc.), 3) Market Data (orders, trades), 4) News (earnings reports, economic news, etc. From all news sources such as CNN, Kompas, between), 5) Social Media ( market sentiment, twits, Robinhood, etc.) (Nazaruk & Rauchman, 2013).

So, brokers will make a trading model which is defined as a set of pre-programmed trading instructions that implement a particular trading strategy, eg: statistical arbitrage, following trends, mean reversion, scalping, market-making, etc. (Nazaruk & Rauchman, 2013).

Brokers, in this case, can provide data to the Bandar or play themselves as bookies. The science of "Bandarmology" used by brokers is also studied by speculators and investors to forecast the price of the stock, and predict the health of the market structure.

Thus, the greater the scope of date, issuers, users, imputs data, repository, and usage paradigm, the greater the predictive power that is produced, which means it will also be able to reduce the chance of an error. In other words, the standard error of measurement for the data produced becomes smaller. This means that the opportunity to get a large profit from the decision-making process to make or not make an investment is very wide open.

The real picture of the prediction results that have been analyzed by the brokers, gives meaning to investors, speculators, and market makers. Market makers are usually team, and the members are snapper investors, who have a very absorbing capital, so they can form a market, which in the end can do two actions, "Flush" and "broach". Flush is a bearish effort (pounced on or associated with falling share prices) so that stocks go down, and bullish (bull) that can butt up so that stock prices rise (characterized by rising share prices, which causes confident or optimistic growth in prices a stock) as a positive sentiment.

This habit behavior in the form of pouncing and butting is analyzed by brokers by using a variety of real data analysis, all of which become determinant variables that will illustrate the direction of the JCI fluctuation which is a nation's macroeconomic indicator.

So, the "superiority of information built" by brokers is the keyword for the success of the traders and investors in making their investment decisions, as well as the "holy book" that they always adhere to in investing large investments in the short and long term.

Again, by looking at various considerations that can determine the decisions of investors and traders, then this study intends to prove scientifically, whether trading frequency, value trading, and trading volume affect the decisions of investors in investing their capital in the stock market? This study specifically observes the IPOs listed in the Jakarta Islamic Index (JII) as many as 30 listed companies in it.

So the originality of this study compared with previous research is the inclusion of trading frequency variables, trading volume, and value trading in influencing stock investment decision making indexed in JII.

JII was chosen by researchers because this study is specifically intended to provide recommendations to traders and Muslim investors in trading on stocks indexed on JII. It is expected that traders and Muslim investors have a scientific understanding that can be verified in making predictions and making the right decisions to make or not invest in listed companies in JII.

This study uses a new estimation methodology by analyzing three factors using quantitative analysis, namely the factor of trade frequency, trade volume, and value when making capital investment decisions. This research is derived from a new formula in which these three variables will be tested to see the magnitude of the effect on business capital investment decisions. This study is one of the few studies that have been investigated about capital investment in 30 companies in JII. This paper contributes to the first logical analysis that has a relationship with capital investment decisions with sharia-based companies that have samples from the latest secondary data in 2018. The main contribution of this paper is that the three variables have a positive influence on capital investment decisions in JII. This study document is expected to provide additional scientific studies and further research studies on capital investment decisions of businesspeople in JII.

## 2. LITERATURE REVIEW
### 2.1. Trading frequency
There are so many studies that have proven that trading frequency has an effect on investment decisions, such as research(Ernanto, 2016) which concludes that trade frequency has a positive and significant effect on stock returns. Graham et al., (2016) conclude that trading frequency variables have a positive effect on stock returns. The frequency of trading influences investment decisions (Vinet & Zhedanov, 2010). Taslim & Wijayanto (2016) show that trading frequency variables have a significant positive effect on stock returns. Ningsih (2012) concluded that the frequency of stock trading has a significant effect on stock prices. Parsa (2011) states that trading frequency variables have a significant effect on stock returns.

Ernanto (2016) explains that the frequency of trading is the number of times a sale and purchase transaction occurs in the shares concerned at a certain time. Stocks with a large trading frequency can be deduced to have a very active stock transaction, this is due to a lot of investor interest. Thus the frequency of stock trading transactions can be known whether or not the shares are of interest to investors.

Taslim and Wijayanto (2016) explain that stocks with large trading frequencies are thought to be influenced by very active stock transactions, this is due to a large number of investor interests. Increasing the number of frequency of trade transactions, due to high demand, the stock price will be pushed up so that returns will also increase.

According to Silviyani, Sujana, and Adiputra (2014), in stock exchange or capital market activities, stock trading frequency activity is one element that becomes one of the ingredients to see the market reaction to information entering the capital market. The frequency of stock trading greatly influences the number of shares outstanding, if the number of frequency of large trades, then the shares are declared as the most active shares traded. Stocks with a large trading frequency are thought to be influenced by very active stock transactions, this is due to the large number of investor interests in these shares. The increase in stock demand has increased the frequency of trading.

The frequency of stock trading according to Ningsih (2012) is the number of transactions that occur in a given period (JSX quarterly). Frequency is also a reflection of the activities of issuers on the trading floor, issuers that are classified as issuers that are very active in trading are issuers whose frequency and trading days are high. The development of stock prices and the frequency of stock trading activities in the capital market is an important indication to study market behavior as a reference for the capital market in determining transactions in the capital market.

## 2.2. Trading Volume

Researchers who relate between volume trading and stock investment decision-making are also conducted byTaslim and Wijayanto (2016) who concludes variable trading volume, market capitalization and trading day variables have no significant negative effect on stock returns. Research Ningsih (2012) concluded that the stock trading volume has a significant influence on stock prices.

Large trading volume indicates that stocks are in great demand by investors. The tendency of investors is to be interested in stocks that provide high returns even though they are risky (Silviyani et al., 2014). Research conducted by Girard and Omran (2009) regarding the relationship between trading volume and stock returns shows a positive relationship between trading volume and stock returns.

Also explained by Ernanto (2016) that trading volume is an indicator of stock liquidity for information that is in the capital market. Stock trading volume is the number of shares traded daily. Active trading shares certainly have large trading volumes and large volumes of stocks will generate high stock returns. Very high trading volume on the exchange will be interpreted as a sign of a market that will improve. Large trading volume indicates that these stocks are in great demand by many investors.

Trading volume is interpreted (Ambarwati, 2008) as the number of shares traded on a particular day trading an active stock, that is with a large trading volume, indicates that the stock is favored by investors, which means that the stock is quickly traded. There is a possibility that the dealer will change the position of his shareholding when the stock trading gets higher or the dealer does not need to hold shares in amounts too long. The volume of trading will reduce the cost of ownership so that it reduces the spread Thus the more active the trading of a stock or the greater the trading volume of a stock, the lower the cost of ownership of the share which means it will narrow the stock bid-ask spread.

Further explained Ambarwati (2008) that Value trading can be interpreted as market capitalization is the market value of an issued share (outstanding share) of an issuer In general, large capitalized shares become the target of investors for long-term investment due to growth potential amazing company besides dividend distribution and too low risk exposure. Because there are many devotees, the stock price is generally relatively high so it will provide a high return. Large market capitalization will generally attract investors in choosing stocks.

Aliwu, (2013)shows the results that trading volume has an effect on the company's stock returns and if the stock trading volume increases, the sahampun return will certainly increase.

According to Ningsih (2012) that trading an active stock, that is with a large trading volume, which indicates that the stock is in demand by investors, which means the stock is quickly traded and will increase the value of the share price.

According to Ningsih (2012) 1) when the stock trading volume continues to decline, prices usually fall, 2) When the trading volume continues to grow, usually the stock price will rise, 3) If the trading volume begins to decline sequentially for 5 trading days, then there will be a tendency for prices to fall for the next 4 trading days, and 4) If the trading volume starts to increase sequentially for 5 trading days, there will be a tendency for prices to rise for the next 4 trading days.

Spread theory Ambarwati (2008) is the theory of spread is inseparable from the activities carried out by members of the exchange that can affect the size of securities transactions in the capital market.

## 2.3. Value Trading

Market capitalization is the market value of shares issued by an issuer. According to Silviyani et al. (2014) large capitalized shares are the target of investors for long-term investment, because of the company's amazing growth potential, in addition to dividend distribution and relatively low risk exposure. Stocks that many interested in generally have a relatively high price so that it will provide a high return as well.

As stated by Sudiyatno, Suharmanto, and Artikel (2011) that large market capitalization generally becomes one of the attractions of investors in choosing stocks. The greater the market capitalization of a stock, the longer the investor will hold his share ownership, because investors

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assume that large companies will tend to be more stable from the financial side. The risk is smaller and has good prospects in the long run with the expectation of a large return. The results of the research conducted (Silviyani et al., 2014) show that market capitalization does not significantly affect returnsaham.

### 2.4. Decision-Making

According to Hernowo (2018) that the consumer decision making includes all processes that consumers go through in identifying problems, finding solutions, evaluating alternatives, and choosing between their buying choices. There are five stages of the purchasing decision process, namely problem recognition, information seeking, evaluation of alternatives, purchasing decisions, and post-purchase behavior.

Explained Hernowo (2018) further that at the stage of need recognition, motivation motivates investors to invest shares in the IDX as financial product learning media. In the information search phase, sources of information about stock issuers, obtained from information searches from universities while the things that are of concern at the information seeking stage are daily stock movements. The time needed during the information search process lasts for ≤ 3 hours. The next step is evaluating alternatives that are considered by investors in choosing stocks because 82% of daily stock movements of investors have no investment choice other than stock investment. At the stage of the decision process, the previous investor has planned to buy shares and the influence of the biggest decision is self then the time needed to determine which sham to buy or sell is for ≤ 3 hours. In the post-decision stage, the level of satisfaction felt by investors after investing in shares in the IDX, they feel satisfied and will advise others to invest in shares on the IDX. The factors that influence stock investors' decision making in choosing stocks on the Indonesia Stock Exchange are seven, namely market activity, corporate action, returns, risk limits, company performance, business development, and selected stocks.

The theory of intention (Septyato & Dewanto, 2016a) explains that behavior is done because individuals have the intention to do it and are related to activities carried out on their own volition. Volitional behavior is based on assumptions, first, humans do things in a way that makes sense. Second, humans consider all information. Third, explicitly or implicitly humans take into account the implications of their actions. The intention to take action is a function of two basic determinants, which are related to personal factors and the other related to social influence.

According to investors (Septyato & Dewanto, 2016b) having a response to financial statement information but having limited cognitive abilities in interpreting the information they receive. So that investors act naive, irrational, and unsophisticated (not sophisticated). Therefore, investors tend to base on rumors, issues, speculative, and behave in mass behavior, impulsivity, loss-control, and impatience. As a result of the above, it will have consequences, namely: a) Investors make wrong decisions so that the shares concerned are assessed inappropriately and often the market seems to be fooled by information that must be interpreted. b) Misleading investors to change and adjust the initial belief about the expected values that have been determined by the interpretation of the information, c) Providing investor behavior that is more obedient to the heart so that many investment decisions are at high risk. This is because perceptions on objects interpreted become misinterpretations, d) Investors behave as taking profit to pay attention to capital gains. This process shows that investors like short-term investment, speculative behavior, and carry out active strategies by paying attention to macro factors such as issues, rumors, politics, conspiracy, insider trading, regulation, market anomalies, and others.

### 3. METHOD

This research can be categorized as correlational quantitative research. The data source used is secondary data from the official IDX web address, especially issuers indexed on JII. The population is as many as 30 issuers indexed at JII. The secondary data analyzed is limited to 2 years, namely from anual report 2017 and 2018. Complete data is then tested using classic assumption tests, such as validity, reliability, normality, homogeneity, linearity, and multicollinearity tests. After all the classical assumption tests are fulfilled, followed by hypothesis testing using simple regression tests and multiple regression tests. A simple regression test is used to test the first, second and third

hypotheses. While multiple regression tests are used to test the fourth hypothesis. The significance level used is 95% or alpha 5%. The whole process of analysis, both assumption test, simple regression test, and multiple regression test using a computer version of the latest version of the social statistics program.

## 4. RESEARCH RESULT

The results of the descriptive analysis of the three variables are as follows:

**Table-1.** Descriptive analysis. To 30 listed companies listed in JII

| | | Trading frequency | Trading Volume | Trading value | Capital investment decision making |
|---|---|---|---|---|---|
| N | Valid | 30 | 30 | 30 | 30 |
| | Missing | 0 | 0 | 0 | 0 |
| Mean | | 1402190,8333 | 10919526,0000 | 33555448, | 19.3 |
| Median | | 1160230,0000 | 7306304,0000 | 20124275, | 19 |
| Mode | | 496458,00ª | 795510,00ª | 9158954, | 16 |
| Kurtosis | | 3,717 | 2,504 | 10,688 | 10 |
| Std. error of Kurtosis | | ,833 | ,833 | ,833 | ,83 |
| Range | | 3144786,00 | 44867050,00 | 173697563,00 | 7 |
| Minimum | | 496458,00 | 795510,00 | 9158954,00 | 16 |
| Maximum | | 3641244,00 | 45662560,00 | 182856517,00 | 23 |
| Sum | | 42065725,00 | 327585780,00 | 1006663445,00 | 137 |
| a. Multiple modes exist. The smallest value is shown | | | | | |

**Source:** Analysis of 2019 data.

Of the 30 listed companies listed in JII, the average frequency of trades in each year for trading frequency is 1402190.8333, volume trading is 10919526,0000, value trading is 33555448.1667, and investment decisions are scored 19.3.

Of the 30 listed companies listed in JII, the minimum trading frequency is 3641244.00, the minimum transaction volume is 795510.00, and the minimum value of trading is 9158954, and the investment decision is 16842032.

Of the 30 issuers, it is known that the maximum number of shares selling frequency is 3641244, the maximum number of trading volumes is 45662560, the maximum number of trading values is 182856517, and the maximum decision is 23.

**Table-2.** The results of the normality assumption test analysis.

| Variables | K-S-Z | Sig. | Conclusion |
|---|---|---|---|
| Trading frequency | 0.107 | 0,241 | Normal |
| Trading volume | 0,121 | 0,192 | Normal |
| Trading value | 0,114 | 0,214 | Normal |
| Capital investment decision making | 0,137 | 0,163 | Normal |

**Table-3.** Multicollinearity test.

| Correlation | R | Sig. | Conclusion |
|---|---|---|---|
| $R_{12}$ | 0,21 | 0,58 | There is no multicollinearity |
| $R_{13}$ | 0,15 | 3,41 | There is no multicollinearity |
| $R_{23}$ | 0,24 | 0.09 | There is no multicollinearity |

The table above provides information that there is no multicollinearity between independent variables, because all correlations of X1 to X2, X1 to X3, X2 to X3 are not all significant. Thus the relationship between dependent variables is free between one independent variable and another

independent variable. Deans of other words, between independent variables are independent (independent) or there is no close relationship between the dependent variables.

**Table-4.** Linearity test tables.

| Aspects tested | F | Sign | t | Sig. | Conclusion |
|---|---|---|---|---|---|
| $X_1$ – Y | 64,327 | 0.000 | 8,221 | 0,000 | Linier |
| $X_1$ – Y | 45,794 | 0,000 | 8,743 | 0,000 | Linier |
| $X_1$ – Y | 52,633 | 0,000 | 11,615 | 0,000 | Linier |

By looking at the results of the linear analysis between the independent variables on the dependent variable, all of them can be said to be linear. So that it meets the requirements for further analysis.

**Table-5.** Test of homogeneity of variances.

| Levene statistic | df1 | df2 | Sig. |
|---|---|---|---|
| .031 | 3 | 236 | .993 |

Based on the results of homogeneity test analysis using the Levene statistical test obtained a coefficient of 0.031 with a synergy of 0.993 thus it can be concluded that the distribution of data X1, X2, X3, and Y is homogeneous. Based on the results of the analysis, it can be observed that the variants of X1, X2, X3, and Y do not have significant differences so that it can be concluded that the variance between variables is homogeneous.

With four types of test assumptions, it can be understood that all assumptions test then all assumptions required can be fulfilled so that hypotheses can be tested.

Regression test results for testing the first, second, third and fourth hypotheses can be tabulated as follows.

**Table-6.** Summary table of simple and simultaneous regression analysis results.

| Variable | R | $R^2$ | R adj. | F | Sign | t | Sig. |
|---|---|---|---|---|---|---|---|
| $X_1$-y | 0,888 | 0,788 | 0,781 | 104,327 | 0.000 | 10,214 | 0,000 |
| $X_2$-y | 0,734 | 0,539 | 0,523 | 32,794 | 0,000 | 5,727 | 0,000 |
| $X_3$-y | 0,973 | 0,947 | 0,945 | 501,633 | 0,000 | 22,397 | 0,000 |
| $X_{1,2,3}$-y | 0,721 | 0,520 | 0,464 | 9,383 | 0,000 | 27,37 | 0,000 |

The first null hypothesis that reads, there is no significant effect between trading frequency on stock investment decision making indexed in JII. The results of the analysis test obtained F coefficient of 104,327 with a significance of 0,000 means the theoretical model is built fit. Furthermore, the R coefficient is 0.888, and R2 is 0.788, so the X1 variable (frequency-trading) that occurred contributed 78.8%. The remaining 0.212 is very likely to be determined by variables that are not included in this study. When viewed from the value of t obtained by nose t is 10.214 and the significance of 0.000, it can be concluded that the null hypothesis is rejected, and alternative Hiptesis says, There is a significant influence between trading accounts on making decisions to invest in listed companies in JII, be accepted. Thus, to increase the interest of investors in making decisions to invest, the issuer must maintain the amount or frequency of trade that occurs at JII.

The results of this study are in line with the findings(Ernanto, 2016) which say, the higher the frequency of trading of a stock indicates that the stock is more actively traded. A stock is said to be actively traded if the frequency is 75 times a day (Maknun, 2010). The results of the study (Vinet & Zhedanov, 2010) say that however, it is important to understand the frequency of trading that occurs in certain issuers before deciding to invest in the issuer. The same thing was stated(Taslim & Wijayanto, 2016) who said that , The frequency of trade has a significant positive effect on stock returns, volume variables.

The second null hypothesis, said, there is no significant effect between volume-trading on making stock investment decisions on listed companies in JII. The results of empirical data analysis obtained F coefficients of 32,794 with a significance of 0,000. This means that the theoretical model built means fit and feasible for further testing. The amount of R is 0.734 and R2 is equal to 0.539. Thus, the volume trading variable contributes 53.9%. Thus there are still 46.1% contributed by other variables which certainly are not examined through this model. Likewise, based on the t test the t coefficient obtained is 5.727, with a significance level of 0.00, it can be ascertained that, the null hypothesis is rejected, and the alternative hypothesis reads, there is a positive and significant influence between volume trading on the issuer's investment decision making which is indexed on JII, accepted.

The results of this study are in line with the results of the study(Ningsih, 2012) which says, partially, only variable stock trading volume, stock trading frequency and EPS affect stock prices." The results of this study are corroborated by research results (Maknun, 2010) concluded, variable trading volume has a significant positive effect on stock returns. The same thing is also explained byAmbarwati (2008) who said, "stock trading volume has a significant influence on the bid-ask stock spread. Another study that also strengthens this research is that the research conducted by Aliwu (2013) concluded, "Trading volume has an influence on stock returns.

The third null hypothesis built in this study states that there is no significant effect between value trading on stock investment decision making in listed companies in JII. The analysis results illustrate that the F coefficient is 501,633 with a significance of 0,000. Thus means, the model is built fit. When looking at obtaining the value of R which is equal to 0.973 and R2 0.947, it means that variable value trading affects the decision making to invest in the capital market in issuers indexed on JII. It will be even more convincing, when looking at the results of the t test, which is equal to 22,397 with a significance of 0,000, meaning that the null hypothesis is rejected, and the alternative hypothesis that reads, there is a significant effect of value trading on making decisions to invest in significant capital markets

The fourth hypothesis compiled in this study states, there is no significant influence between trading frequency, trading volume, and value trading together on the decision to invest in the capital market. The results of the regression analysis simultaneously obtained F count of 9,383 with significance 0,000. The F value assumes that the model built in this study is fit and feasible to be tested further. Based on the analysis of the calculated R value which is equal to 0.721 and R2 of 0.520. In other words, the three variables mentioned earlier contributed a total of 52.0% to the decision to invest in the capital market. When looking at the results of the t test the t coefficient is 27.37 with a significance of 0,000. This means, no hypothesis is set and alternative hypotheses are accepted. Means, there is a significant influence between trading frequency, trading volume, and value trading, simultaneously on the decision to invest in the capital market for listed companies in JII.

The results of this study are in accordance with the Theory of Reasoned Action developed by Fishbein and Ajzen in Ramdhani et al. (2010) which explains that behavior is carried out because individuals have the intention to do so and are related to activities carried out at will volitional. Volitional behavior is based on assumptions, first, humans do things in a way that makes sense. Second, humans consider all information. Third, explicitly or implicitly humans take into account the implications of their actions. The intention to take action is a function of two basic determinants, which are related to personal factors and the other related to social influences.

The results of this study are also in accordance with the results of a study of the determinants of stock investment indicating that investors rely on long-term profits. This factor rests on the characteristics of securities which are risky instruments with risky markets. The next determining factor is quick profit in the short term, following the advice of people/friends, and having authority in ownership. This proves that subjective norms based on friends' suggestions show a sequence that is not primarily in consideration of stock investment. "(Septyato & Dewanto, 2016a). The results of this study are corroborated by research(Septyanto, 2013) which concluded, investors' perceptions of internal and external information have motivated to change beliefs about stock investment. Confidence has a positive effect on investment intentions. That is, investors' perceptions of financial and non-financial information have influenced their initial beliefs about stock repositioning.

Other research results that are in line with this research, namely the research conducted (Masrurun, 2015) concluded, the quality of accounting information has a significant effect on intention in-stock selection. Sophisticated investors, will use accounting information as an analytical tool to make decisions.

## 5. CONCLUSION

The results of the analysis and discussion that has been done carefully produce conclusions:

1.  Trading frequency variables have a positive and significant effect on making investment decisions on listed shares in the JII.
2.  Variable volume trading has a significant effect on stock investment decision making indexed in the JII.
3.  Independent variable value trading also significantly influences the investment decision-making process on shares listed in the JII.
4.  Variable trading frequency, trading volume, and value trading simultaneously also significantly influence the process of making investment decisions on stocks contained in the JII.

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