

ABSTRACT

The phenomenon of underpricing IPO value is not only happened in Jakarta Stock Exchange, but all off World Stock Exchange. From 46 emmittens carried out IPO in 2004-Nov 2007, as many as 91.30% was underpricing, 4.35% was suitable price, 4.35 %- the rest was overpricing.

The goals of this research is to recognize assuming factors partially or simultaneously that influence underpricing IPO value and to find out dominant factor to 46 emmittens carried out IPO in Jakarta Stock Exchange in 2004-Nov 2007.

Sample of this research was taken from listed company in Jakarta Stock Exchange in 2004-Nov 2007 and experienced underpricing. By documentation, quantity sample that fulfilled criteria were 42 companies. Hypothesis was examined by Double Linear Regression.

From 42 sample of companies above, shows that only *sectoral share price* and PER factors, has effect of *underpricing* value partially. Those factors are dominant to influence underpricing value.

Key words : Underpricing, Initial Public Offering (IPO), Price Earning Ratio (PER), Sectoral Share Value