

STOCK PERFORMANCE ASSESSMENT OF THE 10 LARGEST COMPANIES IN INDONESIA: A MULTI-INDEX APPROACH

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ABSTRACT

Peningkatan jumlah investor pasar modal di Indonesia, yang sebagian besar merupakan investor pemula, telah menimbulkan tantangan, termasuk manipulasi pasar yang menyebabkan kerugian investasi. Studi ini bertujuan untuk menganalisis secara mendalam kinerja saham dari 10 perusahaan terbesar berdasarkan kapitalisasi pasar yang terdaftar di Bursa Efek Indonesia selama periode 2020 hingga 2024, dengan menggunakan pendekatan multi-indeks yang meliputi indeks kinerja Sharpe, Treynor, dan Jensen. Dengan menggunakan teknik sampling jenuh dan analisis deskriptif kuantitatif, studi ini memberikan evaluasi komprehensif terhadap pengembalian yang disesuaikan dengan risiko dalam konteks pasar Indonesia. Temuan menunjukkan bahwa Pantai Indah Kapuk Dua Tbk (PANI) secara konsisten masuk dalam tiga besar perusahaan dengan kinerja terbaik berdasarkan indeks Sharpe dan Jensen selama periode lima tahun tersebut. Hasil ini memberikan wawasan yang berharga bagi investor, terutama pemula yang mencari strategi investasi berbasis bukti di pasar negara berkembang.

Keywords: Indeks Jensen; Indeks Sharpe; Indeks Treynor; Investasi; Kinerja Saham

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1. INTRODUCTION

Investment is the transfer of consumption to assets that are expected to generate economic resources or profits in the future. Investments include financial assets (money markets and capital markets) and real assets. When investing, there are many things to consider when deciding what type of investment to choose (Nurlaeli & Artati, 2020). The capital market is one of the tools available to investors who want to invest their assets in a company. In the capital market, many long-term and short-term financial instruments are traded (Ernis et al, 2020). The advancement of financial literacy and technology has significantly simplified investment activities, enabling individuals to easily purchase financial assets such as stocks, bonds, mutual funds, government securities (SBN), and other instruments with relatively modest capital. Currently, there is a notable interest among Indonesians in investing in the capital market, as evidenced by the statistical data from the Indonesian Central Securities Depository (KSEI) shown in Figure 1.

Figure 1 shows that there has been a sharp increase in the number of Indonesian capital market investors. It was recorded that the number of investors in 2020 only amounted to 3.8 million investors and in the latest data obtained the number of Indonesian capital market investors has reached 14.8 million investors or an increase of more than 350% in the last 5 years. This fact proves that Indonesians have a high interest in investing in the capital market. IDX Director of Development Jeffrey Hendrik said, “When compared to Indonesia's total population of more than 280 million, the achievement of the current number of capital market investors shows that the potential for growth is still very large.” Therefore, the IDX will continue to expand the reach of education to all levels of society, increase capital market inclusion through strategic collaboration with various parties, and optimize innovative educational programs, so that more people can invest safely and sustainably (Puspadini, 2025). The increase in the number of stock investors is known to cause several problems such as the number of novice investors who think they can make big profits in the capital market without thinking about the risks. Novice investors tend to be led by wild market movements and some even end their lives due to losses in stock investment (Putra, 2021; Putra, 2020).

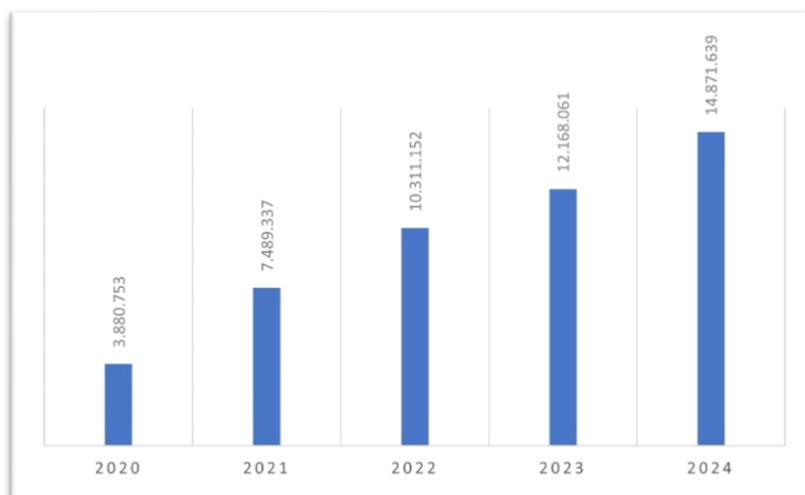


Image 1 Growth of Indonesian Capital Market Investors
Source: Indonesian Capital Market Statistics - KSEI January

A study is necessary for novice investors to assist in making informed investment decisions based on the description above. Before deciding, investors must fully comprehend the potential benefits and associated risks of investing. The levels of risk and return vary

depending on the type of investment asset (Liu & Tsyvinski, 2021). According to (Hartono, 2022), investment decisions require careful consideration, with the two primary factors being the expected rate of return and the risk involved. By analyzing both return and risk, investors can derive the performance metrics of an investment instrument. Evaluating performance is essential and must be conducted prior to finalizing any investment choice. The effectiveness of an investment can also be gauged through its performance, where higher performance indicates greater effectiveness. Common and widely used metrics for assessing investment performance include the Sharpe, Treynor, and Jensen indices (Hamdika et al; Lumbantobing & Sadalia, 2021). Various studies have analyzed stock performance evaluation, yielding diverse conclusions (Yunita & Rinaldi, 2022; Yunita, 2023). Previous research has sampled sectors such as the IDX30 Index, property, real estate, building construction, and banking (Claransia & Sugiharto, 2021) (Hertina et al., 2021).

This study aims to evaluate the stock performance of 10 companies with the largest market capitalization on the Indonesia Stock Exchange for the period 2020-2024. This research continues the research (Almeida & Gonçalves, 2023)(Laksana et al., 2025), the difference given in this study is a study with different objects, namely 10 stocks of companies with the largest market capitalization except the banking sector and the latest period, from 2020 to 2024. 10 Stocks with the largest market capitalization are selected on the grounds that stocks with large market capitalization are not easily influenced by market sentiment or have lower risk, have solid business operations and more transparent financial reports, capital market analysts also state that stocks with large market capitalization are suitable to be observed for novice investors (Ardiansyah, 2022; Sorongan, 2021). It is hoped that this research can provide important information for novice investors to make informed investment decisions.

2. LITERATURE REVIEW

Prospect Theory

The concept of Prospect Theory was originally introduced by Kahneman in his seminal work, *Prospect Theory: An Analysis of Decision under Risk* (Kahneman & Tversky, 2019). This theory explains that investment decisions are often assessed based on perceived gains and losses. Consequently, investors strive to gather as much relevant information as possible to inform their decisions. An investor's comprehension of risk and return values significantly impacts the outcome of their investments. The investment decision-making process is long-term and ongoing, beginning with setting investment objectives and continuing through regular evaluations. In making and reviewing investment decisions, it is essential to define the appropriate risk-return values and performance metrics (Fidyana Andaresta & Purwanto, 2023).

Stocks

Stocks represent ownership in a company (Hartono, 2017). They also signify ownership in the company's assets. Stocks represent an alternative to external financing (Aprillianto & Wardhaningrum, 2021) By owning stocks in a company, investors are entitled to the company's income and wealth after all obligations have been paid (Tandelilin, 2017). According to Adnyana (2020), stocks symbolize an ownership interest in the company, meaning shareholders have a stake in the entity's growth. This aspect is critical for understanding the nuances of portfolio construction and the associated considerations of return and risk. Currently, stocks are investment option beside cryptocurrency and gold (Ha, 2023)

Return and Risk

The rate of return, or return, represents the profit earned from an investment, while risk

refers to the uncertainty or potential for loss associated with that investment. There is a direct relationship between risk and return, specifically a one-way correlation: as the risk of an investment increases, the expected return also increases, and conversely, a lower risk typically means a lower return (Khoiriyah Trianti et al., 2022). Investors who accept higher risks can anticipate higher returns. This relationship is generally linear, where increased risk aligns with increased return (Tandelilin, 2017). Investment is measured by interest risk and business risk (Suryani, 2019).

The rate of return is one of the analyses frequently used for investment (Carvajal & Popovici, 2021). Another analysis is net present value (NPV) (Marchioni & Magni, 2018). Investment decisions are influenced by various factors such as investment experience and government policy (Chen, Tsaur, & Lin, 2023).

Performance Evaluation

Performance evaluation entails comparing a portfolio's returns against a benchmark, such as a market index, alongside analyzing individual securities and their impact on the overall portfolio performance (Yunita, 2023). Performance evaluation is useful for observing performance for evaluation purposes or decision-making (Winarto, 2022). William Sharpe, Jack Treynor, and Michael Jensen developed the foundational concepts of portfolio performance measurement. Performance of portfolio optimization can improve by Sharpe and Jensen Index (Atmaca, 2022). To effectively determine which portfolio outperforms others, it is crucial to evaluate whether a constructed portfolio enhances the probability of meeting the investor's objectives (Ye, Wang, & Raza, 2023).

The Sharpe Ratio, introduced by William F. Sharpe in 1966, measures portfolio performance by relating returns to volatility, utilizing the Capital Market Line (CML) principle. Known as the Reward to Variability Ratio (RVAR), this method assesses whether an investment yields adequate returns for the level of risk undertaken; higher Sharpe ratios indicate better risk-adjusted returns (Mutiasalisa et al., 2021); (Yunita, 2023).

The Treynor Ratio, introduced by Jack L. Treynor in 1965, evaluates the relationship between a portfolio's returns and its beta, reflecting market risk exposure. A higher Treynor Ratio signifies that the investment provides returns exceeding the assumed market risk level. This ratio is commonly employed to compare different investments or portfolios, aiding investors in selecting those with the optimal risk-return balance (Yunita, 2023).

The Jensen Alpha, introduced by Michael C. Jensen in 1968, measures the difference between a portfolio's actual return and the expected risk-adjusted return based on the Capital Asset Pricing Model (CAPM). This index gauges the value added by portfolio managers through their decisions. A positive Jensen Alpha reflects performance surpassing the benchmark, whereas a negative alpha signals underperformance (Yunita, 2023). Meanwhile zero alpha Jensen indicates the portfolio performed as expected based on its risk (Zamilah, 2023).

3. RESEARCH METHOD

This study utilizes daily closing price data for the stocks of the 10 companies with the largest market capitalization listed on the Indonesia Stock Exchange (IDX) from 2020 to 2024. The research variables include the Sharpe Index, Treynor Index, and Jensen Index. Secondary data were obtained from the information provider website, yahoofinance.com. The data, presented in numerical form, are quantitative. Descriptive analysis serves as the analytical method for this research. Data processing to calculate the value of each variable was conducted using Microsoft Excel. The prepared data includes the daily closing prices for each stock and the BI 7-day reverse repo rate, which represents the risk-free asset return. Saturated sampling was employed, encompassing a population of 10 stocks from non-banking sector companies

with the largest market capitalization on the IDX during the 2020–2024 period. Each company contributed 1,240 data points, resulting in a total of 12,400 observations. The list of qualifying companies is presented in Table 1.

Table 1. 10 Companies with the Largest Market Capitalization as of April 2025

No	Code	Company Name	Sector
1	TPIA	Chandra Asri Pacific Tbk	Basic Materials
2	BYAN	Bayan Resources Tbk	Energy
3	DSSA	Dian Swastatika Sentosa Tbk	Energy
4	TLKM	Telkom Indonesia (Persero) Tbk.	Infrastructures
5	ASII	Astra International Tbk	Industrials
6	PANI	Pantai Indah Kapuk Dua Tbk	Properties & Real Estate
7	ICBP	Indofood CBP Sukses Makmur Tbk	Consumer Non-Cyclicals
8	AMRT	Sumber Alfaria Trijaya Tbk.	Consumer Non-Cyclicals
9	UNTR	United Tractors Tbk	Industrials
10	CPIN	Charoen Pokphand Indonesia Tbk	Consumer Non-Cyclicals

Source: idx.co.id, data reprocessed

Analysis of stock performance data is carried out by evaluating the performance of Sharpe, Treynor, and Jensen. The following are the performance evaluation stages carried out, along with a description of the research variables:

1. Determine stock returns
2. Determine the standard deviation of the stock
3. Determining the beta of the stock
4. Determine the risk-free interest rate
5. Calculating the Sharpe Index
6. Calculating the Treynor Index
7. Calculating the Jensen Index

Table 2. Variable Description

Variable	Annotation	Formula
Sharpe Index	R _p = Return portfolio	$S_i = \frac{R_p - R_f}{SD_i}$
	R _f = Risk Free Rate	
	SD _i = Standar deviasi i	
Treynor Index	R _p = Return portfolio	$T_i = \frac{R_p - R_f}{\beta_i}$
	R _f = Risk Free Rate	
	β _i = Beta saham i	
Jensen Index	R _p = Return portfolio	$J_i = (R_p - R_f) - (R_m - R_f) \cdot \beta_i$
	R _m = Return market	
	R _f = Risk Free Rate	
	β _i = Beta saham i	

Source: (Yunita, 2023)

4. RESULTS AND DISCUSSION

Results

The results of the calculation of stock performance as a reference using the Sharpe Index are presented in Table 3.

Table 3. Stock Performance based on Sharpe Index 2020-2024

No	Code	Sharpe Index				
		2020	2021	2022	2023	2024
1	TPIA	-0,64355	-1,72548	4,55784	4,18176	2,27429
2	BYAN	-0,78186	2,38413	18,27188	-0,83776	-0,64986
3	DSSA	1,00772	6,34186	-1,84180	5,68273	11,40707
4	TLKM	-2,09822	2,87352	-1,93155	-0,09936	-5,91946
5	ASII	-1,13317	-1,34465	-0,46000	-1,11241	-2,89820
6	PANI	-0,07110	11,86579	8,94257	11,46380	10,69603
7	ICBP	-2,17485	-2,73156	1,33123	-0,01025	0,22808
8	AMRT	-1,73497	3,13659	7,87682	1,06403	-1,23047
9	UNTR	1,61798	-1,77119	1,46323	-1,61521	1,91455
10	CPIN	-0,34145	-1,83840	-1,46399	-2,56691	-1,48173

Source: secondary data reprocessed (2025)

Table 3 shows that stock performance based on the Sharpe Index varies, which is positive and negative. A positive Sharpe Index indicates that the stock's return exceeds the return of the risk-free asset, whereas a negative Sharpe Index suggests that the stock's return is less than or comparable to the risk-free asset's return. The Sharpe Index value for the 2020-2024 period was recorded in the range of -5.91946 to 18.27188. The best performance was achieved by Bayan Resources Tbk (BYAN) with a Sharpe Index value of 18.27188 in 2022 while the worst performance was recorded at Telkom Indonesia Tbk (TLKM) with a Sharpe Index value of -5.91946 in 2024.

Table 4. Stock Performance based on Treynor Index 2020-2024

No	Code	Treynor Index				
		2020	2021	2022	2023	2024
1	TPIA	-0,08921	-0,12878	0,22226	2,06480	2,13367
2	BYAN	-0,14128	1,44230	14,24184	-0,11849	-0,05527
3	DSSA	-0,49490	-37,10505	-0,78617	0,61524	2,47823
4	TLKM	-0,23034	0,19819	-0,10982	-0,00303	-0,24024
5	ASII	-0,11471	-0,05980	-0,03137	-0,10479	-0,29549
6	PANI	-0,02027	18,91517	11,51813	-126,09633	-87,98388

7	ICBP	-1,22790	-0,63735	2,79035	0,00803	-0,73803
8	AMRT	-0,51941	2,49391	2,63568	0,03475	-0,06910
9	UNTR	0,27146	-0,29953	0,31340	-0,18970	0,11171
10	CPIN	-0,04593	-0,13119	-0,10565	-0,34710	-0,19771

Source: secondary data reprocessed (2025)

Table 4 shows that the Treynor Index value for the 2020-2024 period shows positive and negative results. The Treynor Index value is in the range of -126.09633 to 18.91517. A positive Treynor Index signifies that the stock's return exceeds the return of a risk-free asset adjusted for market risk, indicating good portfolio performance. Conversely, a negative Treynor Index reflects underperformance relative to the risk-free asset. The results of the Treynor Index analysis show that the highest and lowest values were achieved by Pantai Indah Kapuk Dua Tbk (PANI). In 2021, Pantai Indah Kapuk Dua Tbk (PANI) received the highest value with a value of 18.91517, while the lowest value was obtained in 2023 with a value of -126.09633.

Table 5. Stock Performance based on Jensen Index 2020-2024

No	Code	Jensen Index				
		2020	2021	2022	2023	2024
1	TPIA	0,00782	-0,34411	0,36195	0,98301	0,38261
2	BYAN	-0,02348	0,67730	6,73736	-0,11377	0,02539
3	DSSA	0,08978	2,03087	-0,22801	0,94651	3,68989
4	TLKM	-0,12413	0,12404	-0,11269	-0,01033	-0,23830
5	ASII	-0,03208	-0,18686	-0,04114	-0,06913	-0,13636
6	PANI	0,05754	13,78754	6,71108	4,09988	2,20207
7	ICBP	-0,16978	-0,13961	0,10939	-0,00035	0,01288
8	AMRT	-0,10943	0,47083	1,14068	0,04275	0,02360
9	UNTR	0,25975	-0,24681	0,13681	-0,19395	0,21831
10	CPIN	0,03992	-0,18495	-0,09118	-0,17045	-0,06339

Source: secondary data reprocessed (2025)

Table 5 presents the stock performance based on Jensen Index values for the period 2020–2024, showing both positive and negative outcomes. A positive Jensen Index signifies that the stock has outperformed its benchmark, which is the expected return calculated using the Capital Asset Pricing Model (CAPM), thereby indicating superior performance. Conversely, a negative Jensen Index indicates underperformance relative to the benchmark. The Jensen Index in the 2020-2024 period is in the range of -0.34411 to 13.78754. Pantai Indah Kapuk Dua Tbk (PANI) achieved the highest Jensen value of 13.78754 in 2021 and Chandra Asri Petrochemical Tbk (TPIA) recorded the lowest value in the same year of -0.34411.

This series of tests produced interesting findings, in 2020 when the covid pandemic hit Indonesia, it was recorded that almost all companies had negative performance based on the

Sharpe Index and Treynor Index, there were only two companies that performed positively according to the sharpe index, namely Dian Swastatika Sentosa Tbk (DSSA) and United Tractors Tbk (UNTR), while according to the treynor index there was only one company that performed positively, namely United Tractors Tbk (UNTR). Unlike the two previous indices, in the Jensen Index there are five companies that have positive performance, namely Chandra Asri Pacific Tbk (TPIA), Dian Swastatika Sentosa Tbk (DSSA), Pantai Indah Kapuk Dua Tbk (PANI), United Tractors Tbk (PANI) and Charoen Pokphand Indonesia Tbk (CPIN). This fact shows that companies that have positive performance are companies that are able to provide better returns/profits than other companies.

Further analysis is carried out by ranking stock performance in the 2020-2024 period. Stock performance is considered good if it occupies the top 3 ranks, on the other hand, stock performance is considered poor when it occupies the bottom 3 ranks. Table 6 has presented information on stock performance rankings based on the Sharpe Index. The best stock performance based on the Sharpe Index was obtained by Pantai Indah Kapuk Dua Tbk (PANI), PANI was able to consistently rank in the top 3 in the period 2020 to 2024 five times in a row. The worst stock performance was obtained by Charoen Pokphand Indonesia Tbk (CPIN), CPIN was recorded 4 times in the bottom 3 ranks, namely in 2021, 2022, 2023 and 2024.

Table 6. Stock Performance Ranking based on Sharpe Index 2020-2024

Ranking	Stock Code				
	2020	2021	2022	2023	2024
1	UNTR	PANI	BYAN	PANI	DSSA
2	DSSA	DSSA	PANI	DSSA	PANI
3	PANI	AMRT	AMRT	TPIA	TPIA
4	CPIN	TLKM	TPIA	AMRT	UNTR
5	TPIA	BYAN	UNTR	ICBP	ICBP
6	BYAN	ASII	ICBP	TLKM	BYAN
7	ASII	TPIA	ASII	BYAN	AMRT
8	AMRT	UNTR	CPIN	ASII	CPIN
9	TLKM	CPIN	DSSA	UNTR	ASII
10	ICBP	ICBP	TLKM	CPIN	TLKM

Source: secondary data reprocessed (2025)

Table 7. Stock Performance Ranking based on Treynor Index 2020-2024

Ranking	Stock Code				
	2020	2021	2022	2023	2024
1	UNTR	PANI	BYAN	TPIA	DSSA
2	PANI	AMRT	PANI	DSSA	TPIA
3	CPIN	BYAN	ICBP	AMRT	UNTR
4	TPIA	TLKM	AMRT	ICBP	BYAN

5	ASII	ASII	UNTR	TLKM	AMRT
6	BYAN	TPIA	TPIA	ASII	CPIN
7	TLKM	CPIN	ASII	BYAN	TLKM
8	DSSA	UNTR	CPIN	UNTR	ASII
9	AMRT	ICBP	TLKM	CPIN	ICBP
10	ICBP	DSSA	DSSA	PANI	PANI

Source: secondary data reprocessed (2025)

Table 7 shows that the best stock performance in the period 2020 to 2024 based on the Treynor Index was obtained by Pantai Indah Kapuk Dua Tbk (PANI), PANI was able to consistently rank in the top 3 in the period 2020 to 2024 3 times, namely in 2020, 2021 and 2022. In 2021, PANI is the best performing stock throughout the observation year with a value of 18.91517 (table 4). The worst stock performance was obtained by Dian Swastatika Sentosa Tbk (DSSA) and Indofood CBP Sukses Makmur Tbk (ICBP), these two companies were recorded 3 times in the bottom 3 ranks during the five years of observation.

Table 8 shows that the highest stock performance based on the Jensen Index in the period 2020 to 2024 was achieved by Pantai Indah Kapuk Dua Tbk (PANI). PANI is consistently in the top 3 ranks in the range of 2020-2024 five times in a row. In 2021 PANI received a Jensen performance value of 13.78754, this figure is the highest value in 5 years of observation (table 5). The worst performance based on the Jensen Index is occupied by Telekomunikasi Indonesia Tbk (TLKM) and Charoen Pokphand Indonesia Tbk (CPIN), the two companies consistently entered the last 3 rankings 3 times.

Table 8. Stock Performance Ranking based on Jensen Index 2020-2024

Rankin	Stock Code					
	g	2020	2021	2022	2023	2024
1		UNTR	PANI	BYAN	PANI	DSSA
2		DSSA	DSSA	PANI	TPIA	PANI
3		PANI	BYAN	AMRT	DSSA	TPIA
			AMR		AMR	
4		CPIN	T	TPIA	T	UNTR
5		TPIA	TLKM	UNTR	ICBP	BYAN
6		BYAN	ICBP	ICBP	TLKM	AMRT
7		ASII	CPIN	ASII	ASII	ICBP
8		AMRT	ASII	CPIN	BYAN	CPIN
				TLK		
9		TLKM	UNTR	M	CPIN	ASII
						TLK
10		ICBP	TPIA	DSSA	UNTR	M

Source: secondary data reprocessed (2025)

Discussion

This study's findings reveal significant variations in stock performance across the 10 largest companies by market capitalization in Indonesia from 2020 to 2024, as measured through three complementary performance indices. The multi-index approach employed—incorporating Sharpe, Treynor, and Jensen indices—provides a comprehensive risk-adjusted performance assessment that captures different dimensions of investment returns. These results align with previous research (Hamdika et al., 2022; Yunita, 2023; Pulungan et al., 2019), demonstrating the dynamic nature of stock performance, while extending the literature by revealing that performance rankings vary substantially depending on which risk measure is employed. Notably, Pantai Indah Kapuk Dua Tbk (PANI) emerges as the sole company demonstrating consistent superior performance across all three indices, suggesting robust risk-adjusted returns regardless of whether total risk (Sharpe), systematic risk (Treynor), or benchmark-relative performance (Jensen) is considered. This convergence of positive signals across methodologies provides strong evidence for PANI's exceptional performance during the observation period.

Each index approach offers distinct perspectives on stock performance evaluation, with inherent strengths and limitations. The Sharpe Index, measuring total risk through standard deviation, provides a comprehensive view suitable for undiversified portfolios but may overstate risk for well-diversified holdings. This characteristic makes it particularly relevant for retail investors in Indonesia who often maintain concentrated positions. The Treynor Index, utilizing beta to measure systematic risk, proves more appropriate for diversified portfolios and effectively captures market-related risks. However, its extreme values observed for PANI (-126.09633 to 18.91517) suggest sensitivity to beta estimation accuracy, particularly problematic for companies in volatile sectors such as real estate. The Jensen Index, measuring alpha against CAPM expectations, excels at identifying manager skill and stock selection ability, making it valuable for assessing active management performance. Nevertheless, its reliance on CAPM assumptions may be limiting in emerging markets where market efficiency is questionable.

The performance variations across indices reveal important industry-specific patterns. PANI's exceptional and consistent performance across all three indices (particularly the extreme Treynor values) reflects the unique characteristics of the property and real estate sector during 2020-2024, including low beta sensitivity and strong returns amid Indonesia's property market recovery. Conversely, TLKM and CPIN's consistently poor performance across indices suggests structural challenges in the infrastructure and consumer non-cyclicals sectors, respectively. The energy sector companies (BYAN and DSSA) displayed high volatility across indices, with BYAN achieving the highest Sharpe Index (18.27188 in 2022) during commodity price surges, while showing negative values in other periods—a pattern consistent with the cyclical nature and commodity price exposure inherent to energy sector investments. The more stable performance of UNTR (industrials) during the pandemic year 2020 demonstrates the defensive characteristics of diversified industrial conglomerates. These industry-specific performance patterns suggest that index selection should consider sector characteristics: the Sharpe Index may be more appropriate for volatile sectors (energy), the Treynor Index for

stable, diversified companies (industrials), and the Jensen Index for sectors where active management adds value.

Based on the empirical findings and considering the Indonesian market context, no single index proves universally superior; rather, the appropriateness depends on investor profiles and company characteristics. For novice investors with concentrated portfolios—the primary target audience of this research—the Sharpe Index appears most suitable as it captures total risk without requiring a deep understanding of beta or CAPM. The consistent ranking it provides (with PANI consistently in the top 3 for five consecutive years) offers clearer guidance for stock selection decisions. For institutional investors or those maintaining diversified portfolios, the Treynor Index provides more relevant insights by isolating systematic risk, though the extreme values observed (particularly for PANI) warrant careful interpretation and may indicate model limitations when applied to thinly-traded stocks or unique corporate situations. The Jensen Index proves most valuable when combined with the other two indices, as it identifies stocks generating true alpha beyond market returns—a critical consideration for active portfolio management. Therefore, this study recommends a multi-index approach as implemented herein, where convergence across all three indices (as demonstrated by PANI) provides the strongest signal for superior long-term stock performance. Conversely, consistently poor performance across all indices (as shown by CPIN) represents a reliable warning signal. For accurate prospect assessment in the Indonesian market, we advocate using all three indices in combination, with primary weight on the Sharpe Index for practical decision-making, supplemented by Treynor and Jensen indices for validation and deeper insights into the sources of returns.

The comparative analysis reveals that while PANI emerges as the top performer across all methodologies, the magnitude and consistency of this outperformance vary significantly by index, reinforcing the necessity of multi-index evaluation. The convergence of positive signals across Sharpe, Treynor, and Jensen indices for PANI during 2020-2024 provides robust evidence of superior risk-adjusted performance, while divergent signals for other stocks underscore the importance of triangulating findings across methodologies to account for their respective limitations and strengths in the context of emerging market characteristics and industry-specific risk profiles.

5. CONCLUSION

The results showed that stock performance based on the Sharpe, Treynor, and Jensen Indices in the 10 companies with the largest market capitalization in the 2020-2024 period was varied. Ranking based on the Sharpe and Jensen Indexes shows that Pantai Indah Kapuk Dua Tbk (PANI) has the best performance in 5 consecutive years while the Treynor Index shows that Pantai Indah Kapuk Dua Tbk (PANI) consistently occupies the top 3 ranks in 2020, 2021 and 2022. Pantai Indah Kapuk Dua Tbk (PANI) is the only company that has the best stock performance based on 3 indices at once. From these results, investors can consider their investment by looking at the highest performance rankings based on 3 different indices, namely Sharpe, Treynor and Jensen. One thing to remember, historical prices do not necessarily reflect the same future. This research is limited to 10 companies with the largest market capitalization listed on the Indonesia Stock Exchange in the research period 2020 to 2024. Future research directions include incorporating macroeconomic factors, ESG criteria, and investor behavior analysis to further enhance the understanding of stock performance. Additionally, it is

recommended that future studies utilize the most recent data, explore different company criteria, and apply forecasting methods to predict the performance of Indonesia's top-performing stocks.

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