

ABSTRACT

The fluctuation of stock prices requires investors to gather more information in order to make informed decisions for optimal returns. Dividend announcements can serve as a basis for investors to make investment decisions, as they contain asymmetric information about a company's performance. However, stock prices can fluctuate during the dividend period. Market participants can utilize sentiment analysis to evaluate a company's performance and business success. This study aims to analyze the sentiment of news headlines during the dividend period and its relationship with the stock returns of companies listed in the LQ45 index from 2018 to 2022.

The method used is sentiment analysis using the FinBERT model, utilizing dividend news headline data during that period. The sentiment of the news headlines is classified as positive, negative, and neutral, and then compared with the closing prices to examine the relationship.

The research findings indicate that the sentiment formed in the news headlines is predominantly neutral (46%), followed by positive sentiment (28%) and negative sentiment (26%). The correlation analysis shows no relationship between news headlines and stock returns for five companies, namely ADRO, ANTM, KLBF, UNTR, and UNVR. However, there is a weak relationship between the two variables for ten other companies, including ASII, BBCA, BBNI, BBRI, BMRI, HMSP, ICBP, INDF, PTBA, and TLKM. These findings suggest that sentiment in news headlines can affect stock returns for some companies listed in the LQ45 index during the 2018-2022 period.

The results of this study can be utilized by investors and market participants to understand the relationship between sentiment in news headlines and stock returns, enabling investors to anticipate market fluctuations and make appropriate decisions to maximize their investment returns.

Keywords: *Sentiment analysis of headline news, Dividend period, FinBERT, Stock returns.*