

ABSTRACT

The purpose of this study was to analyze the Indonesian capital market reaction to TELKOM-1 service anomaly incidents on August 28, 2017 and the recovery of TELKOM-1 satellite service on September 10, 2017 indicated by abnormal return (AR) and trading volume activity (TVA) . This research uses Event Study method to analyze market reaction and t-test different test to analyze difference between AR and TVA before and after event period. The sample used in this research is TELKOM shares as the service provider and the share of the five major banks of service users; Mandiri, BNI, BRI, BTN and BCA using survey method of stock price data in IDX and observation of data $t-10$ up to $t + 10$.

The results showed abnormal return and trading volume activity in two periods of event varied but not statistically significant, either for TELKOM shares or group of five major banks of service users; Mandiri, BNI, BRI, BTN and BCA. Significant differences in abnormal return and trading volume activity occur when compared between TELKOM shares and 5 Bank shares.

Key words: *Abnormal Return (AR), Trading Volume of Activity (TVA)*