

ABSTRACT

Investing in the stock market is very closely related to the ups and downs of stock prices. The development of stock prices is an important indicator for investors to find out market behavior. Investment grade announcements are often associated as one of the events that can affect stock price fluctuations. With the status of investment grade, global investors will consider Indonesia to be an investment-worthy country compared to a country which is only a speculation destination. With the entry of investment, the incoming funds are not only hot money funds that can come out at any time but can be more long-term investment funds.

Through this research, an analysis will be carried out with the aim of knowing Abnormal Return before and after the announcement of Indonesian Investment Grade. The analytical method in this research is descriptive verification with a quantitative approach with different tests. The population of this study is stocks registered at LQ-45 in the period February 2017-July 2017. The samples used were 45 companies listed on LQ-45 in the period February 2017-July 2017.

The results showed that there were no significant differences in Abnormal Return before and after the announcement of Indonesian Investment Grade for the period February 2017-July 2017.

The author gives advice to the next researcher to add other moments as benchmarks, then choose another sub-sector or index as an object, and the last is to extend the research period so that the results obtained are more accurate

Keyword: Abnormal Return, Investment Grade