

ABSTRACT

The capital market is a means of funding for companies and governments as a means of investing. One of the factors that can influence the capital market is political events. The political event of the announcement of the Jokowi-Ma'ruf cabinet 2019- 2024 is interesting to study because it has a good image from some of its members so that it can attract investors to invest.

The purpose of this study was to analyze the difference in the average abnormal return and the average trading volume activity of the LQ-45 stock index before and after the announcement of the cabinet formation. Observations were made 5 days before the event and 5 days after the event. The sample used is the shares of companies listed in the LQ-45 using purposive sampling method.

To test the effect of the Jokowi-Ma'ruf cabinet announcement on stock prices in this study using descriptive analysis, normalization and hypothesis testing. The results showed no significant difference in abnormal returns and trading volume activity before and after the Jokowi-Ma'ruf cabinet event.

Keywords: abnormal return, trading volume activity, LQ-45, event study