ABSTRACT

The trade war between the United States and China has occurred since the beginning of 2018. This is because the United States thinks that China has carried out unfair trade practices. The trade war has an impact on economies around the world, including Indonesia.

This study aims to determine whether there is a difference in abnormal returns before and after the trade war between the United States and China. Samples came from 16 companies in the population of plantation sub-sector companies listed on the Indonesia Stock Exchange using a purposive sampling method.

The phenomenon in this study is explored with a case study method using the abnormal return variable with a market adjusted model. This study uses a quantitative approach. Hypothesis testing is done by different tests. Data normality test using Kolmogorov Smirnov. Data were normally distributed using paired sample t test. Data were not normally distributed using the Wilcoxon signed rank test.

The results showed that there was no significant difference in the abnormal return of plantation sub-sector companies listed on the Indonesia Stock Exchange before and after the trade war between the United States and China.

Keywords: trade war, agriculture sub sector, event study, abnormal return.