

ABSTRACT

The COVID-19 virus pandemic has not only impacted the health sector, but also has an impact on the economy and capital market in Indonesia, which has experienced a decline due to limited community activities so that the chain of transmission of COVID-19 will be stopped. So that, in order to keep the wheels of the economy in Indonesia running, President Jokowi announced the implementation of a new normal on May 15. This announcement made capital market players respond positively.

This study aims to analyze whether there is a difference between abnormal returns and trading volume activity on the announcement of the implementation of the new normal by President Joko Widodo with an observation period of 5 days before and 5 days after the announcement. The phenomenon contained in this research is carried out by the event study method or event study with measurements seen from the abnormal return and trading volume activity. The method used in this research is quantitative.

The data used are secondary data and time series data collection using closed price data and trading volume of the LQ45 Index 5 days before and 5 days after the announcement. The sample used in this study were 45 companies selected by purposive sampling method. The data analysis technique used the paired sample t-test with a significance level of 5% on normally distributed data and the Wilcoxon signed ranks test on data that were not normally distributed.

The results showed that there was no difference in the abnormal return and trading volume activity of the LQ45 Index shares before and after the announcement of the implementation of the new normal by President Joko Widodo.

Keywords: abnormal return, trading volume activity, event study, new normal, LQ45 Index.