

ABSTRACT

The events of the COVID-19 pandemic that have occurred around the world, including Indonesia, have hampered economic activity. The high number of COVID-19 cases in Jakarta has led to the imposition of Large-Scale Social Restrictions (PSBB) volume II. This study aims to examine the reaction of the capital market to the announcement of Volume II of Large-Scale Social Restrictions (PSBB) in Jakarta on the Indonesian Stock Exchange. This type of research uses an event study approach to study the market's reaction to an event. This reaction is measured using abnormal returns and trading volume. The observation period is 5 days before and after the announcement of PSBB volume II in Jakarta.

This research is a quantitative study obtained from daily data on the stock prices of companies listed on the LQ45 index. The study population consisted of all the companies in the LQ45 index during the period from August 2020 to January 2021. The sampling technique used a reasoned sampling with a total of 45 shares of companies which met the criteria. of this study. The data were analyzed using the Shapiro-Wilk normality test, then tested the hypothesis using the Wilcoxon signed rank test.

The results showed that there was no significant difference in abnormal returns before and after the announcement of Large-Scale Social Restrictions (PSBB) Volume II in Jakarta, while there were significant differences in trade volume before and after the announcement of restrictions (PSBB) volume II in Jakarta.

Keyword: even study, abnormal return, trading volume activity, and large-scale social restrictions.