

ABSTRACT

The Covid-19 pandemic is an event condition that affects many things, one of which is affecting stock prices in Indonesia which have fluctuated. On March 12, 2020, WHO (World Health Organization) announced that Covid-19 had a status from epidemic to pandemic. This study aims to determine the stock price reaction before and after the announcement of the status of the Covid-19 pandemic on March 12, 2020.

This research includes quantitative research. This research can be measured using abnormal return and trading volume activity using the event study approach. This study uses data from companies listed on the Indonesia Stock Exchange for the period 2020. Taking shares of LQ45 index issuers in the period February 2020 - July 2020 was selected as a sample using purposive sampling. In this study, the period used was 5 days before, 1 day at the time of the event, and 5 days after the announcement.

The results showed that there was no significant difference in abnormal returns before and after the announcement of the change in Covid-19 status from epidemic to pandemic by WHO on the LQ45 stock index. This means that the announcement event does not contain information that can affect investors. Another result is that there is no significant difference in trading volume activity before and after the announcement of the change in Covid-19 status from epidemic to pandemic by WHO on the LQ45 stock index. This means that the announcement event does not affect stock trading activities.

Keyword: *Pandemic Covid-19, Abnormal Return, Trading Volume Activity, Event Study, Stock Price*