

**THE EFFECT OF BOND RATING ANNOUNCEMENTS ON STOCK
PRICES IN INDONESIA STOCK EXCHANGE**

YEAR 2009

BY:

NADIA VIOLETTA VISTARANI

43207010057

ABSTRACT

This article examined the effect of bond rating announcements on stock prices. Data used are daily stock prices by Indonesia Stock Exchange (IDX), bond rating announcements by PT.PEFINDO, and the firm listing in Indonesia Stock Exchange 2009. This data are analyzed with Paired Sample t-Test .

The analysis indicates that: (1) Average stock prices on day to (bond rating announcements) more better than average stock prices before day to (bond rating announcements) and this difference are not significant, (2) Average stock prices on day to (bond rating announcements) more better than average stock prices after day to (bond rating announcements) and this difference are not significant,

Key words : Bond rating, Stock prices