

ABSTRACT

The capital markets have an important role in economic life, particularly in the process of allocation of public funds. As an instrument of economic, capital market is not free from environmental influences, both economic and environmental non-economic environment. Effect of non-economic environment in this research is the announcement of the political events of Kabinet Indonesia Bersatu II.

This study uses event study methods (event study) to examine the stock price reaction to an information published as an announcement. The purpose event study to examine the market reaction of the abnormal return on a particular stock as a result of the announcement of Kabinet Indonesia Bersatu II.

The test result of abnormal return, the financial sector, the probability value for 0223 and on non-financial sector amounted to 0342, the $H_0 > 0:05$ there were no significant differences. Testing Trading Volume Activity (TVA) in the financial sector produces probability values for 0418 and non-financial sector amounted to 0815, the $H_0 > 0:05$ there were no significant differences.

Market reaction to announcement of the Kabinet Indonesia Bersatu II seems to have been anticipated by the market and walk like a normal trade. The market has been able to receive or obtain information quickly, this means the market is efficient in the semi strong form (semi-strong form).

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