ABSTRACT

Political event becomes an event that always be an attention and cannot be predicted, especially Indonesia. The quick count of Indonesia general election in 2019 become one of the most awaited political event. The event is affecting the LQ-45 index in IDX stock after the quick is considered as Semistrong-Form of Efficient Market Hypothesis. Semistrong-Form of Efficient Market Hypothesis occurs when current stock market's price is already reflected historical information including all of the published information such as earning, dividend, stock split announcement, and another published event that affect future company's cash flow. Therefore, the purpose of this research was to measure the announcement effect by conducting an event study.

Average abnormal return and trading volume activity was used to measure and compare data before and after the quick count of Indonesia general election in 2019. Market-adjusted model has been used for this research with 11 days event window. Data that used are secondary, and the data sample is forty-three companies that listed on LQ-45 index in IDX. Data analysis technique is using normality test on Shapiro-Wilk. While, Paired Sample Test were used for Hypothesis testing to know whether it has a significant difference.

The result on Shapiro-Wilk test shown that average abnormal return and trading volume activity data is normally distributed. By Paired Sample T-Test, the result of average abnormal return shows that the phenomena are not significantly impact because there is no significant difference on average abnormal return before and after the quick count of Indonesia general election in 2019. Furthermore, the result of trading volume activity using Paired Sample Test shows that the phenomena are not significantly impact because there is no significant difference in trading volume activity before and after the quick count of Indonesia general election in 2019.

Keywords: *event study, quick count, Indonesia election, abnormal return, average abnormal return, trading volume activity, market-adjusted model*