

ABSTRACT

The announcement of COVID-19 as a worldwide pandemic requires governments in each country to take preventive measures to reduce transmission of the corona virus. The preventive measures taken by the government in each country can have an impact on the movement of shares and the return of shares on the stock exchanges in each country. The difference in stock movements and stock returns can be seen through the stock return chart in each index, the abnormal return chart, and the cumulative abnormal return.

This study aims to determine the differences in stock price movements, the significance of abnormal returns, and cumulative abnormal returns on the SSE 50, SET50, LQ45, STI indices owned by China, Thailand, Indonesia, Singapore five days before the announcement of COVID-19 in each country, five days after the announcement of COVID-19 in each country, and the announcement of COVID-19 by WHO. This study uses an event study method with a market model and risk adjusted returns to see stock price movements in each country. There are two variables used in this study, namely abnormal return and cumulative abnormal return. This research uses quantitative research and sampling method techniques, namely non-probability sampling with purposive sampling method.

The results of research that have been conducted found that the announcement of the first cases of COVID-19 in China, Thailand, Indonesia and Singapore had no impact on stock returns on the SSE 50, SET50, LQ45, and STI indexes. However, the announcement of COVID-19 by WHO had an impact on stock returns for the SSE 50, SET50, LQ45, and STI indices. The announcement of the first COVID-19 cases in China had an impact on the SSE 50 abnormal return index. However, the announcement of the first COVID-19 cases in Thailand, Indonesia and Singapore had no impact on the SET50, LQ45, and STI abnormal return indices. Meanwhile, the announcement of COVID-19 by WHO had no impact on the abnormal return of the SSE 50, SET50, LQ45, and STI indices. The first cases of COVID-19 in China, Thailand and Singapore had an impact on the cumulative abnormal return indices of SSE 50, SET50, and STI. However, the announcement of the first COVID-19 case in Indonesia had no impact on the LQ45 cumulative abnormal return index. Meanwhile, the announcement of COVID-19 by WHO had an impact on the cumulative abnormal return index of SSE 50, SET50, LQ45, and STI.

Keywords: Announcement of the first case of COVID-19 in China, Thailand, Indonesia, Singapore, announcement of COVID-19 by WHO, returns index, event study, abnormal returns.