

ABSTRACT

The study aims to analyze the short-term impact of the Covid-19 pandemic on the Composite Stock Price Index and Sectoral Indexes. This study calculated the expected return and abnormal return from each industry sector with the capital asset pricing model (CAPM) formula. From the results of the count can also be calculated Cumulative Abnormal Return (CAR) and Cumulative Average Abnormal Return Market (CAARM).

The sample used in this study is the company's stock index recorded in 9 (nine) industrial sectors in Indonesia Stock Exchange and the stock index of companies that actively trade in June 2019 - June 2020. The study period was conducted for one year ranging from 8 (eight) months before the first positive case of Covid-19 in Indonesia (June 10, 2019) to 4 (four) months after the first positive case of Covid-19 in Indonesia (June 6, 2020). The determination of the sample is done by purposive sampling method. The number of samples used in the study was 418 samples. The research data was obtained from The Indonesia Capital Market Institute (TICMI) and the Bank Indonesia website. Data is processed using the event study analysis method with the SPSS application program version 26.

The results of the study were divided into several sub-windows with the timeline of the Indonesian government's policy in dealing with the Covid-19 pandemic. The results showed that the Covid-19 Pandemic had a significant negative effect on the Composite Stock Price Index and Sectoral Index in certain sub-windows.

Keywords: Covid-19, IHSG, Sectoral Index, CAPM, CAR, CAARM