

ABSTRACT

This study aims to examine the impacts of political events, such a presidential election towards the Indonesian capital market in the last three periods of election, in 2009, 2014, and 2019. This study uses abnormal return and trading volume activity as elements to be examined.

This study uses event study analysis and the data were obtained from secondary data. The population used is all companies listed in the LQ-45 index on IDX, started from February to July 2009, February to July 2014, and February to July 2019. While the sample that used in this study were 42 companies in 2009, 44 companies in 2014, and 45 companies in 2019.

The result shows there were differences in abnormal return, both before and after the elections in 2009, 2014, and 2019. However, the results of statistical test shows there were no significant differences, both for abnormal return and trading volume activity before and after election in 2009, 2014, and 2019.

Key words : abnormal return, trading volume activity, election, political event, event study