

ABSTRACT

This study aims to analyze the impact of the FOMC announcement on March 16, 2020, on the share price and abnormal return of LQ45 companies; and to determine the difference in the impact of LQ45 company share prices and abnormal returns before and after the FOMC announcement on March 16, 2020.

This research method is an event study with the independent variable used being the FOMC announcement on March 16, 2020, while the dependent variables are stock prices and abnormal returns. The sample for this research was 45 LQ-45 companies listed on the IDX that announced daily share price data before and after the FOMC announcement on March 16, 2020. The data collection method used secondary data documentation which was then analyzed using the paired sample t-test and the Wilcoxon sign test. rank test.

The research results show that (1) the FOMC announcement on 16 March 2020 had a negative impact on the share prices of LQ-45 companies, with the average share price after the announcement being lower than the average share price after the FOMC announcement on 20 March 2020. Impact on Abnormal Returns company LQ45 is average Average Abnormal Return (AAR) before the FOMC announcement was positive while after the announcement it was negative, so it can be said that the AAR before the announcement was higher compared to the AAR after the FOMC announcement on March 20, 2020. (2) Based on the LQ45 company share price difference test during the period, there was a significant average difference before and after the FOMC announcement event on March 16 2020. This indicates that the FOMC announcement had an impact on low share prices. Then, test the difference in abnormal returns for LQ45 companies during the period, namely that there is no difference in the average before and after the FOMC announcement event on March 16, 2020. This indicates that the FOMC announcement has no impact on the difference in average abnormal returns.

Keywords: Share Price; Abnormal Returns; FOMC Announcements.