

ABSTRACT

The investment decision made by investors was a reaction to the information received by investors. The information captured by the market as a signal. One example of information used by investors is share prices and financial reports. The aims of this study is to examine and analyze the effect of investment opportunities (growth), market value (MV), activity ratio (TATO), and solvency ratio (DER) on cumulative abnormal return (CAR) of Islamic banks in Indonesia.

The population used as the sample in this study are Islamic commercial banks whose financial reports have been published to Bank Indonesia in the period May 2018 to March 2020. Sampling uses purposive sampling or purposive sampling according to criteria for specific purposes. The data of this research uses secondary data from the websites of each bank and Bank Indonesia. The data analysis method used is multiple linear regression analysis.

The results of this study indicate that the activity ratio (TATO) has a significant positive effect on cumulative abnormal return (CAR). Market value (MV) and solvency ratio (DER) have a significant negative effect on cumulative abnormal return (CAR). Meanwhile, the investment opportunity variable (growth) have no effect on the cumulative abnormal return (CAR) variable.

Keywords : growth, MV, TATO, DER, and CAR