

ABSTRACT

This study aims to measure the reaction of the Jakarta Islamic index stock market to the announcement of the inauguration of the formation of the SWF in Indonesia as measured by the average abnormal return and the average trading volume activity.

This study uses quantitative methods by using event studies, namely 5 days before and 5 days after the announcement of the inauguration of the establishment of the SWF in Indonesia. The data used in this study is secondary data based on the return and trading volume activity of companies listed in the Jakarta Islamic Index. In this study, data were collected using the documentation method and the sample was determined using purposive sampling. The sample used in this study amounted to 30 companies listed in the Jakarta Islamic Index. The analysis used in this study is a different test using the SPSS 26 analysis tool. The results of the research that have been carried out show that there are no changes and differences in the average abnormal return and the average trading volume activity both before and after the announcement of the inauguration of the SWF formation in Indonesia.

Keywords: Jakarta Islamic Index, Stock Market Reaction, abnormal return, trading volume activity