

ABSTRACT

This study aims to examine the impact of the first policy of Pembatasan Sosial Berskala Besar (PSBB) DKI Jakarta compared to Pemberlakuan Pembatasan Kegiatan Masyarakat (PPKM) Darurat Jawa-Bali 2021 on stock prices and transaction volume on listed firms of index LQ-45 on the Indonesian Stock Exchange before and after the event of announcement of first PSBB DKI Jakarta 2020 that announced on 9th April 2020 and PPKM Darurat Jawa-Bali 2021 that announced on 3rd July 2021. This research use abnormal return to measure stock prices movements and trading volume activity for the transaction volume.

The data samples that used have been taken for 9 days before and 9 days after the effective date for first PSBB DKI Jakarta 2020 and 5 days before and 5 days after the announcement date of PPKM Darurat Jawa-Bali 2021. All of the population from the Index LQ-45 can used and obtain by the purposive sampling method with total of sample 45 companies. The research method of this study is Event Study by using Paired Sample T-test and Wilcoxon Signed Rank Test to test the hypothesis.

The result of this study shows that there is significant difference of average abnormal return and trading volume activity before and after the event for first PSBB Jakarta 2020 and contrary there is not significant difference of average abnormal return and trading volume activity before and after PPKM Darurat Jawa-Bali 2021. These indicate that the first event has more significant impact and reaction than similar event that has the same information although the first event or policy applied on local government when the other event on national scale.

Keywords: *Event Study, Abnormal Return, Trading Volume Activitiy, Index LQ-45.*

