

ABSTRACT

This research was conducted during the COVID-19 pandemic which began to become epidemic in several countries in early 2020. This study aims to determine the level of individualism and uncertainty avoidance of a country that affects the Cumulative Abnormal Stock Market Return (CASMR) and Abnormal Stock Market Volatility (AVOLA). The results of this study will show whether the level of individualism and uncertainty avoidance of a country will affect CASMR and AVOLA by using the control variable the level of population density per square kilometer and economic growth with the proxy for growth of Gross Domestic Products (GDP). The results of this study can be useful for stakeholders in issuing regulations to maintain stock market stability by looking at investor behavior that describes market behavior.

The sample selection in this study used purposive sampling method. The population in this study is the stock market in each country affected by the COVID-19 pandemic. The sample in this study was 61 stock markets in each country. To test the relationship between variables, this study uses multiple regression analysis.

This study uses signaling theory in formulating hypotheses that lead to the results of research analysis. The results showed that the level of individualism in each country had a negative effect on CASMR. The results also show that the level of individualism does not have a negative effect on AVOLA. In addition, the results of the study also show that uncertainty avoidance has no negative effect on CASMR and AVOLA.

Key Words: *Market Behavior, Abnormal Return, COVID-19.*

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