

## ABSTRACT

### A CAPITAL MARKET REACTION TO THE ISRAEL-AFFILIATED PRODUCT BOYCOTT EVENT

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This study's purpose was to determine the difference in capital market reactions before and after the product boycott event for companies affiliated with Israel. This study used secondary data taken from *Yahoo Finance*, and sampling using *convenience sampling* techniques and from this method obtained data from as many as 4 companies affiliated with Israel. The method used in this research was the *event study* method, where the *event window* in this study consisted of 30 days before and after the boycott event. Then data hypothesis testing was carried out using the *paired samples test*. The results showed a negative difference in *abnormal return* values in the 10-day time window before and after the boycott event. Meanwhile, the 30-day time window showed that there was no difference in *abnormal returns* before and after the boycott event.

**Keywords:** Boycott, Market value of the Company, Israeli-Palestine Conflict, Abnormal Return.