

## ABSTRACT

### “CAPITAL MARKET REACTION TO JOKOWI-MA'RUF AMIN INAUGURATION OF VOLUME II CABINET IN 2019”

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The capital market as a place to buy and sell shares, is one of the places where investors invest. Some of the non-economic areas are political events that can affect capital market conditions. Cabinet launch culminates in a series of political sentiments on Indonesia's capital and financial markets. Investors certainly want the ministers they elect to have a good track record and be able to have a positive impact on capital flows and exchange rates. Moreover, these figures guarantee the continuation of the good policies implemented by the previous administration. The purpose of this study was to determine the difference between abnormal returns and trading volume activity before and after the Inauguration of the 2019 Indonesia Maju Cabinet Volume II in the Multi-Industry sector companies on the Indonesia Stock Exchange for the 2019 period. This type of research is an event study using quantitative methods. The sampling technique in this study used purposive sampling and obtained a sample of 24 companies. As a result, political events before and after the inauguration of the Indonesian Maju Cabinet Volume II 2019 showed no difference in abnormal return and trading volume activity before and after the inauguration of Indonesian Maju Cabinet Volume II in 2019.

**Keywords:** *event study, abnormal return, trading volume activity*