

**ANALYSIS OF JOKOWI'S CANDIDACY EFFECT TOWARDS FLUCTUATING  
OF STOCK PRICE**

By

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### STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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## ABSTRACT

### ANALYSIS OF JOKOWI'S CANDIDACY EFFECT TOWARDS FLUCTUATING OF STOCK PRICE

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This study is an event study that aims to discover whether there is any empirical evidence of Indonesia capital market reaction to one of the political events in the country, namely Jokowi's Presidential Candidacy, by using indicator abnormal return and trading volume activity. Population in this research is the stocks included in the LQ – 45 on the Indonesia Stock Exchange, and the data used in this research are secondary data consists of daily stock prices, daily share trading volume and daily stock prices index during the ten days before, one day at the time, ten days after the event. Statistical tool used to test the hypothesis is t – test and Wilcoxon Signed Rank Test. T – test calculation results indicate that there is no significant positive value of abnormal return at few days around the event date, which means the market responds to this event as a common news. While the results of Wilcoxon Signed Rank Test show that there is a significant difference between trading volume activity in the period at the time before – during and during – after the event, but no significant in the period before – after the event. The results of Wilcoxon Signed Rank Test prove that there are no significant differences in abnormal return.

*Keywords: Jokowi's Candidacy, Abnormal Return, Trading Volume Activity, Event Study*

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## **DEDICATION**

“I dedicate this work for my beloved mother (Sa’adiyah Baderun) and father (Hasanuddin Nainggolan). I hope this research could show them that these past 4 years of education is really useful for me, and for the opportunity they gave me, I am very grateful.”

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