

## **CHAPTER V**

### **CONCLUSION**

#### **5.1. Conclusion**

Based on the results of the tests carried out and presented in this study, the following conclusions were obtained:

- 1) In the events before and after the announcement of the first case of COVID-19 in Indonesia on March 2, 2020, differences were found in Abnormal Returns in the Consumer Goods Industry Sector
- 2) In the events before and after the announcement of the first case of COVID-19 in Indonesia on March 2, 2020, there were no differences in Abnormal Returns in the Agriculture Sector, Mining Sector, Basic Industry and Chemicals Sector, Miscellaneous Industry Sector, Property, Real Estate and Building Construction Sector, Infrastructure, Utilities and Transportation Sector, Finance Sector and Trade, Service, and Investment Sector.
- 3) In the events before and after the announcement of the first case of COVID-19 in Indonesia on March 2, 2020, differences were found in Trading Volume Activity in the Trade, Service, and Investment Sector.
- 4) In the events before and after the announcement of the first case of COVID-19 in Indonesia on March 2, 2020, there were no differences in Trading Volume Activity in the Agriculture Sector, Mining Sector, Basic Industry and Chemicals Sector, Miscellaneous Industry Sector, Consumer Goods Industry Sector, Property Real Estate and Building Construction

Sector, Infrastructure, Utilities and Transportation Sector and Finance Sector.

## **5.2. Limitation**

This research is limited by only using the *market adjusted model*. Meanwhile, in calculating abnormal returns, it can be done with other models that make the results more valid. And also, the event windows which are quite short, which is only 10 working days before and after 10 working days after the announcement of the first covid-19 in Indonesia, while the market is already quite vigilant about the pandemic that began to hit at the end of 2019 so that at the time of the announcement of covid-19 entering Indonesia, the market is not very responsive to this information. Other limitations are also found from other factors such as the variables studied and the sample classification which is still too general.

## **5.3. Suggestion**

Based on the results of the study, there were still some shortcomings, so the researcher suggested that other parties could develop and improve this research in the future. The thing that can be done in further research is by observing the performance index such as LQ45, IDX30, etc to be able to clearly see the effect of an announcement. Examining the information content in an announcement in more detail, both from its stock price, trading activity or other issues that trigger the issuance of an announcement.

## 5.4. Implication

### 1) Theoretical Implications

Based on this research, it is shown that the market reacted to the publication of the announcement of the first case of COVID-19. Using Event study is an appropriate research methodology to analyze the market reaction to an event or announcement. The sources of these events and announcements are very diverse, can be from political events, natural disasters or other events. As for the source of the announcement, it can come from official or unofficial agencies, the important thing is how the information has an influence on the movement of the capital market.

### 2) Practical Implications

It is hoped that this research will be useful as a reference for investors in making investment decisions. Investors can be more sensitive and alert when a national emergency occurs.

