

How Political situation affected Major Stock's Abnormal return in Indonesia

JPMB

145

Lufthia Sevrana^{1*}, Erie Febrian²

¹ Fakultas Ekonomi dan Bisnis-Manajemen, Universitas Islam
Bandung (Unisba), ² Universitas Padjadjaran

Paper type
Research paper

Abstract

The purpose of this study is to analyze the market's response to the political situation, namely student demonstration. This study presents data on abnormal stock return movements with simple calculations. This study presents data on the movement of abnormal stock returns with a quantitative approach using the event study method. The result of deep analysis using event study method from major stocks in each sector, prove that There is negative response by the market to the student demonstration during the end of September 2019 that create abnormal return condition until it gets back to be normal in the middle of October. The sectors studied include the banking sector, construction, infrastructure, consumer needs, media, industrial materials, machinery, mining, and health care. Stock returns in Indonesia with inefficient market conditions are vulnerable to issues. Capital markets tend to be easily influenced by political and macroeconomic conditions, but even though the condition of return is abnormal, investors still have the potential to get favourable results.

Received: 20 Nov 2020
Accepted: 25 Feb 2021
Online: 26 Feb 2021

Keywords: Stock market, Market efficiency, Event study, Stock Price, Stock Returns

✉ Email korespondensi: lufthia.sevrana@gmail.com

DOI: <https://doi.org/10.37194/jpmb.v3i1.74>

Publisher:

The Indonesia Capital Market Institute
Indonesia Stock Exchange Building, Tower II, 1st Floor
Jl. Jendral Sudirman Kav. 52-53, Jakarta 12190 - Indonesia



*Jurnal Pasar Modal dan
Bisnis*, Vol 3, No.1,
Februari 2021,
pp. 145 - 158
eISSN 2715-5595

INTRODUCTION

Students return to demonstrate when the 2019 presidential inauguration takes place. The aim of the demonstration was to ensure the cancellation of the Draft Criminal Code, Corrections, Land and others. The student demonstration committee conducted a fairly strict selection to determine who could take part in the demonstration to avoid intruders participating in the demonstration. However, the DPR rejected the demonstration on the grounds that they should respected the inauguration process.

In fact, conflict is a natural thing, especially in a democratic country. Delivering aspirations is something that must be done to achieve the middle way of the ongoing conflict (Syahri, 2019). Student demonstrations as a form of freedom of opinion and opening the way for discussion are part of the nation's maturation process. Due to the government's reaction to prohibiting the holding of these demonstrations, the Indonesian capital market also showed an abnormal reaction.

In the Indonesian capital market, the bank and consumer retail sectors are still leading, following the mining sector which is dependent on world commodity prices, then next look at government policy trends as well as market tastes that focus on which industry sector (Goeryadi, 2019). The leverage model, were discovered by (Black, 1976) and tested in the property sector by (Christie, 1982) is an opponents of feedback volatility. Initially, the theory used to examine stock *returns* is the theory of volatility, this approach is considered more appropriate to predict *returns* compared to the leverage-based approach because it states that *returns* changes lead to volatility situational changes (Bekaert & Wu, 2000).

Foreign investors tend to be more aggressive when the market is bullish, thus triggering domestic investors to follow (Chandra, 2011). The following is the most active sectors bought by investors in IDX (Shim, 2014), namely (1) banking, (2) construction, (3) infrastructure, (4) consumer discretionary, (5) media, (6) consumer staple, (7) building materials, (8) machinery (9) mining (10) health care.

Returns are expected to always be positive, but if there is sentiment towards the market, then *returns* tend to be negative. If it happens for some time, the trend can be said to be an *abnormal return* trend. This research presents the calculation of *abnormal return* data on the major stock in each sector which is the choice of foreign investors (Chandra, 2011).

(Verawaty, Noviardi, Salindra, 2018) stated that there was no significant difference between *abnormal returns* before and after the peaceful action 212. *Returns* can be obtained through the flow of prices and stock *returns* on the Asia-Pacific market which is still growing and is inefficient (Hamid, et. al, 2010).

The increase in fuel prices caused a negative reaction in the form of *abnormal returns* (Setyawan, 2006). There are different reactions from the market to the Stock *Return* Variability indexed in LQ-45 (Zaqi, 2006). Stock price fluctuations cannot be predicted during the 2004 elections so there are difficulties in predicting stock *returns* (Meidawati, 2004).

Table 1. Major stocks at every Industrial sector in LQ45

YEARS	SECTORS	MAJOR STOCKS	YEARS	MAJOR STOCKS
2014	Banking	BBCA	2019	BBCA
		BBRI		BBRI
2014	Construction	BSDE	2019	BSDE
		ADHI		WIKA
2014	Infrastructure	TLKM	2019	TLKM
		PGAS		PGAS
2014	Consumer Needs	ASII	2019	ASII
		LPPF		LPPF
2014	Media	SCMA	2019	SCMA
		MNCN		MNCN
2014	Consumer Staple	INDF	2019	INDF
		UNVR		UNVR
2014	Industrial Material	SMGR	2019	SMGR
		INTP		INTP
2014	Machinery	UNTR	2019	UNTR
		HEXA		AKRA
2014	Mining	ADRO	2019	ADRO
		INCO		INCO
2014	Healthcare	KLBF	2019	KLBF

Source: Data processed in 2019

Novelty from this research is in terms of the choice of entities whose abnormal return models are recognized not only from one sector but from 9 sub-sectors and their subsectors. So it will be different from the Market liquidity that has been studied from previous studies. Presidential election with different conditions of inauguration (example: 2000/2001 vs 2019/2020) where at the previous presidential inauguration, there was no debated bill.

Sentiment and the reality of commodity demand in the world are two main things that influence market movements. The decline in large cap stocks triggered the weakening of the capital market in Indonesia (Pranajaya, 2017). The decline in large cap stocks triggered a weakening of the capital market in Indonesia. During elections, market liquidity generally increases. If the government's attitude seems to be looking for a solution to a sensitive problem for the market, stock movements tend to be positive. The market's irrational attitude can be selected as reflected in the decline in the Stock Index.

Most research results are based only on the assumption that market equilibrium conditions can be represented by Expected Return (Fama, 1970). Prices are assumed to reflect all information proportionately for each investor. In fact, in an investment portfolio, the unexpected movement of a stock can reduce the dispersion of returns. The purpose of this study is to see whether that there is a negative response by the market to the student demonstration during the end of September 2019 that creates abnormal return conditions.

LITERATURE REVIEW

Efficient Market Hypothesis does not apply in capital markets in developing countries like Indonesia. In Indonesia, timing in capital market transactions can even be done when there is negative sentiment in the market. With the use of event study, there is a time period that is set for a maximum of 250 days. This method is commonly used to view price movements and calculate stock returns. There is no transaction, the data is issued. Abnormal return is the difference from return minus expected return. The effect of an event on stock returns can be determined by

calculating the cumulative abnormal return. Cumulative abnormal returns are represented by a notation h min of at least 7 days and smooth for at least 7 days. then after all the components are calculated we can make our own regression formula using the existing data, namely $\text{return} = \alpha + \text{Beta of return} + \text{expected return}$. (Bash and Alsaifi, 2019) (Buigut and Kapar, 2020)(Pandey and Kumari, 2021) (Afik, Haim and Lahav, 2019)

Practically, investor reactions to stock price movements cannot be considered equally (Hamid, 2010). Even in developed countries with established capital markets, there is still a case of information asymmetry (Hau, 2000). According to (Bowe & Domuta, 2004), foreign investors who own shares of Indonesian companies tend to buy shares in large quantities (herding) when there is instability in economic conditions.

The Philippines, South Korea, Indonesia, Malaysia, and Thailand experienced Economic crisis at the same time 1997-1998. At the time of the crisis, economic growth slowed and stock prices tended to fall (Barro, 2001). The high volatility in the stock markets in developing countries is a challenge for researchers (Santis & Imrohoroglu, 1997).

After the economic crisis, companies in ASEAN countries are trying to increase capital from the capital market rather than borrowing from banks (Click & Plummer, 2005). This causes the capital market to grow, and with the integration of the ASEAN capital market, the assumption that an efficient market will be able to attract more foreign investors to trade. (Click & Plummer, 2005).

(Chevallier, et. al, 2018) found that (1) The interdependence of the emerging stock markets in the ASEAN countries is driven by higher exposure to the US shocks than to shocks affecting the developed economic of East Asia. (2) The cross market linkages in the Pacific Basin region have become stronger over time. (Johnson & Soenen, 2002) had investigated that (1)Equity markets of Australia, China, Hongkong, Malaysia, New zealand, and singapore are highly integrated with the stock market ini Japan. (2) Asian market becomes more integrated over time, especially since 1994.

In the 1990s, Ng found that (1) No evidence was found to indicate a long-run relationship among the South-East Asian stock markets over the period 1988-1997. (2) South-East Asian stock markets becoming more integrated. (3) Stock market *returns* of Indonesia, the Philipines and all become more closely linked with that of Singapore.

(Tai, 2007) concluded that (1) Both currency and world market risks are priced and time- varying. (2) The stock markets for India, Korea, Malaysia, Philipines, and Thailand were segmented from the world capital markets before their liberalization dates, but all six markets have become fully integrated since then. (3) The market liberalization has reduced the cost of capital and price volatility for most of the countries. (4) contagion effects is found.

Besides that, (Yang, Kolari, Min, 2014) Examined long-run relationships and short-run dynamic causal linkages among U.S., Japanese, and ten Asian emerging stock markets, with particular attention to the 1997-1998 asian financial crisis. He found that both long-run cointegration relationships and short-run causal linkages among these markets were strenghtened during the crisis and that these markets have generally been more integrated after the crisis than before the crisis.

During the last two decades, the growth of the ASEAN capital market show growth in their trend cycle, but there also two classifications of which countries are market efficient, and which countries are market inefficient. (Sharma & Wongbangpo, 2002) had observed that there is a similarity between Malaysian and Singapore stock market because the terms of patterns and directions are alike. Meanwhile, stock market of Thailand and Indonesia are categorized to be inefficient because their market volatility are easy to be affected by news or information.

(Wang, 2007) found that (1) Foreign trading, particulary foreign selling, has a dominant effect on local market volatility in Indonesia and Thailand (2) After market liberalization, domestic investors become price follower. (Nimtrakoon, 2015) found that (1) there is no notable difference in Modified Value

Added Intellectual Coefficient (MVAIC) across ASEAN countries (2) there is a positive connection between Intellectual Capital and Market value and also positive relationship between IC and financial performance (3) Capital employed efficiency and human capital efficiency are the most dominant value drivers for both market value and financial performance.

(Vega, 2006) concluded that stock associated with the high PIN, consensus public news surprise, and low media coverage experience low or insignificant drift. Meanwhile Woolrdige & (Snow, 2006) found that (1) stock markets reaction to strategic investments conforms most closely to the predictions of Shareholder Value Maximization hypothesis (2) investments of varying size and duration might be held as a result of a positive reaction by the stock market. Stock market movement is commonly sensitive to information, even to a game result. (Ashton,

Gerrard, Hudson, 2011) concluded that the link between international soccer results and stock market prices does indeed exist but has declined within the sample period from 2002-2009, particularly the impact of wins.

Besides the similar results of previous research, there are also different results that emerged to be discussed. (Huang, 2006) found that The random walk hypothesis is rejected in Korea, Malaysia, Hongkong, Singapore, and Thailand markets because all of those stock markets had a positive mean *return*. Only in Indonesia, the mean *return* is negative, that is the signal of inefficient stock market condition. Contrary to (Huang & Shim, 2014) stated that there are at least seven reasons Why Indonesian Stocks are potential to buy, i.e. (1) The growth of economy (% GDP), (2) There are improvement in business fundamentals (Corporate Debt Ratio), (3) Positive impact from reforms to corporate profits (annualized stock market *return*), (4) So many foreigners that has come back (Foreigners are back), (5) Beginning of interest rate downcycle (2014 10 Y treasury yields), (6) consistent dividend yield (US\$ 10.000 investment in 2003), (7) risk factors are easy to hedge.

(Agarwal et al, 2009) found that there are information disadvantage hypotheses that caused mixed performances in Indonesia capital market trading activities. But (Dvorak, 2005) had Proved that domestic investors have higher profits than foreign investors. That because domestic clients of global brokerages have a short-lived information advantage, but that clients of global brokerages are better at picking long term winners.

Hypothesis Development

Based on previous research, by sticking to the theory of feedback volatility, the hypothesis of this study is :

H₁ : "There is a negative response by the market to the student demonstration during the end of September 2019 October that create *abnormal return* condition until it gets back to be normal in the middle of October 2019"

RESEARCH METHOD

Research Design

This research uses the *event study*, while this research uses a quantitative approach. method which is specifically used to test market reactions in the face of certain information. The research period is from Monday to Friday during the student demonstration period (23 September 2019) until it subsides on 11 October 2019. LQ 45 data was taken from 19 companies for 15 days in 10 industrial sub-sectors in LQ 45. The total sample studied was 285 data.

Data Analysis Method

Abnormal return is the difference between the actual *return* and expected *return*. The steps to calculate the *abnormal return* value are as follows:

1. Calculate the actual *return*

$$\text{Actual Return} = \frac{\text{Price } t}{\text{Price } t-1} - 1$$

Price t is the price on the day of observation, Price t-1 is the price on the previous day. The price data used is Adj.close.

2. Calculate the market *return*

$$\text{Market Return} = \frac{\text{Price indeks } t}{\text{Price indeks } t-1} - 1$$

Price index t in this study is the LQ 45 price index on the day of observation, Price t-1 is the LQ 45 price index on the previous day. The data used is close price data.

3. Calculating the regression equation for the *abnormal return* pattern

The first thing to do is create an LQ45 close price table, *Return* t, and *Return* t-1 as follows

Table 2. Price Data of LQ45 during 23 September-11 October 2019

Price _t	Return _t	Return _{t-1}
976.780029	0	0
961.530029	-0.015612522	0
961.130005	-0.000416029	-
979.119995	0.018717541	0.015612522
972.450012	-0.006812222	-
968.150024	-0.004421809	0.000416029
960.150024	-0.008263182	0.018717541
941.73999	-0.019174122	-
935.429993	-0.00670036	0.004421809
942.640015	0.007707709	-
931.039978	-0.012305903	0.019174122
937.98999	0.007464784	-0.00670036
934.75	-0.003454184	0.007707709
933.419983	-0.001422859	-
948.070007	0.015694997	0.012305903
		0.007464784
		-0.003454184
		-0.001422859

Source: Data processed in 2019

Returns t are obtained through calculations

$$\text{Market Return} = \frac{\text{Price indeks } t}{\text{Price indeks } t-1} - 1$$

Returns t-1 is obtained through calculation

$$\text{Return } t - 1 \text{ third line} = \text{Return } t - \text{Return } t - 1 \text{ second line, etc}$$

Next, calculate the covariance of the entire *Return t* and *Return t-1* column data

Then calculate the variance from the *Return t-1* data only a + b regression equation begins to form with component b obtained through calculations:

$$b = \frac{\text{covarians return } t \text{ and return } t - 1}{\text{varians Return } t - 1}$$

Meanwhile component a is obtained through calculations

$$a = (\text{average Return } t) - (b \times \text{average return } t - 1)$$

4. Calculate the *abnormal return* after multiplied by the expected return

$$\text{Expected return} = \text{actual return} - \text{market return}$$

Abnormal return can be found through the following formula

$$\text{Abnormal Return} = (a + b) \times \text{Expected return}$$

5. Calculating the cumulative *abnormal return*

$$\text{cumulative abnormal return} = \text{abnormal return } t - \text{market return } t - 1$$

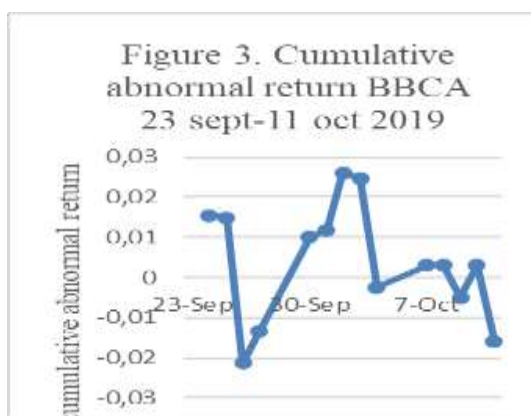
RESULT AND DISCUSSIONS

Results

The regression equation obtained from the calculation of variance and co variance explained in the section on research methods is as follows:

$$\hat{r} = -.0013 - .0811 \cdot \hat{r}_{t-1}$$

The shape of each graph looks similar only with a different lag due to the duration of the process of absorbing different information in each company. In the Banking sector there are cumulative *abnormal return* data of BBKA & BBRI as follows::

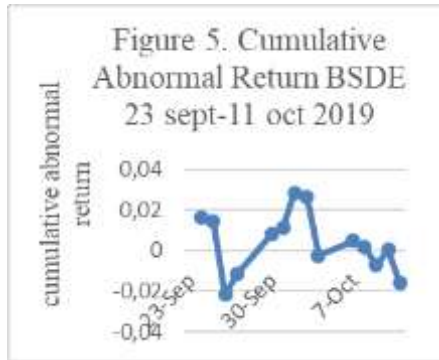


Source: Data processed in 2019

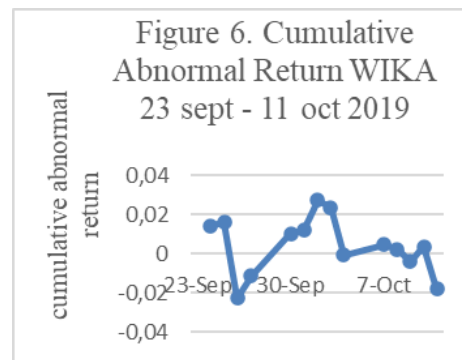


Source: Data processed in 2019

The lowest data *return* on BBCA occurred on September 26 in the amount of -0,021, while on the BBRI occurred on September 27 in the amount of -0,022. In the Construction sector there are BSDE & WIKA cumulative *abnormal return* data as follows:



Source: Data processed in 2019



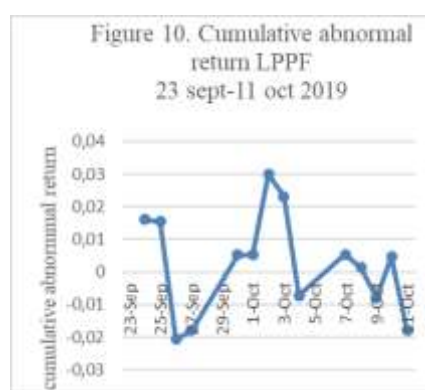
Source: Data processed in 2019

The lowest TLKM data *return* occurred on September 26, and the lowest WIKA data *return* occurred on October 11, amounting to -0.022.

The Consumer discretionary sector there are cumulative *abnormal return* data of ASII & LPPF as follows:

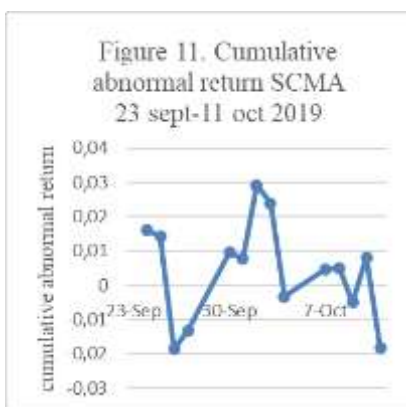


Source: Data processed in 2019

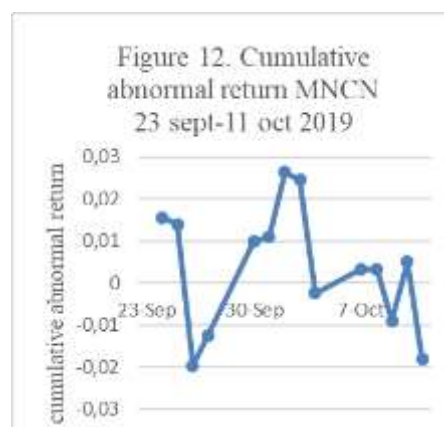


Source: Data processed in 2019

The lowest data *return* on ASII and LPPF occurred on September 26th. ASII data *return* is -0,022 while the LPPF data *return* is -0,021. In the media sector there are cumulative *abnormal return* data of SCMA & MNCN as follows:

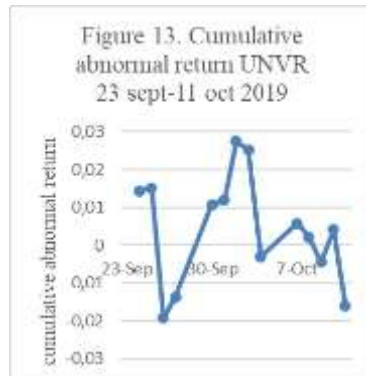


Source: Data processed in 2019

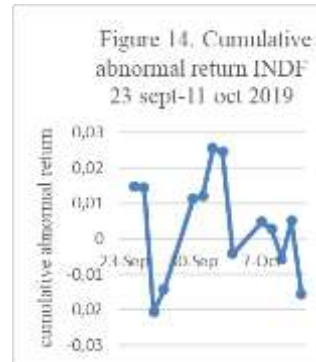


Source: Data processed in 2019

The lowest data *return* on SCMA and MNCN occurred on September 26th. SCMA *return* data is -0,018 while MNCN data *return* is -0,019.

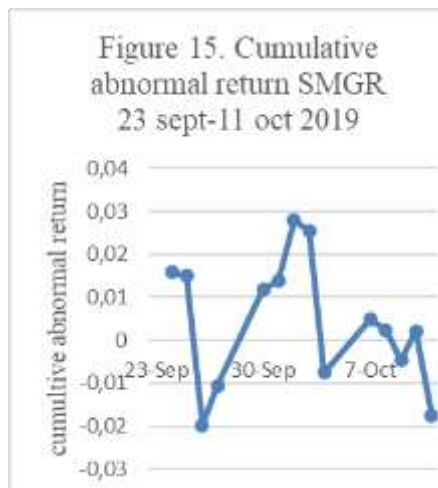


Source: Data processed in 2019

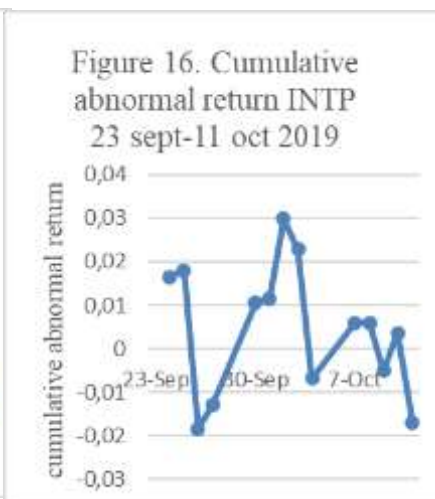


Source: Data processed in 2019

In the Consumer Staple sector there are UNVR & INDF The lowest data *return* on UNVR and INDF occurred on September 26th. The UNVR data *return* is -0,019 while the INDF data *return* is -0,021 In the Industrial Material sector there are cumulative *abnormal return* data of SMGR and INTP as follows:

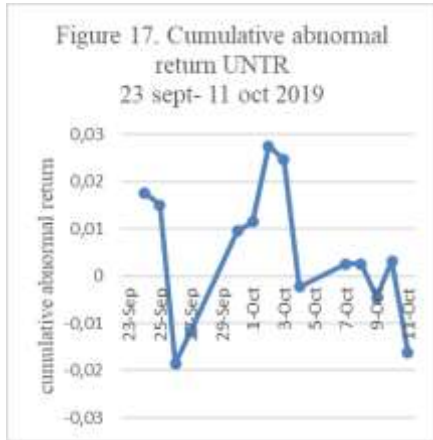


Source: Data processed in 2019

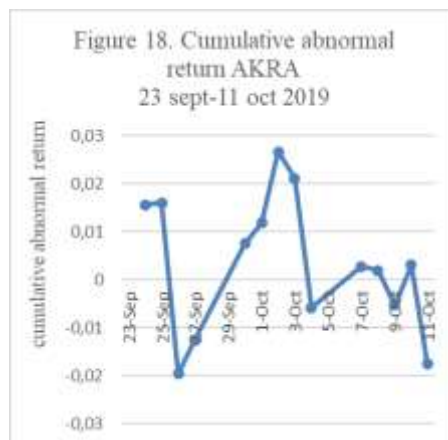


Source: Data processed in 2019

In the Machinery sector there are cumulative *abnormal return* data of UNTR and AKRA as follows



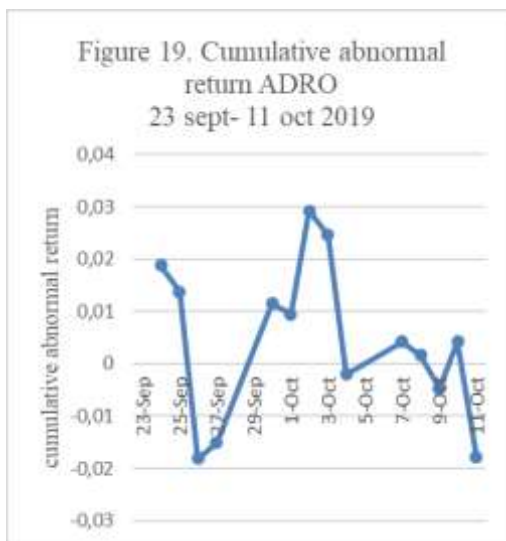
Source: Data processed in 2019



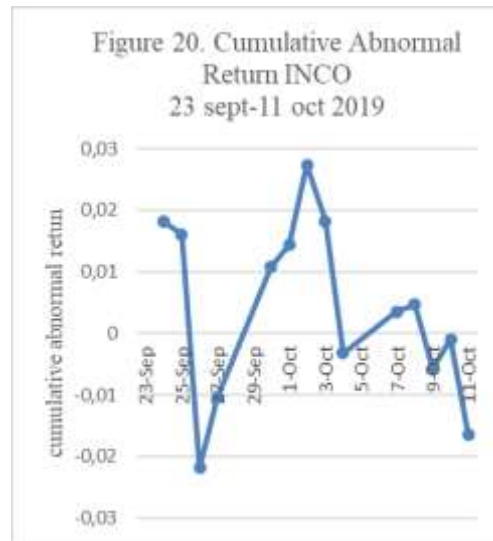
Source: Data processed in 2019

The lowest data *return* on UNTR and AKRA occurred on 26 September. UNTR data *return* is -0,019 while AKRA data *return* is -0,020.

In the Mining sector there are cumulative *abnormal return* data of ADRO and INCO as follows:

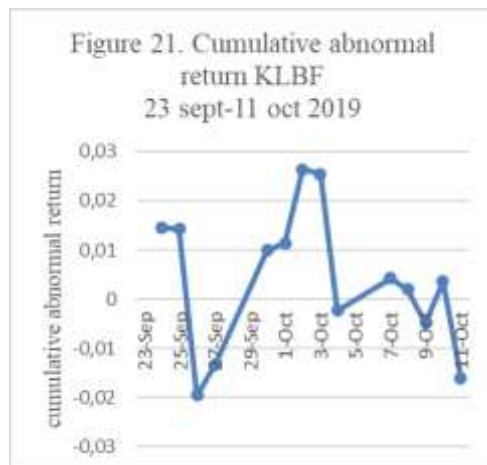


Source: Data processed in 2019



Source: Data processed in 2019

The lowest data *return* on ADRO and INCO occurred on September 26th. ADRO *return* data is -0,018 while INCO *return* data is -0,022. In the Health Care sector there are KLBF *abnormal return* data as follows



Source: Data processed in 2019

The lowest *return* of KLBF data occurred on September 26, amounting to -0.020.

Discussions

(Sharma & Wongbangpo, 2002) had observed that stock market of Thailand and Indonesia are categorized to be inefficient because their market volatility are easy to be affected by news or information. The result of deep analysis from major stocks in each sector proves that there is negative response by the market to the student demonstration during the end of September 2019 that create *abnormal return* condition until it gets normal again in the middle of October.

The sensitivity of Indonesia capital market to information shows agreement to (Woolrdige & Snow, 2006) who has examined the Stock market movement is commonly sensitive to information, even to a game result. (Ashton, Gerrard, Hudson, 2011) Provided a reassessment of the link between international soccer results and stock market *returns* and concluded that the link between international soccer results and stock market prices dose indeed exist.

RESEARCH FINDING

Tables and graphs from the cumulative *abnormal return* results show the response of the company's stock movements to the information of the student demo action. Almost all of the major stock samples gave a negative response to the student demonstration on 26th September, except BBRI and WIKA. BBRI experienced the lowest *return* on 27th September while WIKA experienced the lowest *return* on 11th October. September 26th was indeed the date of the peak of the student demonstration in the courtyard of the DPR building. At that time, almost all Universities in Indonesia sent student representatives to conduct demonstrations.

CONCLUSION AND RECOMMENDATION-

The conclusion of this study is that major stocks in each sector proves a negative response by the market to the student demonstration during the end of September 2019 that create *abnormal return* condition until it gets back to be normal in the middle of October. But in inefficient market, there are still so many opportunities to obtain *Returns*. So it can be said that

even though the condition of *return* is abnormal, investors still have the potential to get favorable results.

The limitation of this research is that the sample selection is limited only in Indonesia, so it cannot be seen in comparison with other emerging market countries. The research method also only uses simple regression tools which make the analysis results per time horizon less detailed. Recommendations for future research, the sample should be broadened to be ASEAN stock market sample, especially based on the efficient market characteristic in ASEAN-5. Furthermore, it is necessary to use another tool for data panel analysis to make the analysis more accurate.

REFERENCES

- Afik, Z., Haim, R. and Lahav, Y. (2019) 'Advance notice labor conflicts and firm value—An event study analysis on Israeli companies', *Finance Research Letters*. Elsevier, 31(December 2018), pp. 410–414. doi: 10.1016/j.frl.2018.12.005.
- Agarwal, S., Faircloth, S., Liu, C. & Ghon Ree, S., 2009. Why do foreign investors underperform domestic investors in trading activities? Evidence from Indonesia.. *Journal of Financial Markets*, 12(1), pp. 32-53.
- Barro, R. J., 2001. *Economic Growth in East Asia Before and After the Financial Crisis*, Massachusetts: National Bureau of Economic Research.
- Bekaert, G. & Wu, G., 2000. Asymmetric Volatility and Risk in Equity Markets. *Review of Financial Studies*, 13(1), pp. 1-42.
- Bowe, M. & Daniela, D., 2004. Investor herding during financial crisis: A clinical study of Jakarta Stock Exchange. *Pacific Basin Finance Journal*, 12(4), pp. 387-418.
- Buigut, S. and Kapar, B. (2020) 'Effect of Qatar diplomatic and economic isolation on GCC stock markets: An event study approach', *Finance Research Letters*. Elsevier, 37(April 2019), p. 101352. doi: 10.1016/j.frl.2019.101352.
- Chandra, R., 2011. Analisis Pemilihan Saham oleh Investor Asing di Bursa Efek Indonesia. *Jurnal Ilmu Administrasi dan Birokrasi*, 17(2), pp. 101-113.
- Chevallier, J., Nguyen, D. K., Siverskog, J. & Uddin, G. S., 2018. Market Integration and Financial Linkages among stock markets in Pacific Basin countries. *Journal of Empirical Finance*, 46(January), pp. 77-92.
- Click, R. W. & Plummer, M. G., 2005. Stock market integration in ASEAN after the Asian Financial Crisis. *Journal of Asian Economics*, 16(1), pp. 5-28.
- Dvorak, T., 2005. Do Domestic Investors Have an Information Advantage? Evidence from Indonesia. *Journal of Finance*, 60(2), pp. 817-839.
- Fama, E. (1970) 'Efficient Capital Markets: A Review of the Theory', *The Journal of Finance*, 25(2), pp. 383–417.
- Goeryadi, G., 2019. *Build your Investment Strategies: Trade or Invest?* Paper presented at the 5th National Investment Day, Jakarta.
- Hamid, K., Suleman, M. T., Shah & Ali, S. Z., 2010. Testing The Weak form of Efficient Market Hypothesis: Empirical Evidence from Asia-Pacific Markets. *International Research Journal of Finance and Economics*, 58(58), pp. 121-133.

- Hau, H., 2000. *Location Matters: An Examination of Trading Profits*. London, CEPR/FMG conference.
- Huang, B. N., 1995. *Do Asian Stock Market Prices follow random walks? Evidence from the variance ratio test*, London: Routledge.
- Johnson, R., 2002. Asian Economic Integration and Stock Market Co-Movement. *The Journal of Financial Research*, 25(1), pp. 141-157.
- Ng, T. H., 2002. Stock Market Linkage in South-East Asia. *Asian Economic Journal*, 16(4), pp. 353- 377.
- Nimtrakoon, S., 2015. The relationship between intellectual capital, firms market value and financial performance-Empirical evidence from the ASEAN. *Journal of Intellectual Capital*, 16(3), pp. 587-618.
- Pandey, D. K. and Kumari, V. (2021) 'Event study on the reaction of the developed and emerging stock markets to the 2019-nCoV outbreak', *International Review of Economics and Finance*. Elsevier Ltd, 71(April 2020), pp. 467-483. doi: 10.1016/j.iref.2020.09.014.
- Pranajaya, Arwani. (2017). *Menunggang Krisis-Newsroom to Dealing Room*. Yogyakarta: Pustaka Nusantara
- Santis, G. D. & Selahattin, I., 1997. Stock Returns and volatility in emerging financial markets. *Journal of International Money and Finance*, 16(4), pp. 561-579.
- Sharma, S. C. & Wongbangpo, P., 2002. Long-term trends and cycles in ASEAN Stock Markets. *Review of Financial Economics*, 11(4), pp. 299-315.
- Shim, T., 2014. *Indonesian Stock market outlook-Seven reasons why Indonesian Stocks deserve attention*, Jakarta: KDB Daewoo Securities.
- Tai, C.-S., 2007. Market integration and contagion: Evidence from Asian emerging stock and foreign exchange markets. *Emerging Markets Review*, 8(4), pp. 264-283.
- Teng, K. T., Yen, S. H., Chua, S. Y. & Lean, H. H., 2013. Chapter 35-Financial Market Integration of ASEAN-5 With China and India. Dalam: Elsevier, penyunt. *Emerging Markets and The Global Economy: A Handbook*. Penang: Elsevier, pp. 825-859.
- Verawaty, N. A. & Muhammad, S., 2018. Pengaruh Aksi Damai 212 terhadap *Abnormal return* Saham pada Kelompok Indeks Saham LQ-45. *Jurnal Ilmiah MBiA*, 17(3), pp. 13-24.
- Wang, J., 2007. Foreign Equity Trading and Emerging market volatility: Evidence from Indonesia and Thailand. *Journal of Development Economics*, 84(2), pp. 798-811.
- Yang, J., Kolari, J. W. & Min, I., 2003. Stock market integration and financial crises: The case of Asia. *Applied Financial Economics*, 13(7), pp. 477-486.

Profil Penulis

Lufthia Sevriana, S.E., M.Si adalah dosen tetap bidang Keuangan dan Ekonomi Islam di Yayasan Universitas Islam Bandung, saat ini tengah melanjutkan studi di Program Studi Doktor Ilmu Manajemen Universitas Padjadjaran. Pada tahun 2017-2019 menjadi Ketua Galeri Investasi Syariah Unisba. Ia meraih gelar Master dari Universitas Padjadjaran. Minat Penelitiannya adalah Manajemen Keuangan, Inklusi Keuangan dan Literasi Keuangan. Penulis dapat dihubungi di email: lufthia.sevriana@gmail.com.

Erie Febrian, S.E., M.Comm., Ph.D adalah dosen senior di Bidang Keuangan dan Perbankan di Universitas Padjadjaran. Ia meraih gelar PhD dari International Islamic University Malaysia. Pada

tahun 2009, mendapat penghargaan sebagai Outstanding Research di acara ilmiah internasional di New Jersey, USA. Kemudian pada tahun 2010 dan 2012, mendapat award serupa. Award tahun 2010 (di San Jose, Costa Rica) diberikan untuk artikel dari disertasi tentang bank Islam, dan tahun 2012 (di Hawaii, USA) untuk artikel tentang Indeks Saham Islam (Syariah). Penulis dapat dihubungi di email: erie_febrian@yahoo.com.