

## The Reaction of the Indonesian Capital Market to the Announcement of the 2024 Presidential Election Results of the Republic of Indonesia

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### ABSTRACT

**Objective:** This study aims to analyze the reaction of the Indonesian capital market to the announcement of the results of the 2024 Presidential Election of the Republic of Indonesia, which was officially announced on March 20, 2024. **Method:** The market reaction is examined using an event study approach with two main indicators: Abnormal Return and Trading Volume Activity on stocks listed in the LQ45 index on the Indonesia Stock Exchange. The data used are secondary data in the form of daily stock prices and trading volumes during a seven-day window before and after the announcement. The normality test results indicate that the data are normally distributed; thus, hypothesis testing was conducted using the Paired Sample t-test. **Results:** The analysis reveals no significant differences in the average Abnormal Return or Trading Volume Activity before and after the election announcement, with significance values of 0.922 and 0.591. **Novelty:** The study provides empirical evidence on the Indonesian capital market's reaction to the official announcement of the 2024 Presidential Election results using a focused seven-day event window and two key indicators, Abnormal Return and Trading Volume Activity, and reveals that the market did not exhibit a significant reaction to the political event.

## INTRODUCTION

The capital market is a platform for investors who wish to invest their assets. The capital market is a place where parties needing additional funds, or issuers, meet with parties having excess funds, or investors [1]. In the capital market, investors can buy and sell securities such as stocks and bonds issued by companies or governments. The capital market plays an important role in the country's economy because it serves as a benchmark for assessing the dynamism of the economy in that country [2]. The higher the trading activity in the capital market, the more confident investors are in the funds they invest. This shows that the capital market plays an important role in the economy because it can promote efficient allocation of funds as investors can choose the investment alternative that provides the most optimal return.

Regarding the condition of the capital market, the prices of outstanding securities are generally highly variable and fluctuate. This is due to various events happening around us, both economic and non-economic events. Announcements of BI Rate increases, dividend distributions, and the trade war between China and the United States are some examples of economic events [3]. Meanwhile, non-economic events that affect capital market conditions include political events. Political stability followed by economic stability will make investors feel safe to invest funds in the capital market. Investors will generally have expectations for every political event that occurs, and their expectations will be reflected in price fluctuations or trading volume activity on the stock

exchange [4]. Therefore, investors need relevant information exposure to make investment decisions.

One of the most attention-grabbing political events was the announcement of the elected President and Vice President for the 2024-2029 term, which was made on March 20, 2024. The General Election Commission (KPU) has announced Prabowo Subianto and Gibran Rakabuming Raka as the winners of the 2024 Presidential Election. The announcement is based on the national vote tabulation results for the presidential, legislative, and regional representative council elections. Based on the KPU's recapitulation results, the second-ranked pair, Prabowo Subianto - Gibran Rakabuming Raka, was declared the winner of the 2024 Presidential Election. Prabowo-Gibran won with 96,241,619 votes out of a total of 164,227,475 valid national votes [5]. Market participants view the victory of Prabowo Subianto and Gibran Rakabuming Raka in the 2024 presidential election as a positive development. The Composite Stock Price Index (IHSG) and the strengthening rupiah exchange rate are signs of investor interest in investing after the election announcement [6].

The Jakarta Composite Index (IHSG) rose on Thursday afternoon, March 21, 2024, following gains in Asian stock markets. The IHSG closed up 7.22 points or 0.10 percent to 7,338.35. Meanwhile, the LQ45 index, which includes the 45 best stocks, also rose by 1.84 points or 0.19 percent to 994.77 [7]. In the morning trading session on Thursday, March 21, 2024, the highest index position reached 7,384 and the lowest was at the 7,360 level. The transaction value of the JCI this morning was Rp431 trillion and market capitalization reached Rp11,841 trillion. There were 188 stocks that rose and 94 that fell. While the remaining 227 are stagnant [8]. This indicates that the capital market conditions are sending a positive signal regarding the information content, namely the announcement of the results of the 2024 Indonesian Presidential election.

Changes in the executive branch of a country can affect the country's economic conditions. This is because there is a link between the orientation of the policies to be determined and the public's response. Changes in government regimes will inevitably lead to new economic policies in the country, thus influencing investment decisions [9]. Essentially, information can generate positive or negative signals. If an event is considered to contain positive information (good news) and has the potential to benefit the market, investors tend to buy shares. Conversely, if an event is considered to contain negative information (bad news) and has the potential to harm the market, investors tend to protect their investments by selling shares to avoid losses. If the market responds quickly and accurately, reaching a new equilibrium price that fully reflects the available information, this condition is referred to as an efficient market [10].

An efficient market is a condition where prices formed in the market reflect all available information. As a result, prices will react quickly and accurately to new information without bias. Market efficiency is divided into three forms: Weak Form Efficiency, Semi-Strong Form Efficiency, and Strong Form Efficiency [11]. In the context of election results announcements, the most relevant form of market efficiency is Semi-Strong Form Efficiency. This form states that market prices directly reflect all available

public information, including election results, which are important information and impact market participants' expectations. To test how investors react to the information content of an announcement and to test whether the market is efficient, an event study approach can be used [12].

An event study is a study to test the market's reaction to an event whose information is published as an announcement. Event studies generally relate to how quickly information enters the market, reflected in stock prices [13]. Market reaction is indicated by changes in the price of the relevant security. The market reaction to this information content can be analyzed using stock Abnormal Returns and Trading Volume Activity of securities that may occur around the announcement of an event [14].

Abnormal Return is the difference between the actual/realized Return and the expected Return [15]. If the difference in Return obtained is greater than the expected or calculated Return, it will be called a positive Return, and vice versa. Abnormal Return can indicate the level of Return obtained abnormally due to a significant increase in price caused by an event. With the announcement of the results of the 2024 Indonesian Presidential General Election, this will provide an opportunity for investors to obtain Abnormal Returns. Beside Abnormal Return, the reaction of the capital market can also be measured based on Trading Volume Activity [16].

Trading Volume Activity is an indicator used to observe and measure the capital market's reaction to events occurring in the capital market [17]. Trading Volume Activity indicates stock trading activity and reflects how active and liquid a stock is traded in the capital market. The increase in trading volume indicates a rise in buying and selling activity by investors on the stock exchange. By observing the trading volume of a stock, one can see the extent of investor demand, whether it is higher than the supply, which means the stock is becoming more popular with investors, leading to an increase in trading volume that will affect the price or the returns obtained [18]. Therefore, the stock market's reaction to the election results announcement can be demonstrated by examining the value gains from both the Abnormal Return and Trading Volume Activity perspectives.

Previous research that examined the stock market's reaction to companies included in the LQ45 index regarding the political events of the 2019 Presidential and Vice Presidential election voting and quick count results announcement, measured through Abnormal Return and Trading Volume Activity. The research found that the stock market did not react to the 2019 voting and quick count results announcement events, as there was no difference in Abnormal Return and Trading Volume Activity before and after these events occurred. The announcement of the Indonesian Presidential and Vice Presidential election results did not affect the price and trading volume of stocks on the Indonesia Stock Exchange [19].

In another study examining the capital market's reaction to the simultaneous general election on April 17, 2019, in Indonesia. Based on the research results and hypothesis testing that have been conducted, it can be concluded that there is a difference in the average Abnormal Return for companies in the property and real estate sector on

the IDX before and after the Simultaneous Elections on April 17, 2019, in Indonesia, while there is no difference in the average Trading Volume Activity and average market capitalization for companies in the property and real estate sector on the IDX before and after the Simultaneous Elections on April 17, 2019, in Indonesia [20].

Meanwhile, another study conducted on companies included in the IDX 30 index on the IDX, which examined the relationship between the simultaneous elections and the reaction of the Indonesian capital market. Based on the results and hypothesis testing that have been conducted, it can be concluded that the average Abnormal Return ( $0.993 > 0.05$ ) means there is no difference between the average Abnormal Return before and after the 2024 General Election, and the average Trading Volume Activity ( $0.049 < 0.05$ ) shows a difference in the average Trading Volume Activity before and after the 2024 General Election for companies included in the IDX 30 index on the Indonesia Stock Exchange [21].

This research is relevant to revisit considering that changes in the structure of the executive branch have the potential to produce new policies that affect the dynamics of the national economy, particularly in the context of the capital market. The market's rapid response to the information from the announcement of the 2024 Indonesian Presidential Election results is reflected in the market strengthening, as demonstrated by the movement of stock indices such as the JCI and LQ45. This condition indicates that the market is in an efficient state, where security prices quickly and accurately adjust to reflect all available information, thus forming a new equilibrium price.

This research is expected to contribute to enriching the understanding of investment decision-making strategies, both for individual and institutional investors. Based on the empirical phenomena and previous studies that have been described, this research was conducted with the aim of analyzing the reaction of the Indonesian capital market to the announcement of the results of the 2024 Indonesian Presidential Election. Specifically, this study aims to identify the presence of differences in Abnormal Return and Trading Volume Activity before and after the announcement of the election results. Based on this, this study is titled: "The Reaction of the Indonesian Capital Market to the Announcement of the Results of the 2024 Indonesian Presidential Election."

### **Hypothesis Development**

This study adopts market efficiency theory, which supports the use of Abnormal Return as one indicator for assessing market efficiency thru observation of market reactions. The announcement of the results of the 2024 Indonesian Presidential election can be considered a source of information that influences the capital market, especially if it generates a reaction in the market. Market reaction can be seen thru price changes in the relevant securities. This reaction can be measured using Abnormal Return as an indicator to measure price changes.

Based on previous research, the results of testing and data analysis show that there was no significant difference in Abnormal Return values before and after the Extraordinary OIC Summit triggered by the BDS movement [22]. In another study, the relationship between Abnormal Return was tested in relation to the Russian invasion of

Ukraine against the food and beverage and oil and gas sectors. The results showed a difference in Abnormal Return [23]. Consistent with previous research findings, it was also found that Abnormal Return significantly influenced the event of the start of the COVID-19 vaccination [24]. Based on the above presentation, the following hypothesis formulation is compiled.

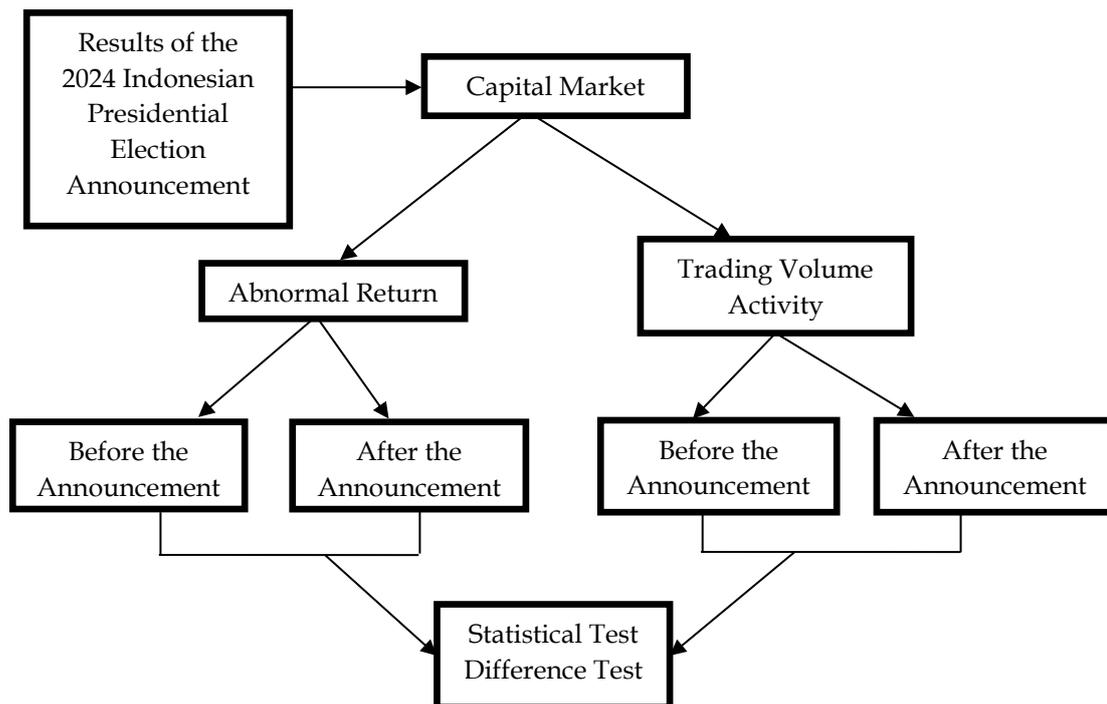
**H1: There is a difference in the average abnormal return before and after the announcement of the results of the 2024 Indonesian Presidential Election.**

This research adopts the market efficiency theory, which supports trading volume activity as one of the indicators for assessing market efficiency by observing whether there is a market reaction. Trading volume activity refers to the number of shares traded within a specific period; the higher the trading volume of a stock, the more active and frequent the stock is traded in the capital market. In previous studies, the results of hypothesis testing showed that there was no significant difference in trading volume activity before and after the announcement of the increase in fuel oil prices on September 3, 2022 [25]. On the other hand, another study indicated a significant difference in Abnormal Return and stock trading volume before and after the COVID-19 pandemic in Indonesia [26]. Furthermore, another study concluded that there was a significant difference in the trading volume activity variable for banking stocks before and after merger and acquisition events [27]. Based on the above presentation, the following hypothesis formulation is compiled.

**H2: There is a difference in the average trading volume activity before and after the announcement of the results of the 2024 Indonesian Presidential Election.**

### **Research Framework**

Based on the previous explanations and descriptions, the research framework is visualized in the following image:



**Figure 1.** Conceptual Framework.

## RESEARCH METHOD

### A. Type of Research

This research is categorized as a quantitative study, in which numerical data is processed through scoring procedures to enable statistical analysis [28]. The methodology used is the event study approach, designed to assess market responses to a specific event [29]. This study specifically evaluates the reaction of the Indonesian capital market before and after the announcement of the results of the 2024 Presidential Election of the Republic of Indonesia, using Abnormal Return and Trading Volume Activity as measurement variables.

### B. Types and Sources of Data

This research utilizes secondary data sources, namely data obtained indirectly and not collected firsthand [30]. The data used were taken from the Indonesia Stock Exchange website, [www.idx.co.id](http://www.idx.co.id), and [www.yahoo.finance.com](http://www.yahoo.finance.com). The types of data include daily stock price reports, daily stock trading volume, and the announcement date of the 2024 Indonesian presidential election results.

### C. Population and Sample

This study employs non-probability sampling, which means that not all members of the population are given an equal opportunity to be selected as samples [31]. The sampling technique used in this research is saturation sampling, in which all members of the population are included as research samples. This approach is applied when the population size is relatively small, generally not exceeding 100 [32].

The population in this study consists of all companies listed in the LQ45 index on the Indonesia Stock Exchange (IDX), totaling 45 companies. Considering the limited population size, the entire population is used as the sample [33]. This stock index was chosen because it is considered sufficient to represent the Indonesian capital market by featuring the 45 most liquid stocks with the largest market capitalization on the IDX, and which are able to remain in the index during the specified period. Thus, this index provides a comprehensive picture of overall market conditions.

#### D. Data Collection Techniques

The data collection technique used is the documentation method, by reviewing and recording data released by each company selected as a sample, sourced from the official website of the Indonesia Stock Exchange, based on the predetermined event period. In an event study, the event, event date, event window, and estimation period must be determined [35]. Therefore, the announcement of the 2024 Indonesian presidential election results, which occurred on March 20, 2024, is designated as the event day ( $t_0$ ). Meanwhile, the estimation period is set for 15 days, consisting of 7 days before the event ( $t-7$ ) and 7 days after the event ( $t+7$ ). The illustration of the event window in the event study can be seen in the following figure:

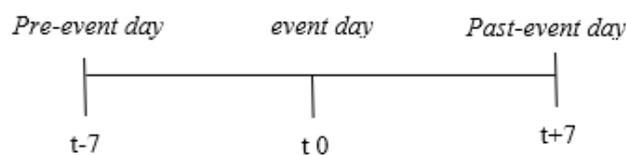


Figure 2. Event Window [9].

#### E. Identification of Variables and Variable Indicators

This research refers to the event study approach used to examine the capital market's reaction to a specific event during a certain time period, based on observations of the days before and after the announcement of the results of the 2024 Indonesian Presidential election, measured thru Abnormal Return and stock trading volume.

##### Abnormal Return

Abnormal Return means an unexpected or abnormal (not as expected) return, with a value greater than the actual return. Causes of Abnormal Return include: announcement of an event such as mergers and acquisitions, interest rate increases, dividend announcements, lawsuits, stock splits, the beginning and end of the year, and other events that can affect Abnormal Return. The method for calculating Abnormal Return is as follows:

Table 1. Formula for Abnormal Return [36].

$$RTN_{i,t} = R_{i,t} - E[R]_{i,t}$$

Explanation:

$RTN_{i,t}$  = Abnormal return of stock i in period t

$R_{i,t}$  = Actual return of stock i in period t

$E[R]_{i,t}$  = Expected return of stock i in period t

### Stock Trading Volume Activity

Besides calculating Abnormal Return, market reaction can also be calculated using Trading Volume Activity (TVA), which measures the trading volume of stocks at a specific time. Investor interest can be measured using TVA, which compares the total shares traded with the number of outstanding shares in a given period [37]. Changes in stock trading volume in the capital market indicate stock trading activity on the exchange and reflect investors' investment decisions. The method for calculating Trading Volume Activity is as follows:

**Table 2.** Formula for Trading Volume Activity [38].

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$$TVA_{it} = \frac{V_{it}}{V_{mt}}$$

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Explanation:

$TVA_{it}$  = Trading Volume Activity

$V_{it}$  = Trading volume of company i at time t

$V_{mt}$  = Volume of company i shares listed on the IDX

### F. Data Analysis Technique

The data analysis technique used is an event study to determine the capital market's reaction to an event. The data collected during a predetermined observation period was then analyzed and compared against the Abnormal Return and Trading Volume Activity indicators as measurement tools. Statistical testing was conducted using supporting software, namely SPSS Statistics Version 23. Data analysis was conducted in two stages: testing the normality of the data (Kolmogorov-Smirnov test). And it was continued using hypothesis testing for each research variable, both the Paired Sample t-test and the Wilcoxon Signed Ranks Test.

### G. Normality Test

Before conducting the difference test, a normality test is first performed to determine whether the data being analyzed is normally distributed or not. In this study, the Kolmogorov-Smirnov test was performed using SPSS software, with the significance level determined as follows:

1. Data is normally distributed if  $sig > 0.05$ .
2. Data is not normally distributed if  $sig < 0.05$ .

### H. Hypothesis Testing

This study used a comparative method, which is a study that compares and uses a difference test as a hypothesis test [39]. Hypothesis testing is a method of proving the validity of population characteristics based on sample data. The purpose of hypothesis testing is to determine whether there are differences between the research variables.

If the data is normally distributed, then the difference test method applied is the paired-sample t-test, which falls under parametric statistics. The Paired Sample t-test is a test of the difference between the means of two related samples. This method is used to test hypotheses when the data is in interval or ratio form. The rules for drawing conclusions from the Paired Sample t-test are:

1. If the data has a significance value  $< 0.05$ , then  $H_0$  is rejected.
2. If the data has a significance value  $> 0.05$ , then  $H_0$  is accepted.

If the data is not normally distributed, the paired sample mean difference test used is the Wilcoxon Signed Ranks Test, which is a non-parametric statistic. This test is intended as an alternative to the paired sample t-test if the data distribution is not normal. This method is used to test hypotheses when the data is ordinal or ranked. The rules for drawing conclusions in the Wilcoxon Signed Ranks Test are as follows:

1. If the data has a significance value  $< 0.05$ , then  $H_0$  is rejected.
2. If the data has a significance value  $> 0.05$ , then  $H_0$  is accepted.

It can be concluded that the statistical analysis was conducted with a 95% confidence level and a 5% error rate, or using a significance level of 0.05 [40].

## RESULTS AND DISCUSSION

### Results

#### A. Normality Test

In this study, the researcher used the Kolmogorov-Smirnov test to determine whether the data used were normally or non-normally distributed. Normally distributed data will be tested using the Paired Sample t-test (a parametric test). Non-normally distributed data will be tested using the Wilcoxon signed-rank test (a non-parametric test). The table of normality test results is detailed as follows:

**Table 3.** Normality Test of Data.

Test Of Normality		
$\alpha=0.05$		
	Significance	Information
AAR-Before	0.200	Normal
AAR-After	0.200	Normal
ATVR-Before	0.200	Normal
ATVR-After	0.074	Normal

Based on the data in Table 1, the significance values for AAR before and after the event are 0.200 and 0.200, respectively, which means the data is normally distributed, so hypothesis testing  $H_1$  was performed using the Paired Sample t-test. For ATVA before and after the event, the significance values are 0.200 and 0.075, respectively, which means the ATVA data before the event is normally distributed, so hypothesis testing was performed using the Paired Sample t-test.

## B. Hypothesis Testing

This study aims to test whether there are differences in the average Abnormal Return (AR) and Trading Volume Activity (TVA) before and after the announcement of the results of the 2024 Indonesian Presidential Election. Hypothesis testing was conducted using the Paired Sample t-test, as the data met the assumption of normal distribution based on the normality test previously performed.

With decision-making criteria, if the Sig. (2-tailed) value  $< 0.05$ , then  $H_0$  is rejected and  $H_a$  is accepted, meaning there is a difference in Abnormal Return or Trading Volume Activity before and after the election results announcement. However, if the Sig. (2-tailed) value  $> 0.05$ , then  $H_0$  is accepted, meaning there is no difference in Abnormal Return or Trading Volume Activity before and after the election results announcement [41]. Here are the results of the test for each variable:

**Table 4.** Difference test (Paired Samples t-test) of Average Abnormal Return (AAR).

<i>Paired Samples Test</i>	
$\alpha=0.05$	
Explanation	<i>Sig. (2. Tailed)</i>
AAR Before - AAR After	0.922

Based on the tests conducted above, the results of the difference test or Paired Sample t-test between the average Abnormal Return (AAR) before and after the election results announcement show a Sig. (2-tailed) value of  $0.922 > 0.05$ , therefore,  $H_a$  is rejected while  $H_0$  is accepted. Thus, it can be concluded that there is no difference in the average Abnormal Return before and after the announcement of the results of the 2024 Indonesian Presidential Election.

**Table 5.** Difference Test (Paired Samples T-Test) of Average Trading Volume Activity (ATVR).

<i>Paired Samples Test</i>	
$\alpha=0.05$	
Explanation	<i>Sig. (2. Tailed)</i>
ATVR Before - ATVR After	0.591

From the testing conducted above, it is shown that the results of the difference test or Paired Sample t-test between average trading volume activity (ATVR) before and after the election results announcement, which shows a Sig. (2-tailed) value of  $0.591 > 0.05$ , meaning  $H_0$  is accepted. Thus, it can be concluded that there is no difference in the average Trading Volume Activity before and after the announcement of the results of the 2024 Indonesian Presidential Election.

### *Discussion*

#### **There is a difference in the average Abnormal Return before and after the announcement of the results of the 2024 Indonesian Presidential Election.**

Based on the results of statistical analysis using the Paired Sample t-test method presented in Table 7, it is known that there is no significant difference in the average Abnormal Return between the periods before and after the announcement of the results of the 2024 Indonesian Presidential Election. This is indicated by a significance value (Sig. 2-tailed) of 0.922, which exceeds the established significance probability level of 0.05. This finding indicates that the Indonesian capital market did not show a significant response to the event, as reflected by the absence of a meaningful change in average Abnormal Return before and after the announcement. This condition can be interpreted as an indication that information related to election results was anticipated in advance by market participants, so when this information was officially announced, there was no significant surge in stock prices. This is consistent with the characteristics of the market in a semi-strong form efficient state, where stock prices already reflect all publicly available information quickly and accurately. Additionally, the stability of the political conditions after the election can also influence the minimal market reaction. When election results align with investor expectations, the market tends to respond neutrally. This is because the information is highly predictable given the technological advancements that make it easier for investors to access it. The predictable election results meant there were no surprises for the market after the election results were announced. It can be indicated that market participants may consider the announcement of the results of the 2024 Indonesian Presidential Election to have no significant direct impact on investment decisions or short-term economic prospects. A similar situation occurred in 2019 and was revealed in previous research stating that there was no difference in Abnormal Return before and after the quick count results were announced in the capital market [42]. This is also consistent with other previous research stating that there was no market reaction to the election event, with no difference in Abnormal Return before and after the event [43]. However, other previous research stated that the announcement of the presidential and vice-presidential candidates' victory provided a positive signal to the market and was well-received by the market, as evidenced by a significant difference in Abnormal Return [44].

#### **There is a difference in average trading volume activity before and after the announcement of the results of the 2024 Indonesian Presidential Election.**

Based on the statistical data analysis results using the Paired Sample t-test in Table 8, it shows that there is no significant difference in the average Trading Volume Activity before and after the announcement of the results of the 2024 Indonesian Presidential Election. This result proves that the Sig. (2-tailed) value is 0.591, which is greater than the established probability of 0.05. From the research results above, it can be seen that there is no significant difference in the average trading volume activity before and after the event. The absence of a difference in average Trading Volume Activity before and after the announcement of the results of the 2024 Indonesian Presidential Election indicates

that market participants are not enthusiastic about the issue of the 2024 Indonesian Presidential Election results announcement this time. In the context of an efficient market, information related to the candidate predicted to win the election or the expected election results has already been anticipated by market participants before the official announcement is made. This condition causes the information to be reflected in asset prices and trading activity, thus not triggering significant changes in trading volume after the election results are officially announced. From a macroeconomic perspective, political dynamics have a significant impact on national economic stability. Unresolved political uncertainty can trigger vulnerable and speculative market conditions. The announcement of the 2024 election results, accompanied by dynamics such as rejection of the results and the filing of constitutional lawsuits by the Anies Baswedan–Muhaimin Iskandar and Ganjar Pranowo–Mahfud MD candidate pairs, led to differing views within society and increased caution among investors [45]. In this context, market participants tend to adopt a wait-and-see approach in response to previous uncertainty in making their investment decisions [46]. However, after the Constitutional Court declared the lawsuit unfounded, the national political situation stabilized again. This resulted in the return of investor confidence levels, causing capital market conditions to become neutral again. In other words, investors have adjusted their portfolios based on previous expectations, resulting in no surge in trading activity after the announcement. In situations like this, market participants might prefer to hold off on their investment decisions and not engage in aggressive buying or selling. The absence of a significant difference in Trading Volume Activity due to political events aligns with previous research examining market reactions to the 2019 cabinet announcement [47], [48], [49]. However, the findings of this study contradict other previous research that investigated the 2019 presidential election in the industrial sector, as well as studies that found a significant difference in Trading Volume Activity during the 2009 election [50], [51].

## CONCLUSION

**Fundamental Finding :** This study aims to analyze whether there is a reaction in the Indonesian capital market to the announcement of the results of the 2024 Indonesian Presidential Election, using the Abnormal Return and Trading Volume Activity indicators for LQ45 stocks. After processing and analyzing the data using the event study method and the Paired Sample t-test, the following results were obtained: 1. There was no significant difference in the average Abnormal Return before and after the election results were announced. This is indicated by a significance value of 0.922 ( $> 0.05$ ), which means the market did not overreact to the event in terms of abnormal stock returns. 2. There was no significant difference in average Trading Volume Activity before and after the election results announcement. A significance value of 0.591 ( $> 0.05$ ) indicates that there was no surge in stock trading activity, suggesting that market participants tended to be neutral or had already anticipated the results. Overall, these results indicate that the Indonesian capital market did not react significantly to the announcement of the 2024 Presidential Election results. **Implication :** This can be interpreted as a form of semi-

strong efficient market, where public information such as election results is already fully reflected in stock prices by the time the event is officially announced. **Limitation** : This study is limited by the use of a relatively short event window, namely seven days before and after the announcement, which may not fully capture delayed or prolonged market reactions. In addition, the research only focuses on LQ45 stocks, so the findings may not represent the behavior of other sectors or smaller-cap companies. The study also relies solely on Abnormal Return and Trading Volume Activity indicators, without incorporating other market variables such as volatility, bid-ask spread, or investor sentiment, which may provide deeper insight into market reactions. **Future Research** : Future research is recommended to extend the observation window to capture potential long-term or lagged reactions. Researchers may also expand the sample beyond LQ45 stocks to include different sectors and market capitalizations. Additionally, future studies could incorporate more comprehensive indicators such as market volatility, liquidity measures, or sentiment-based variables to provide a broader understanding of market behavior. Using advanced econometric approaches such as GARCH models or panel event studies may also enhance the robustness of the findings.

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