ABSTRACT

The objective of this research to analyze stock price reaction to catastrophic events – in this case the flood in Jakarta that happened on January 28- February 2, 2002. It is expected during event window, the flood will create negative cumulative average abnormal return for real estate and property, insurance and retail sub sector and positive cumulative average abnormal return for automotive and pharmacy sub sector.

This research employs event study methodology and uses Market Model to calculate abnormal return. Since the beta values of firms listed in the Jakarta Stock Exchange (JSX) are biased, due to nonsynchronous trading activities, it needs to be corrected using Fowler and Rorke method with four lag and four lead period adjustments.

After conducting research, it is concluded that the flood in Jakarta does not create negative cumulative average abnormal return for real estate and property, insurance and retail sub sector during event window so that during this period, investors get the return as their expected. But the flood in Jakarta creates positive cumulative average abnormal return for automotive and pharmacy sub sector during event window. So that during this period, investors is able to get abnormal return.

Keyword: ***catastrophic events, event study, cumulative average abnormal return, market model***

INTISARI

Tujuan dari penelitian ini adalah untuk menganalisa reaksi harga saham terhadap catastrophic events- pada kasus ini banjir di Jakarta pada tanggal 28 Januari – 2 Februari 2002. Diharapkan selama event window, banjir akan menghasilkan negatif cumulative average abnormal return untuk sub sektor real estate dan properti, asuransi dan ritel dan positif cumulative average abnormal return untuk sub sektor otomotif dan farmasi.

Dalam penelitian ini digunakan metodologi event study dan untuk menghitung abnormal return digunakan market model. Nilai beta perusahaan yang terdaftar di Bursa Efek Jakarta bias, disebabkan oleh perdagangan yang tidak sinkron, maka nilai beta tersebut perlu dikoreksi dengan menggunakan metode Fowler dan Rorke dengan penyesuaian four lag dan four lead.

Dari hasil penelitian ini dapat disimpulkan bahwa banjir di Jakarta tidak menghasilkan negatif cumulative average abnormal return untuk sub sektor real estate dan properti, asuransi dan ritel selama event window berarti selama periode ini investor mendapakan return sesuai yang diharapkan. Tetapi banjir menghasilkan positif cumulative average abnormal return untuk sub sektor otomotif dan farmasi selama event window. Jadi selama periode ini investor dapat meraih abnormal return.

Keyword: ***catastrophic events, event study, cumulative average abnormal return, market model***