

TABLE OF CONTENTS

TABLE OF CONTENTS.....	i
LIST OF TABLES	iii
LIST OF FIGURES	iv
ABSTRACT.....	v
CHAPTER I INTRODUCTION.....	1
1.1. Background.....	1
1.2. Problem Statement	6
1.3. Research Questions	7
1.4. Research Objectives.....	8
1.5. Research Contributions	8
1.6. Research Scope	9
1.7. Research Writing Systematic	10
CHAPTER II THEORY AND HYPOTHESIS DEVELOPMENT	12
2.1. Theoretical Framework	12
2.1.1. Efficient Market Hypothesis	12
2.1.2. Information Asymmetry.....	12
2.1.3. Signaling Theory.....	13
2.1.4. Event Study	14
2.1.5. Emission Trading System	15
2.1.6. OJK Regulation Number 14 of 2023 on Carbon Trading	16
2.2. Literature Review.....	17
2.2.1. Sustainability Event Study	17
2.2.2. Event Study on OJK Regulations.....	17
2.2.3. Emission Trading System Event Study.....	18
2.3. Hypothesis Formulation.....	19
2.3.1. Indonesian Stock Market Reaction	19
2.3.2. Financial Sector.....	20
2.3.3. Carbon-Intensive Sectors	21
2.4. Research Model	25
CHAPTER III RESEARCH METHOD	28

3.1.	Research Design.....	28
3.2.	Sample Selection and Data Collection Method	28
3.3.	Research Instrument.....	30
3.3.1.	Event Study	30
3.3.2.	Realized Return.....	30
3.3.3.	Expected Return.....	31
3.3.4.	Abnormal Return.....	32
3.4.	Data Analysis Method.....	33
CHAPTER IV RESULTS AND DISCUSSION.....		35
4.1.	Data Description	35
4.2.	Data Analysis	37
4.2.1.	Cumulative Average Abnormal Return	37
4.2.2.	Descriptive Statistics.....	41
4.2.3.	Normality Test	43
4.3.	Hypothesis Testing.....	47
4.3.1.	Hypothesis 1.....	47
4.3.2.	Hypothesis 2.....	49
4.3.3.	Hypothesis 3.....	52
4.4.	Discussion.....	54
CHAPTER V CONCLUSION.....		58
5.1.	Conclusion	58
5.2.	Implications.....	59
5.3.	Limitations	59

LIST OF TABLES

Table 4.1 Sample Selection Process for H_1	35
Table 4.2 Sample Selection Process for H_2	36
Table 4.3 Descriptive Statistics for All Stocks	41
Table 4.4 Descriptive Statistics for Financial Sector	42
Table 4.5 Descriptive Statistics for Carbon Intensive Sectors	43
Table 4.6 Normality Testing for All Stocks.....	44
Table 4.7 Normality Testing for Financial Sector	45
Table 4.8 Normality Testing for Carbon-Intensive Sectors	46
Table 4.9 One-Sample Wilcoxon Signed Rank Test for All Stocks	47
Table 4.10 Wilcoxon Signed Rank Test for CAAR Before Event vs CAAR After Event for All Stocks	48
Table 4.11 One-Sample Wilcoxon Signed Rank Test for Financial Sector.....	50
Table 4.12 Wilcoxon Signed Rank Test for CAAR Before Event vs CAAR After Event for Financial Sector.....	51
Table 4.13 One-Sample Wilcoxon Signed Rank Test for Carbon-Intensive Sectors	52
Table 4.14 Wilcoxon Signed Rank Test for CAAR Before Event vs CAAR After Event for Carbon-Intensive Sectors	53

LIST OF FIGURES

Figure 1.1 Regulatory Framework Pathways to OJK Regulation on Carbon Trading	4
Figure 1.2 Indonesia Energy Mix for Electricity Generation in 2021	5
Figure 2.1 Research Model	26
Figure 3.1 Estimation and Window Period.....	29
Figure 4.1 Cumulative Average Abnormal Return of IDX.....	38
Figure 4.2 Cumulative Average Abnormal Return of Financial Sector.....	39
Figure 4.3 Cumulative Average Abnormal Return of Carbon-Intensive Sectors	40