Abstract

This study investigates the impact of mergers and acquisitions (M&A) on the bidder's cumulative abnormal returns (CAR), with a focus on five ASEAN countries: Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Using a sample of 771 completed M&A deals from 2001 to 2024, this research examines how deal value, bidder financial characteristics, and sector classification influence CAR. Three different event windows are used to capture short-term market reactions: [-2, +2], [-5, +5], and [-10, +10] trading days around the M&A announcement. The findings show that larger deal values are positively associated with higher CAR, particularly in longer event windows, supporting the Synergy Theory. However, the study finds no significant evidence that the 2008 global financial crisis and the 2020 COVID-19 pandemic had a uniquely negative effect on bidder CAR. Interestingly, the results indicate that firms in the banking sector tend to experience lower CAR compared to non-banking firms, contradicting common expectations. These findings provide valuable insights for corporate managers, investors, and policymakers regarding the strategic and financial implications of M&A transactions in emerging markets.

Keyword: Mergers and Acquisitions, Cumulative Abnormal Return, Event Study, ASEAN, Deal Value, Banking Sector, Synergy Theory, Agency Theory, Financial Crisis, COVID-19