

TABLE OF CONTENTS

TITLE PAGE	i
VALIDATION SHEET	ii
APPROVAL SHEET	iii
STATEMENTS OF WORK'S ORIGINALITY	iv
PREFACE AND ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	viii
LIST OF FIGURES	x
LIST OF TABLES	xi
LIST OF APPENDIX	xii
ABSTRACT	xiii
INTISARI	xiv
CHAPTER I INTRODUCTION	1
1.1 Background	1
1.2 Problem Statement	6
1.3 Research Purpose	7
1.4 Research Scopes	8
1.5 Research Contributions	9
1.6 Writing Structure	10
CHAPTER II THEORETICAL FRAMEWORK	11
2.1 Event Study	11
2.2 Efficient Market Hypothesis	12
2.3 Abnormal Return	14
2.4 Trading Volume Activity	15
2.5 Indonesian Capital Market	16
2.6 Research Event: OPEC and Non-OPEC Announcement on Agreement to Cut Oil Production	18
2.7 Prior Research	20

2.8 Hypothesis Development	23
CHAPTER III RESEARCH METHODOLOGY	26
3.1 Research Design	26
3.2 Types and Data Sources	27
3.3 Population and Sampling	27
3.4 Research Variable Measurement.....	33
3.4.1 Capital Market Reaction Towards OPEC and Non-OPEC Announcement to Cut Oil Production	33
3.4.2 The Event OPEC and Non-OPEC Announcement to Cut Oil Production ..	35
3.5 Observation Period.....	36
3.5.1 Event Window	36
3.5.2 Estimation Window	37
3.6 Research Model and Hypothesis Testing.....	39
CHAPTER IV RESULT AND DISCUSSION	49
4.1 Descriptive Statistics.....	49
4.2 Normality Test	53
4.3 Hypotheses Testing.....	56
4.3.1 Hypothesis 1 (H1) Testing.....	56
4.3.2 Hypothesis 2 (H2) Testing.....	61
4.3.3 Hypothesis 3 (H3) Testing.....	66
4.3.4 Hypothesis 4 (H4) Testing.....	69
4.4 Research Findings	71
CHAPTER V CONCLUSION	75
5.1 Conclusion	75
5.2 Limitations of Study	77
5.3 Suggestions for Future Research	78
REFERENCES	79
APPENDIX.....	83

LIST OF FIGURES

Figure 3.1 Estimation Window and Event Window	39
Figure 4.1 Movements of AAR and CAAR of Crude Petroleum and Natural Gas Production sub-sector in MINING index on the Event Window	57
Figure 4.2 Movements of AAR and CAAR of LQ45 on the Event Window	62
Figure 4.3 Movements of AAV of Crude Petroleum and Natural Gas Production sub-sector in MINING index on the Event Window	67
Figure 4.4 Movements of AAV of LQ45 on the Event Window	69

LIST OF TABLES

Table 3.1 Constituents List of Crude Petroleum and Natural Gas Production Sub-Sector in MINING Index.....	29
Table 3.2 Crude Petroleum and Natural Gas Production Sub-Sector in MINING Index Sample Selection.....	30
Table 3.3 Constituents List of LQ45 Index.....	31
Table 3.4 LQ45 Index Sample Selection	33
Table 3.5 Indonesia Stock Exchange Market Holiday.....	38
Table 4.1 Descriptive Statistics for Abnormal Return of Crude Petroleum and Natural Gas Production Sub-sector in MINING Index	50
Table 4.2 Descriptive Statistics for Abnormal Return of LQ45	51
Table 4.3 Descriptive Statistics for Abnormal Trading Volume Activity of Crude Petroleum and Natural Gas Production Sub-sector in MINING Index.....	52
Table 4.4 Descriptive Statistics for Abnormal Trading Volume Activity of LQ45 Index	53
Table 4.5 Normality Test of Average Abnormal Return for Crude Petroleum and Natural Gas Production Sub-Sector in MINING index and LQ45 Index	55
Table 4.6 Normality Test of Average Abnormal Trading Volume for Crude Petroleum and Natural Gas Sub-Sector in MINING index and LQ45 Index	55
Table 4.7 One Sample T-test of Daily Abnormal Return for Crude Petroleum and Natural Gas Sub-Sector in Mining Index	58
Table 4.8 One Sample T-test of Cumulative Abnormal Return for Crude Petroleum and Natural Gas Sub-Sector in Mining Index	60
Table 4.9 One Sample T-test of Daily Abnormal Return for LQ45 Index	63
Table 4.10 One Sample T-test of Cumulative Abnormal Return for LQ45 index..	65
Table 4.11 One Sample T-test of Daily Abnormal Trading Volume Activity for Crude Petroleum and Natural Gas Production Sub-Sector in MINING Index .	68
Table 4.12 One Sample T-test of Daily Abnormal Trading Volume Activity for LQ45 Index.....	70

LIST OF APPENDIX

Appendix A Crude Petroleum and Natural Gas Production Sub-Sector in MINING index.....	83
Table A.1 Realized Daily Return in Observation Period.....	83
Table A.2 Regression Parameters for Abnormal Return	90
Table A.3 Abnormal Return on Event Window.....	90
Table A.4 Trading Volume Activity in Observation Period.....	91
Table A.5 Regression Parameters for Trading Volume Activity	97
Table A.6 Abnormal Trading Volume Activity on Event Window.....	98
Appendix B – LQ45 Index	98
Table B.1 Realized Daily Return in Observation Period	98
Table B.2 Regression Parameters for Abnormal Return.....	117
Table B.3 Abnormal Return on Event Window.....	118
Table B.4 Trading Volume Activity in Observation Period	120
Table B.5 Regression Parameters for Trading Volume Activity	139
Table B.6 Abnormal Trading Volume Activity on Event Window	139