

ABSTRACT

ECONOMIC CONSEQUENCES OF CHINA-UNITED STATES TRADE WAR TOWARDS MANUFACTURING INDUSTRY IN INDONESIA

Muhammad Miftah Faridl

This research analyzes the reactions of investors in Indonesian capital market particularly within the industry of manufacturing. The industry has been growing significantly towards the phenomenon of trade war between the United States and the Republic of China in 2018. The samples are taken from observing the trends of stock returns from the constituents within manufacturing sector of PT. Bursa Efek Indonesia. Event study method is employed as the basis of this study emphasizing on how the market reacts towards the event selected. Based on the empirical studies as referred in this study, publicly listed companies in manufacturing industry have a tendency to respond negatively towards China-United States Trade War.

Keywords: event study, trade war, abnormal return, market efficiency

INTISARI

Penelitian ini menganalisis reaksi para investor di pasar modal Indonesia khususnya dalam industri manufaktur. Industri ini telah tumbuh secara signifikan terhadap fenomena perang dagang antara Amerika Serikat dan Republik Tiongkok pada tahun 2018. Sampel diambil dari mengamati tren pengembalian saham dari para konstituen dalam sektor manufaktur PT. Bursa Efek Indonesia. Metode studi peristiwa digunakan sebagai dasar penelitian ini menekankan pada bagaimana pasar bereaksi terhadap peristiwa yang dipilih. Berdasarkan studi empiris sebagaimana dimaksud dalam penelitian ini, perusahaan publik dalam industri manufaktur memiliki kecenderungan untuk merespons negatif terhadap Perang Perdagangan China-Amerika Serikat.

Keywords: event study, trade war, abnormal return, market efficiency