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Event Study Impact of the Announcement of PSBB Covid-19 on State-Owned Banks that Go Public on the Indonesia Stock Exchange

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Abstract: The purpose of this study was to determine the difference in Abnormal Return (AR) before and after the announcement of the PSBB in BUMN Banks that went Public on the Indonesia Stock Exchange, to find out whether there were differences in the volume of stock trading before and after the announcement of the PSBB in BUMN Banks that went public. on the Indonesia Stock Exchange and to find out if there are differences in the volume of stock trading frequency before and after the announcement of "PSBB in State-Owned Banks that Go Public on the Indonesia Stock Exchange. Hypothesis H1 proposed in this study states that there is a significant difference between the Abnormal Return (AR) of state-owned banks' shares before and after PSBB. Testing the first hypothesis using a paired sample t-test with a significance level of 11.5% or 0.115. If the result of the probability calculation is greater than 0.05, the hypothesis H1 is rejected. In the following, the test results data are presented using the paired sample t-test for the abnormal return variable. there is a significant difference to the Abnormal Return (AR) of state-owned banks before and after PSBB. The existence of this significant difference indicates that the market is reacting to the PSBB. The significance value is 0.218, this number indicates above the probability value limit of 0.05. So it can be stated that H2 is rejected. This means that there is no significant difference in Trading Volume Activity (TVA) both before and after the PSBB. This means that there is no significant difference to changes in stock trading volume activity in state-owned banks. Testing on H3 was carried out using a paired sample t-test with a significance level of 5% or 0.05. If the result of the probability calculation is less than 0.05 then the hypothesis is accepted. In the following, the results of data processing using paired sample t-test are presented. It can be concluded that hypothesis H3 is rejected, meaning that there is no significant difference in the frequency of trading shares of state-owned banks before and after PSBB. This shows that after the PSBB there was no market reaction to the shares of state-owned banks. In the following, the results of data processing using paired sample t-test are presented. It can be concluded that hypothesis H3 is rejected, meaning that there is no significant difference in the frequency of trading shares of state-owned banks before and after PSBB. This shows that after the PSBB there was no market reaction to the shares of state-owned banks. In the following, the results of data processing using paired sample t-test are presented. It can be concluded that hypothesis H3 is rejected, meaning that there is no significant difference in the frequency of trading shares of state-owned banks before and after PSBB. This shows that after the PSBB there was no market reaction to the shares of state-owned banks.

Keywords: *Event Study, PSBB, Bank*

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INTRODUCTION

The Covid-19 pandemic since March 2020 has hit Indonesia and is still ongoing which causes a very large economic impact, it was recorded that as of 27 November 2020, 5,828 new cases had been added for a total of 522,581 Covid-19 cases in Indonesia. Patients who recovered as many as 437,000 thousand with cases of death as many as 16,521 people. The Corona Virus or Covid-19 pandemic has resulted in Indonesia's economic growth experiencing a significant decline. According to the Central Statistics Agency (BPS), Indonesia's economic growth in the second quarter of 2020 reached minus 5.32 percent. Previously, Indonesia's economic growth rate was positive at 2.97% in the first quarter of 2020. This certainly has a big impact, because of the decline in Indonesia's economic growth during the Covid-19 pandemic that hit Indonesia. The slowdown in Indonesia's weak economic growth also affected several existing sectors. Of course, this has a negative impact on Indonesia's economic growth. In the banking world itself, many banks that go public are experiencing serious problems with the Covid-19 pandemic. To overcome the transmission of Covid-19, the President of the Republic of Indonesia, Jokowi, has taken measures to reduce the spread of the virus. the. But on the other hand, the impact of the PSBB implementation has resulted in quite serious economic problems, one of which is the swelling of bad loans or Non-Performing Loans (NPL). This will certainly have a major effect on the selling price of shares on the Indonesia Stock Exchange. The increase in bad loans itself can certainly be one of the factors that interfere with national economic growth. Bank Permata economist Josua Pardede explained that the increase in NPL was influenced by the slowdown in credit growth, especially in terms of demand for working capital loans (KMK) which tended to slow down in line with the decline in economic activity from the production side. In the second quarter of 2020, there was a contraction in almost all business sectors, which indicates that this pandemic has a negative impact on the majority of business sectors. Josua explained that one of the sectors that experienced a deep contraction was the trade sector, which contracted by 7.6% (YoY) in the second quarter of 2020. In fact, this sector is one of the largest sectors that contributes to credit demand with a proportion of 17.08% of total loans. For information only, as of June 2020, the trade sector also experienced contractionary credit growth of -5.38%, and recorded a fairly large NPL of 4.59%. "The trade sector itself is directly related to people's economic activities so that without a significant economic recovery, credit growth in this sector will be hampered. Economist "Institute for Development of Economics and Finance (Indef)" Bhima Yudhistira assesses, the increase in NPL must be watched out for by the Government, especially the credit restructuring program has not been maximized. Bhima said the financial services sector, especially banking, would experience two-sided pressure, both from a credit slowdown and an increase in NPLs. It is estimated that NPL will still increase until 2021. Of course, banks must also anticipate by increasing their reserves. OJK recorded an upward trend in non-performing loans (NPL) which was recorded as of June 2020, banking NPLs had reached 3.11% or an increase from the position in March 2020 which was around 2.77% and also higher than the December 2019 period which was 2.53%. industrially. Therefore, the Government is expected to be present in the community as well as in the financial services sector through stimulus policies, so that banks can overcome the deterioration in the quality of loans disbursed and still be able to channel new loans to sectors that are not directly affected by the Covid-19 pandemic. Last time, Jakarta experienced PSBB again due to the increasing number of cases of COVID-19. Thus forcing office workers to work back at home, and it can be predicted that there will be an indirect decline in banking growth in Indonesia. Data from the Financial Services

Authority (OJK) noted that credit began to improve as reflected in credit growth in July2020 by 1.53 percent, compared to credit growth in June 2020 of 1.49 percent. With this PSBB activity which was announced directly by President Jokowi, it can be seen that there was a decline in Indonesia's economic growth, which was marked by an increase in bad loans at several banks in Indonesia. . Of course, this is very fatal for Indonesia's economic growth, which until now has experienced a decline in growth that is not very noticeable in people's daily lives, in addition to the swelling of Indonesia's foreign debt which based on the latest data of 5,700 trillion is Indonesia's foreign debt. In addition, since the announcement of PSBB in Indonesia by President Jokowi, Several banking stock trades on the Indonesia Stock Exchange experienced a decline in selling prices as a result of the current Covid-19 pandemic and was one of the causes of the slowdown in Indonesia's economic growth. From the description above, the author is interesting to continue the research with the title of thesis research, namely "Event Study of the Impact of the Covid-19 Large-Scale Social Restrictions (PSBB) Announcement in State-Owned Banks that Go Public on the Indonesia Stock Exchange".

LITERATURE REVIEW

Financial Management Theory

In general, every company in running its business must require financial management. Financial Management isone of the overall management system. Good and proper management will lead to the achievement of the company's/organizational goals, namely providing benefits for the company including the shareholders, on the contrary, a lack of good financial management will result in disruption of the company's overall operations which will hinder the achievement of company goals.According to Darsono (2011:101), financial management is the activity of owners and borrowers of companies to obtain the cheapest sources of capital and use them as effectively, efficiently, and economically as possible to generate profits. Meanwhile, according to Sonny, S. (2003)Financial management is a company activity related to how to obtain funds, use funds, and manage assets in accordance with the overall company goals. Likewise, according to Kasmir (2010: 6), financial management is all activities related to how to obtain funds to finance their business, manage these funds so that company goals are achieved, and manage assets owned effectively and efficiently.In carrying out financial managementThere are many decisions that must be made by financial managers in the various activities that must be carried out. Because it becomes important when a manager has to make a decision related to the management function. The main tasks of financial management include decisions on investment, financing of business activities and dividend distribution of a company, thus the task of the financial manager is to plan to maximize the value of the company.Martono and Harjito (2010:4) there are three main functions in financial management, namely:

- Investment Decisions

Investment decisions are decisions about what assets will be managed by the company

- Financing Decision

The decision to determine the source of funds used in financing the investment by considering the optimum capital structure.

- Asset Management Decisions

Manager's decision in allocating funds for the procurement of assets that can beproduce company goals so that financial managers pay more attention to the management of current assets than fixed assets.

With the three main functions of financial management, it is hoped that the company's management

activities can achieve the company's goal of generating maximum profit so that it can increase profits for shareholders.

Definition of Bank

According to Hasibuan (2008: 7) defines that a bank is a business that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of many people. 11) is a financial institution whose business activity is to collect funds from the public and redistribute these funds to the community and provide other banking services. While the definition of a financial institution is any company engaged in finance where its activities are only to collect funds or only to distribute funds or both. Meanwhile, according to Law no. 7 of 1992 concerning Banking was renewed by Law no. 10 of 1998, whereas a Bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of the people at large. Bank financial institutions have a very important role in the economic development of a country. This is because bank financial institutions have functions, principles, and goals that are very supportive of the economic development of a country. The following are the functions, principles, and objectives. According to Articles 2, 3, and 4 of Law no. 7 of 1992 concerning banking, it is stated that: This is because bank financial institutions have functions, principles, and goals that are very supportive of the economic development of a country. The following are the functions, principles, and objectives. According to Articles 2, 3, and 4 of Law no. 7 of 1992 concerning banking, it is stated that: This is because bank financial institutions have functions, principles, and goals that are very supportive of the economic development of a country. The following are the functions, principles, and objectives. According to Articles 2, 3, and 4 of Law no. 7 of 1992 concerning banking, it is stated that:

- Principle: Banking based oneconomic democracy by using the principle of prudence
- Function: The main function of banking is to collect funds and distribute public funds
- Objective : Indonesian banking aims to support the implementation of national development in order to increase equity, economic growth, and national stability in the direction of increasing the number of people.

Stock Performance

State-owned banks were first listed on the stock exchange (going public) in 1996, with the aim that state-owned banks can continue to grow and meet the needs of state-owned banks in financing large projects in the long term (Ariyanti, 2014). For the past 10 years, the shares of these state-owned banks have been the most popular stocks in the financial sector in terms of the high value of stock transactions every year. The high interest of investors in state-owned banks' shares can be seen from the stock prices of state-owned banks which are increasing every year. This of course causes the stock returns received by investors will continue to increase in each period and will continue to tempt investors to buy shares of state-owned banks. In addition to referring to the stock prices of state-owned banks that continue to increase, investors also pay attention to the performance of state-owned banks themselves to estimate whether or not the performance of state-owned banks is good which of course can have an impact on the condition of state-owned banks' shares on the stock exchange. If the economic condition of a country is good, it will have a good impact on the capital market, whereas if on the contrary, the capital market of a country will deteriorate (Sunariyah, 2011: 21). Thus, according to Husnan (2015: 290), the company's internal analysis is more important in the decision to invest in BUMN shares. This is because through the company's internal analysis it will be seen how well the company's operational capabilities respond to all changes in the economy of a country, if a company performs well, it will still be able to survive in the event of

a country's economic shocks so that it can continue to provide returns for investors. Thus, making researchers prioritize internal analysis of state-owned banks with the assumption that the Indonesian economy is stable during the study period. The internal analysis of company performance used in this study uses several financial ratios, namely Return on Assets, Return on Equity, Price to Book Value, and Economic Value Added. Each of these ratios provides an overview of the company's performance from a different point of view. Return on Assets is the level of profitability based on the value of assets owned by a company (Kabajeh, 2012). According to Murhadi (2013:64), The higher the Return on Assets value is expected to provide a large return to shareholders because the high Return on Assets value can reflect the better performance of the company with a high level of income. This theory is supported by the results of research by Hariani (2010) and Beny and Anastasia (2011) which conclude that Return on Assets (ROA) affects stock returns, but research by Harjito and Rangga (2009), Setiyorini (2011), Arista and Astohar (2012), and Purnamaningsih and Ni Gusti (2014), finding different results that Return on Assets (ROA) has no effect on stock returns. Return on Equity is a description of the level of profitability of a company based on the value of its equity (Gitman, 2012: 82). The higher the Return on Equity value indicates that the company is more optimal in using its own capital and makes the company have better performance. As a result, investor demand for these shares is increasing and will lead to an increase in stock prices which will make the stock returns that investors get even greater (Hutami, 2012). This is in line with the research of Hariani (2010), Beny and Anastasia (2011). Aditya (2013) shows that Return on Equity (ROE) has an effect on stock returns, while according to research by Harjito and Rangga (2009) and Setyorini (2011) found that Return on Equity (ROE) has no effect on stock returns. Price to Book Value (PBV) is a measure of the company's performance by comparing the stock market price to its book value (Rogers, 2013:64). The stock can be said to be overvalued, if the PBV value is high. The higher the PBV ratio, it can be interpreted that the company has succeeded in providing more value to investors due to the greater returns that investors get (Rogers, 2013: 64). This theory is supported by research by Purnamaningsih and Ni Gusti (2014) and Arista and Astohar (2012) which reveal that PBV has an effect on stock returns. On the other hand, there are differences in the theory expressed by Haryadi (2013: 88) that PBV is only limited to comparing, not measuring how capable the company is in generating profits, so it is not appropriate if PBV is used to predict how much return will be received by investors. This view is also supported by the research of Meythi and Mariana (2012) which also found the results that it had no effect on stock returns. In addition to the many differences in views between the theory and the results found, this is also supported by direct research on each of the values of the three ratios which are associated with the stock returns of state-owned banks in the past 10 years. The results found that the facts that occurred in the past 10 years were not consistently in accordance with the theory and research that had been found previously. For example, in 2007-2008 the average return on assets and average return on equity increased but the average stock return decreased. This is not in accordance with the theory which states that the greater the value of Return on Assets and Return on Equity, the higher the stock price and return obtained by investors. In addition, the price to book value decreased in 2010-2011, but stock returns at that time moved to increase. On the other hand, according to the existing theory that Price to Book Value can predict stock returns, when the Price to Book Value increases, it is likely that stock returns will increase.

Financial Ratio Analysis

Financial ratio analysis is the basis for assessing and directing the company's operating performance. In addition, financial ratio analysis can also be used as a framework for financial planning and control, especially in bank operations by developing standardized bank performance measures. There are several objectives and benefits for various parties with the analysis of financial statements. In general it is said that the objectives and benefits of financial statement analysis are:

A. To find out the company's financial period in a certain period, both assets, liabilities, capital and operating results that have been achieved for several periods.

B. To find out what are the weaknesses of the company.

C. To find out their strengths.

D. To find out what corrective steps need to be taken in the future related to the company's current financial position.

E. To assess future management performance, does it need to be refreshed or not because it is considered successful or failed.

F. Can also be used as a comparison with similar companies about the results they achieve.

The ratios used in this study include:

1) *Capital Adequacy Ratio (CAR)* Banks in general, both commercial banks and Islamic banks, are institutions established with a profit orientation. To establish such an institution needs to be supported by a strong capital aspect. The strength of this aspect of capital makes it possible to build a bank condition that is trusted by the public. As we all know, banks are trust institutions. In connection with the issue of public trust in the bank, the bank's management must use all its operational tools to be able to maintain the public's trust. One of the strategic tools in sustaining this trust is adequate capital.

Capital is one of the important factors in developing a business and accommodating the risk of loss. The amount of capital of a bank will affect whether or not a bank is able to efficiently carry out its activities, and can affect the level of public confidence (especially for investors) on bank performance. The use of bank capital is also intended to meet all bank needs to support bank operations, and as a tool for business expansion. Public confidence will be seen from the amount of demand deposits, time deposits, and savings that exceed the amount of paid-in capital from shareholders. This element of trust is an important issue and is a success factor in managing a bank (Sinungan, 2000: 167).

In this study, from the capital side, the Capital Adequacy Ratio (CAR) ratio was used. Capital Adequacy Ratio (CAR) is a ratio that shows how far all bank assets that contain risks are also financed from the bank's own capital funds in addition to obtaining funds from sources outside the bank, or bank performance ratios to measure the adequacy of capital owned by banks to support risky assets. (Loen and Ericson, 2008:122) To calculate how big the Capital Adequacy Ratio of a bank, that is with the formula:

$$Capital\ Adequacy\ Ratio = \frac{Total\ Equity}{ATMR} \times 100\%$$

Table.2.1.Criteria for Determining Capital Rating (CAR)

RANK	DESCRIPTION	CRITERIA
1	Very healthy	CAR > 12%
2	Healthy	9% CAR < 12%
3	Healthy enough	8% CAR < 9%
4	Unwell	6% < CAR < 8%
5	Not healthy	CAR < 6%

Source: Bank Indonesia Circular Letter No. 6/23/DPNP Year 2004

Capital Adequacy Ratio used to measure the ability or capital adequacy of the bank to cover possible losses in credit activities and securities trading (J. Arifin and M. Syukri, 2009:148). According to Bank Indonesia regulation Number 10/15/PBI/2008 article 2 paragraph 1, it is stated that banks are required to provide a minimum capital of 8% of risk-weighted assets (RWA). bank that happened. The greater the value of this ratio, the better the credit performance of the bank because the greater the funds available to cover bad loans (Veithzal Rivai, et al, 2013:306). Or in other words, the higher the capital adequacy to bear the risk of bad loans, so that the bank's performance is getting better.

2) Loan to Deposit Ratio (LDR)

Loan to Deposit Ratio (LDR), is a comparison between the credit provided by the bank and the third party funds that have been collected by the bank. This ratio states how far the bank's ability to repay the withdrawal of funds made by depositors by relying on the financing provided as liquidity. The high or low this ratio indicates the level of liquidity of the bank. So that the higher the Loan to Deposit Ratio ratio of a bank, it means that the bank is described as a less liquid bank compared to a bank that has a small Loan to Deposit Ratio. Bank Indonesia stipulates that the LDR cannot exceed 100%. Which means the bank may provide credit or financing not exceeding the amount of third party funds that have been collected as long as it does not exceed 100%. The formula used is in accordance with SE BI No.

$$Loan\ To\ Deposit\ Ratio = \frac{Total\ Pembiayaan}{Total\ DPK} \times 100\%$$

Table 2.2. Predicate scale and LDR Bank ratio

RANK	DESCRIPTION	CRITERIA
1	Very healthy	LDR 75%
2	Healthy	75% < LDR 90%
3	Healthy enough	90% < LDR 100%
4	Not healthy	LDR > 100%

Source: Bank Indonesia Circular Letter No. 6/23/DPNP Year 2004

LDR is a traditional measurement that shows time deposits, demand deposits, savings and others that are used to fulfill customer loan requests. This ratio describes the extent to which deposits are used for lending (financing) as well as to measure liquidity. As an indicator of the LDR loan is the amount or position of the loan, as stated on the asset side. The purpose of calculating LDR is to find out and evaluate how far a bank has a healthy condition in carrying out its operations or business activities. LDR is used as an indicator of a bank's vulnerability (Muhammad, 2015:85-86). The LDR will show the level of the bank's ability to channel third party funds collected by the bank concerned. This ratio is used to measure the extent to which loan funds are sourced from third party funds. The high or low this ratio indicates the level of liquidity of the bank. So that the higher the LDR number of a bank, it means that it is described as a less liquid bank compared to a bank that has a smaller ratio (Slamet Riyadi, 2014:146).

3) Non-Performing Loans (NPL)

The provision of credit as regulated in Bank Indonesia regulations, banks must maintain good quality of commercial bank assets (Performing Loans). Meanwhile, non-performing loans (Non-Performing Loans) called NPLs are loans in which the return from debtors does not run smoothly and is categorized as Substandard (KL), Doubtful (DR), and Loss, and is calculated based on the recorded value in the balance sheet. Non-Performing Loans (NPL) is a comparison between total

non-performing loans/financing and total loans/financing disbursed, with the following formula (Indonesian Bankers Association, 2014: 285).

$$NPL = \frac{Pembiayaan\ Bermasalah}{Total\ Pembiayaan} \times 100\%$$

NPL aims to measure the level of credit problems faced by banks. The higher this ratio, the worse the quality of lending at the bank. The NPL ratio which is the reference for Bank Indonesia is a maximum of 5%. If the high NPL ratio of a bank is more than 5%, then the bank is considered to have a high financing risk (Indonesian Bankers Association, 2014: 37). This ratio shows that the ability of bank management in managing non-performing loans/financing provided by banks is better. The higher this ratio, the worse the quality of bank credit/financing which causes the number of non-performing loans/financing to be greater, the greater the possibility of a bank being in a problematic condition.

4) Operating Costs to Operating Income (BOPO)

The management aspect in assessing the soundness of a bank is related to the level of efficiency achieved by the bank in carrying out its operations. According to Bank Indonesia, the efficiency level of a bank is measured by a comparison of total operating costs with total operating income. Operational income is the bank's income obtained from its main business which includes revenue sharing, fees, commissions and fees, and foreign exchange income. Meanwhile, operational costs

$$BOPO = \frac{Biaya\ Operasional}{Pendapatan\ Operasional} \times 100\%$$

consist of profit-sharing costs, foreign exchange costs, labor costs, general and administrative costs and other costs (M. Sulhan and Ely Siswanto, 2008:67). The Ratio of Operating Costs to Operating Income (BOPO) is a ratio used to measure the level of efficiency and ability of banks to carry out their operational activities (Boy Loen and Sonny Ericson, 2008: 121). Forcalculate the amount of BOPO using the formula:

The ratio of operational costs to operating income (BOPO) is often called the efficiency ratio, which is used to measure the ability of bank management to control operational costs against operating income. The smaller this ratio means the more efficient the bank's operational costs in carrying out daily operations, so the possibility of a bank in a problematic condition is getting smaller. If the bank's operational performance can be more efficient, the bank will get a bigger profit. Therefore, it is very necessary to pay attention to the BOPO ratio in order to achieve maximum efficiency. With regard to the intermediation function, a bank must also continue to run its operations efficiently. Efficiency (controlling operational costs for financing activities / BOPO) in activities will determine the amount of profit obtained because every business activity is always associated with costs. Expenses above income will reduce profits, and vice versa, if income is greater than costs, it will increase profits, so BOPO has a negative effect on profitability.

Apart from being an indicator of bank performance and health, efficiency represented by the BOPO ratio also provides an overview of:

A. The ability of banking management to manage existing resources (assets) to generate optimal profits. The lower the BOPO, the higher the bank's operational efficiency in using assets to increase capital adequacy
B. The ability of the bank in terms of cost control. The lower the BOPO means the more efficient the bank is in controlling its operational costs. On the other hand, high BOPO indicates the bank's inability to regulate and control operational costs.

C. Bank's ability to generate profitability. The low BOPO reflects the bank's high ability to reduce operating costs so as to encourage increased profitability. On the other hand, a high BOPO means a high burden borne by the bank and has a negative impact on the profits obtained, thus indicating a decrease in the bank's own capital.
D. Bank's ability to minimize operational risk. Operational risk comes from operational losses if there is a decrease in profits which is influenced by the bank's operational cost structure and the possibility of failure of the services and products offered by the bank. The low BOPO indicates the bank's high ability to minimize operational risk.

5) Return on Assets (ROA)

Return on Assets (ROA) is a ratio that describes the bank's ability to manage the funds invested in all assets that generate profits, which is a picture of the bank's productivity in managing funds so as to generate profits (Dwi Suwiknyo, 2010: 149). This ratio shows the level of efficiency of asset management carried out by the bank concerned. Although there are various indicators of profitability assessment that are commonly used by banks, researchers will use the ROA ratio, with the reason that ROA takes into account how the ability of bank management to obtain profitability and overall managerial efficiency. And also the bank soundness assessment conducted by Bank Indonesia in terms of profitability/profitability is carried out using the ROA indicator. Return on Assets can be obtained by calculating the ratio between profit before tax and total assets. The formula for calculating Return on Assets is as follows:

$$\text{ROA} = \frac{Laba\ Sebelum\ Pajak}{Total\ Aset} \times 100\&$$

The higher the return on assets, the higher the net profit generated from each rupiah of funds embedded in total assets. Conversely, the lower the return on assets means the lower the amount of net profit generated from each rupiah of funds embedded in total assets (Hery, 2015: 228).

2.4. Signaling Theory

*Signaling Theory*first proposed by Michael Spence (1973) with the title Job Market Signaling research. Spence stated that in giving signals, the management always tries to convey relevant information and can be used by outside parties, namely investors. Furthermore, from this information, investors conduct analysis and make decisions according to their understanding of the signal. Furthermore, the Signaling Theory was developed by Ross (1977) and states that company executives who have better information about their company will be encouraged to convey this information to potential investors so that they the company's stock price increased. Jogiyanto (2015) explains that information published as an announcement will provide a signal for investors in making investment decisions. If the announcement contains a positive value, it is expected that the market will react when the announcement is received by the market. In this study, the signal in question is information that can be taken by investors from the Inauguration of the Indonesia Maju Cabinet and the signal that leads to state-owned companies on the Indonesia Stock Exchange.

2.4.1 Efficient Market Theory

The efficient market theory was developed by Fama (1970) who argued that "In an efficient market prices will "fully reflect" the available information and as a consequence prices will react immediately without bias towards new information". Tandelilin (2010) states that the concept of an efficient market is a market concept that is more emphasized on the information aspect, meaning that an efficient market is a market where the prices of securities traded reflect all available information.

A. Efficient Market Conditions

Here are the conditions for the market to be said to be efficient:

1. Information Disclosure: information can be obtained easily, quickly and free of charge;
2. Prices can change freely: Prices cannot be intervened by any party, either buyers or sellers of shares, and the law prohibits price manipulation;
3. The market is always in a state of balance: An efficient market when it gets new information, then prices will adjust quickly and will reach price balance.

B. Features of an Efficient Market

The following are characteristics of an efficient market:

1. Price-stock prices respond quickly and accurately to new information;
2. Price changes occur randomly, which means that today's price changes have nothing to do with past price changes;
3. Unable to determine which shares will be profitable or disadvantageous in the future;

C. Efficient Market Form

Jogiyanto explained that the main key to measure an efficient market is the relationship between security prices and information. Fama in Jogiyanto (2015), presents three main forms of market efficiency based on three types of information, namely past information, currently published information and private information. Fama in Tandelilin (2010) explains that efficient market forms are classified into three categories: efficiency in the weak form (weak form), efficiency in the semi-strong form, and efficiency in the strong form. following :

1. Market Efficient Weak Form

Efficient Market Weak form (weak form) states that stock prices already reflect all the information obtained by examining market trading data such as historical price in the past, trading volume, or short-term interest rates. Past stock price data is widely available and free. The weak form hypothesis emphasizes that if the data convey the right signal.

2. 2. Market Efficient Form Half Strong

The market is said to be semi-strong efficient if the security prices fully reflect all published information, such as:

A. Published information only affects one issuer, such as earnings announcements, dividend distribution announcements, new product development announcements, mergers and acquisitions announcements, announcements of changes in accounting methods, announcements of company leadership changes, etc.
B. The information published only affects some of the issuers concerned, such as information from the government to increase the reserve requirement for banking companies, so this information will only affect banking stocks.
C. Published information affects all issuers in the capital market, such as government policies, announcements of cabinet changes, natural disasters, fuel price increases, etc.

3. Market Efficient Strong Form

The market is said to be a strong form of efficient market if the prices of securities fully reflect all available information, including private information. If the market is efficient in this form, then no individual investor or group of investors can obtain abnormal returns because they have private information. This research only focuses on testing the efficiency of the semi-strong form of the market. Jogiyanto (2015) states that the market is said to be efficient in the semi-strong form if there are no investors who can get abnormal returns from the announced information or if there are abnormal returns, the market must react quickly to absorb abnormal returns to get to the new equilibrium price.

2.4.2 Event Study

Event study (event study) is a study that studies the market reaction to an event (event) whose information is published as an announcement. Jogiyanto (2015) explains that event studies can be used to test the information content of an announcement and can also be used to test the efficiency of the semi-strong form of the market. The event in question is an event whose information is published as an announcement. Information content testing is intended to see the reaction of an announcement. If the announcement contains information, it is expected that the market will react when the announcement is received by the market. This market reaction can be measured by using returns as the value of price changes or by using abnormal returns. If abnormal returns are used, it can be said that an announcement containing information content will provide an abnormal return to the market. Conversely, if it does not contain information, it will not provide abnormal returns to the market. The same treatment can occur in trading volume activity and stock trading frequency.

RESEARCH METHODS

4.1 Types of research

The type of research used in this research is quantitative research. Quantitative research is research that emphasizes its analysis on numerical/numerical data (Azwar, 2014:126). This study also explains that in a comparative study that has been put forward, researchers can understand that a comparative study is a form of research that compares related variables by determining the differences or similarities.

4.2 Population and Research Sample

The population in this study are state-owned banks that have gone public and are listed on the Indonesia Stock Exchange, totaling 4 banks, namely:

No	Code	Issuer Name
1	BMRI	Bank Mandiri (Persero) Tbk
2	BBNI	Bank Negara Indonesia (Persero) Tbk
3	BBRI	Bank Rakyat Indonesia (Persero) Tbk
4	BBTN	State Savings Bank (Persero) Tbk

4.3 Data analysis technique

The analysis used is a paired difference test or pair sample test.

DISCUSSION

Abnormal Return

A more detailed discussion of the development of abnormal returns during the event window is presented as follows:.

Table. Development of Average Abnormal Return (AR) during the Event Window

Day	Average AR	Day	Average AR
t-17	0.014910	t+1	-0.012500
t-16	0.021840	t+2	0.046372
t-15	0.017015	t+3	-0.025933
t-14	0.048795	t+4	-0.053103
t-13	0.060506	t+5	0.059141
t-12	0.007082	t+6	-0.020313

t-11	-0.069375	t+7	-0.020370
t-10	0.014910	t+8	-0.012500
t-9	0.021840	t+9	0.046372
t-8	0.017015	t+10	-0.025933
t-7	0.048795	t+11	-0.053103
t-6	0.060506	t+12	0.059141
t-5	0.007082	t+13	-0.020313
t-4	-0.069375	t+14	-0.020370
t-3	0.021840	t+15	-0.012500
t-2	0.017015	t+16	0.046372
t-1	0.048795	t+17	-0.025933

Source: Results of data processing, 2021.

During the event window period, especially before the PSBB, the average AR was dominantly positive, namely on day t-2, t-3, t-4, t-5, t-6 and t-7 and only on day t-1 experienced negative. The highest AR average value occurred in liver t-3 which reached 0.0605. Compared to after PSBB, only days t+2 and t+5 had a positive average abnormal return, this shows that the market responded to PSBB as positive information (good news) on those days. While the average negative AR value occurs on days t+1, t+3, t+4, t+6 and t+7 which can be interpreted that the market responds as negative information (bad news), even the deepest decline occurs on h+ 6 and h+7 after PSBB. in the event window period, especially before PSBB, The average trading volume activity on days t-7 to t-4 tends to be homogeneous when compared to three days before the PSBB, which is more volatile. The highest increase occurred three days before the PSBB or t-3 which reached 0.002310. This event is the same as what happened with the previous variable, the average abnormal return experienced the highest value at t-3 as well. The day after the PSBB the market responded to the PSBB event as positive information (good news), the same thing also happened on t+4, t+6 and t+7, the highest increase occurred on t+7 which reached 0.002564. Meanwhile, the average Trading Volume Activity decreased at t+2, t+3, and t+5 which means that the market responded to this event as negative information (bad news), The following presents the average Trading Volume Activity Before and After Events according to the research sample. the event window period before the PSBB, the average trading frequency was relatively stable when compared to after the event, which fluctuated but did not have a pattern. The day after the event or at t+1, the average trading frequency of shares of state-owned banks has increased and this shows that there is a positive sentiment given by the market towards PSBB. However, it is still in a temporary stage because there is a downward trend. The increase in trading frequency did not only occur at t+1 but also t+4 and t+5. However, a decrease in trading frequency also occurred at t+2, t+3,

Implications of Research Results

With conditions before and after PSBB Investors have different predictions on stock prices, this is why the price of a stock always moves dynamically. The implications of the results of this study on the semi-strong form efficiency market for investors are expected to conduct an in-depth and more careful analysis of the price of a stock, the analysis carried out is not only technical analysis, but also an approach to fundamental analysis. For this reason, investors are required to be more sensitive to information that appears and then immediately conduct an analysis of whether the information is relevant to the stock market. The use of these two analytical techniques will be able to produce accurate predictions about stock prices. The stock market response to a situation can be either positive or negative. A positive response to the stock market is obtained from a situation that contains relevant information. In events that are deemed to have relevant and positive information content for the market, the information will be responded as good news and potentially profitable for the market because it can increase stock returns. To deal with situations like this, investors must

quickly take action to buy, so that they get bigger profits than usual. On the other hand, if investors perceive a situation as having a negative information content, the information will be responded to as bad news so that it has the potential to harm the market. In this situation, investors must as soon as possible to secure their investment by selling action so as to avoid bigger losses.

In addition, because the market reaction to political events is more rapid and temporary, investors must also remain cautious about stock price movements. This is because in this situation the market can quickly form a new equilibrium price after the event. Therefore, investors are expected to make careful observations so that they can take appropriate and fast decisions whose purpose is to secure their investment.

CONCLUSION

Based on data analysis and discussion, several conclusions can be drawn as follows:

A. The PSBB event was proven to result in a significantly negative reaction for the abnormal return variable. This is indicated by the significant difference in the average abnormal return between before and after the event, after the event is negative and lower than the average abnormal return before the event. These results also support the first hypothesis or H1 in this study is accepted.

B. The average value of Trading Volume Activity before the event is less than the value after the event. In statistical testing of the Trading Volume Activity variable, there are no significant differences before and after the PSBB event on the shares of state-owned banks. The results of this study prove that the second hypothesis (H2) is rejected.

C. Similar to Trading Volume Activity, the frequency of stock trading also has similar results. The test results prove that there is no significant difference before and after the PSBB incident. These results indicate that the third hypothesis or H3 in this study is rejected.

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