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Does the 2024 Indonesian President Elections Have an Impact to JII Companies Performance?

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This study aims to analyze the reaction of the Indonesian capital market, especially the Jakarta Islamic Index (JII) company, to three events in the 2024 Presidential Election (Pilpres): Determination of Presidential and Vice Presidential Candidates, Announcement of Winners by the KPU, and Inauguration of the President and Vice President. The event study method was used to test the influence of Abnormal Return (AR) and Trading Volume Activity (TVA) as indicators of market reaction. The daily data on JII's stock price and trading volume were analyzed using descriptive statistics, normality tests, Friedman Test, and Wilcoxon Signed Ranks Test. The results of the Friedman Test showed that the AR hypothesis was rejected, while the TVA was accepted, indicating that there was no significant difference in AR, but there was a significant difference in the TVA around the date of the event. The Wilcoxon Signed Ranks Test shows a rejection of the AR hypothesis on all events and the TVA only shows significant differences in the events of the Presidential and Vice President's Inaugurations.

Keywords: Market Reaction; Jakarta Islamic Index; JII; President Elections; Event Study; Abnormal Return; Trading Volume Activity

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INTRODUCTION

This research originated from a political issue sourced from one of the social media accounts (X) *Alpha* (2024) which stated that economic conditions in Indonesia are not doing well as a result of political events that have occurred recently.the capital market has a strategic role in supporting national economic growth through the intermediation function between those who have excess funds and those who need funds for productive activities. In Indonesia, the development of the capital market shows a significant increase, including the sharia-based capital market represented by the *Jakarta Islamic Index* (JII) as one of the main sharia stock indices on the Indonesia Stock Exchange (Hartono, 2019; Tandelilin, 2010). The Islamic capital market operates based on Islamic principles that emphasize fairness, transparency, and the prohibition of speculative elements, thus forming relatively different investor behavior characteristics compared to conventional markets (Husnan, 2009; Firmansyah, 2017).

The movement of stock prices in the capital market is not only influenced by economic and fundamental factors of the company, but also by non-economic factors, one of which is political events. National-scale political events, such as presidential elections, often create uncertainty that can affect investors' expectations of economic stability and future government policy direction (Anwar et al., 2020; Mansur & Jumaili, 2014). This uncertainty has the potential to trigger market reactions which are reflected in changes in stock prices and trading volumes.

The movement of stock prices in the capital market is the result of interactions between supply and demand for shares, reflecting how investors process and respond to available information. More formally, the movement of stock prices in the capital market is driven by changes in investors' expectations about a firm's future cash flows and risk, which are influenced by some aspects. In an efficient capital market, stock prices adjust rapidly to new information, so price movements around an announcement reflect the information content of that event. This principle underlies event study methodology, which examines whether and how stock prices react to specific events through abnormal returns.

The 2024 Presidential and Vice Presidential Elections of the Republic of Indonesia are national political events that have a high intensity of public attention and are accompanied by various political, legal, and social dynamics. Various political issues that develop before and after the election have the potential to influence investor sentiment, both through mass media and social media (Hariyanto, 2024; Alpha, 2024; Ahkaf, 2024). This condition makes the election a relevant event to be analyzed in the context of the reaction of the Indonesian capital market.

In the perspective of market efficiency theory, relevant public information should be immediately reflected in the stock price. If the market is efficient in the form of half strength, there will be no *significant abnormal returns* after the information is published (Fama, 1970). However, in practice, not all markets react perfectly to information, especially when the information is non-economic and contains elements of high uncertainty, such as political events (Yudiawan & Abundanti, 2020; Listyaningsih et al., 2020).

Research on market reactions to political events generally uses *an event study* approach with indicators of *abnormal returns* and *trading volume activity*. *Abnormal return* is used to measure the excess return earned by investors as a result of an event, while *trading volume activity* reflects the intensity of investors' reactions through stock trading activities (Ananda et al., 2019; Ratnaningsih, 2020). These two indicators provide a comprehensive picture of the market response in terms of price and investor behavior.

A number of previous studies in Indonesia have shown mixed results regarding market reactions to elections. Some studies have found significant market reactions, both in terms of *abnormal returns* and trading volumes, while other studies show that the market tends to be stable because the information has been anticipated by investors in advance (Diniar & Kiryanto, 2015; Scott, 2015; Septriana & Oktaviani, 2022). These differences in findings indicate that the market response is strongly influenced by the characteristics of the index, the research period, and the political conditions behind the event.

In the context of the Islamic capital market, the study of the market's reaction to political events is still relatively limited compared to the conventional market. In fact, the stocks that are members of the Jakarta Islamic Index have special characteristics because they have gone through a screening process based on sharia principles, which has the potential to affect the pattern of investors' reactions to national political events (Utami & Qoyum, 2020; Kholidah et al., 2022). Therefore, this study focuses on analyzing the market reaction of companies that are members of *the Jakarta Islamic Index* (JII) to the series of events for the 2024 Presidential and Vice Presidential Elections of the Republic of Indonesia.

LITERATURE REVIEW

An event *study* is a commonly used approach to test whether an event contains information that is relevant to investors. This approach departs from the assumption that changes in stock prices and trading volumes reflect the market's response to new information received by market participants (Hartono, 2023). In capital market research, *event studies* are used to evaluate the market's reaction to various events, including economic events, government policies, and political events.

An event study is an empirical research method widely used in finance and economics to measure the impact of a specific event on firm value or market variables, most commonly stock returns, volatility, or trading volume. It is particularly relevant for testing market efficiency (semi-strong form) and for analyzing information content of public announcements.

Abnormal returns are the main indicator in measuring market reaction because they reflect the difference between actual returns and expected returns. If an event has significant information content, then abnormal returns will appear around the date of the event (Ratnaningsih, 2020; Febriana et al., 2024). Several studies in Indonesia have found significant *abnormal returns* around election events, especially in certain stock indices such as LQ45 and Kompas100 (Pamungkas, 2015; Pratama, 2020).

In addition to *abnormal returns, trading volume activity* is used to capture market reactions in terms of investor behavior. Trading volume reflects the level of interest and response of investors to new information, although such changes are not always followed by significant stock price movements (Ananda et al., 2019; Subekti & Rahmawati, 2020). An increase in trading volume is often interpreted as a form of adjustment of an investor's portfolio in the face of uncertainty.

Empirical research on market reactions to election events in Indonesia shows inconsistent results. Some studies have found an increase in trading activity and changes in stock returns around election day, while other studies show that the market is relatively unreacted because investors have anticipated the outcome of previous elections (Mansur & Jumaili, 2014; Yulianti & Rizkiyah, 2020). These inconsistencies suggest that political context and market conditions have an important role to play in determining investor responses.

The Islamic capital market has different characteristics compared to conventional markets, especially in terms of investor preferences and the structure of the stocks traded. Islamic investors tend to avoid short-term speculation and are more oriented towards long-term investments, so the response to political events can be different than that of conventional investors (Hadinata, 2018; Utami & Qoyum, 2020). Research conducted by Kholidah et al. (2022) shows that the reaction of the sharia stock market to election events can vary depending on the period and market conditions.

Taking into account the results of previous research and the characteristics of the Islamic capital market, this study seeks to fill the research gap by analyzing the market reaction of companies that are members of the Jakarta Islamic Index (JII) to the series of events for the 2024 Presidential and Vice Presidential Elections of the Republic of Indonesia using *indicators of abnormal returns* and *trading volume activity*.

Ratnaningsih et al. (2020) show that there are *abnormal variations in returns* before and after the results of the 2024 Indonesian presidential election are announced. This indicates that the stock performance of companies listed on the Indonesia Stock Exchange (IDX) was affected by the political event. Although the results of the study focused on 2024, the same logic can be generalized to the situation of the 2024 presidential election.

H1a, H1b, H1c: There is an abnormal difference in the return on JII company shares around the series of events of the 2024 Presidential and Vice Presidential Elections.

Anwar et al. 2020 proved that there were differences in TVA before and after the 2019 election. The results obtained are in line with (Pajrianti et al. 2024), this is because many investors who previously took *a wait-and-see* attitude became more enthusiastic in investing in the capital market after the election was over and everything went according to plan. They do this because they think that improved economic growth will result from a smooth election process.

H2a, H2b, H2c: There is a difference in trading volume activity in JII company shares around the 2024 Presidential and Vice Presidential Election series of events.

METHODOLOGY

This study uses a quantitative approach with *the event study method*. The object of the research is a company that is a member of *the Jakarta Islamic Index* (JII). The data used is secondary data in the form of daily stock prices and stock trading volume (Jogiyanto, 2023).

The data used is secondary data in the form of daily stock prices and stock trading volume obtained from official sources of the Indonesia Stock Exchange. The observation period includes the time window before and after each election event, namely the determination of candidate pairs, voting day, announcement of official results, and the inauguration of the president and vice president. *Abnormal return* is calculated as the difference between the actual return and the expected return, while *trading volume activity* is calculated as the ratio of stock trading volume to the number of outstanding shares (Hartono, 2019). Hypothesis testing was performed using the Friedman non-parametric test and *the Wilcoxon Signed Rank Test* because the data were not normally distributed.

RESULT AND DISCUSSION

Market reactions are analyzed using two main indicators, namely *abnormal returns* and *trading volume activity*, which represent the response of stock prices and investor transaction behavior, respectively (Fama et al., 1969; Harton, 2023).

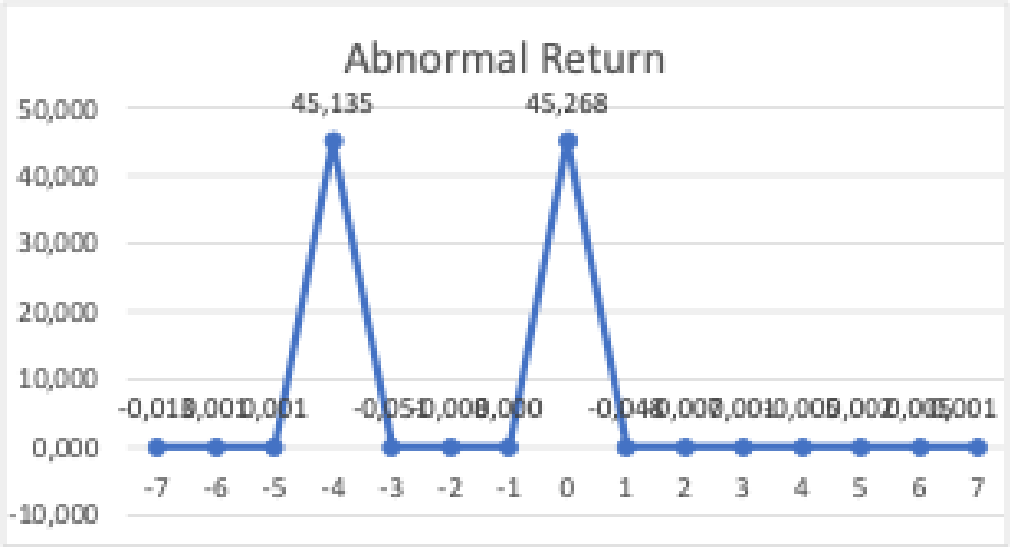
Abnormal Return

Table 1. Significance of *Mean Abnormal Return Event* 1

T Day	AAR/RRTNt Event 1	t-count Event 1
T-7	-0,013	-313,989
T-6	0,001	8363,479
T-5	0,001	3598,494
T-4	45,135	0,093
t-3	-0,051	-81,740
T-2	-0,008	-506,464
T-1	0,000	-12955,272
t0	**45,268**	**0,093**
t+1	-0,048	-87,018
t+2	-0,007	-574,374
t+3	0,001	3038,057
t+4	-0,005	-877,807
t+5	0,002	2238,575
t+6	0,005	772,005
t+7	0,001	4019,904

Source: Author's Processing, 2025

From the table, it is known that the average value of *abnormal returns* around the observation period in the first event, namely the event of the Determination of the Presidential and Vice Presidential Candidate Pairs, fluctuating results were obtained at several points in time, especially on t-4 and t0, where there was *a positive abnormal return* spike with values of 45,135 and 45,268. And the t-value was 0.093 on both days, which is not a significant value because it is not at the level of 1%, 5%, 10%. The following is the form of the AAR *Event* 1 chart.



Source: Author's Processing, 2025

Figure 1. AAR Event 1 Chart

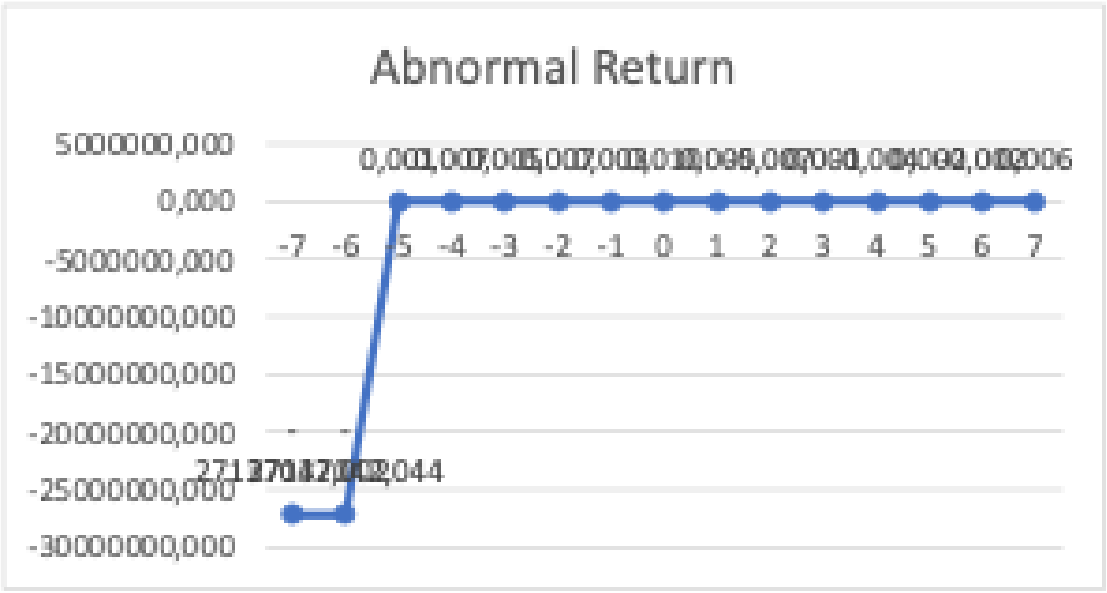
The graph above illustrates the *abnormal level of return* before and after the determination of the 2024 Indonesian Presidential and Vice Presidential candidates. From the graph, fluctuations can be seen at t-4 and after the peak at t0. On t-4 there is *an abnormal return* which is suspected to be due to the occurrence of some information and events that can affect abnormal *return* movements. On t-4, it was stated in the news released by Kompas that the Honorary Assembly of the Constitutional Court (MKMK) decided on November 7, 2023 regarding the case of the presidential and vice presidential candidates (Kumalasanti 2023). At t0, it is stated in a study that says that this day is the day of the Determination and Announcement of Candidate Pairs for Presidential and Vice Presidential Elections: November 13, 2023 (Loupatty et al. 2023).

Table 2. Significance of *Mean Abnormal Return Event* 2

T Day	AAR/RRTNt Event 2	t-count Event 2
T-7	-27137042,002	0,000
T-6	-27137042,044	0,000
T-5	0,001	5593,259
T-4	0,007	605,245
t-3	0,005	887,680
T-2	0,007	596,559
T-1	0,003	1526,397
t0	**0,010**	**430,112**
t+1	0,005	877,245
t+2	-0,007	-641,483
t+3	0,001	4401,953
t+4	-0,004	-1068,944
t+5	0,002	1907,058
t+6	-0,002	-2006,052
t+7	0,006	647,607

Source: Author's Processing, 2025

In the table, there is a drastic change from negative to positive on t-5 with a value of 0.001. This indicates that it includes *abnormal* positive returns, where the information provided provides good news for investors.



Source: Author's Processing, 2025

Figure 2. AAR *Event* 2 Chart

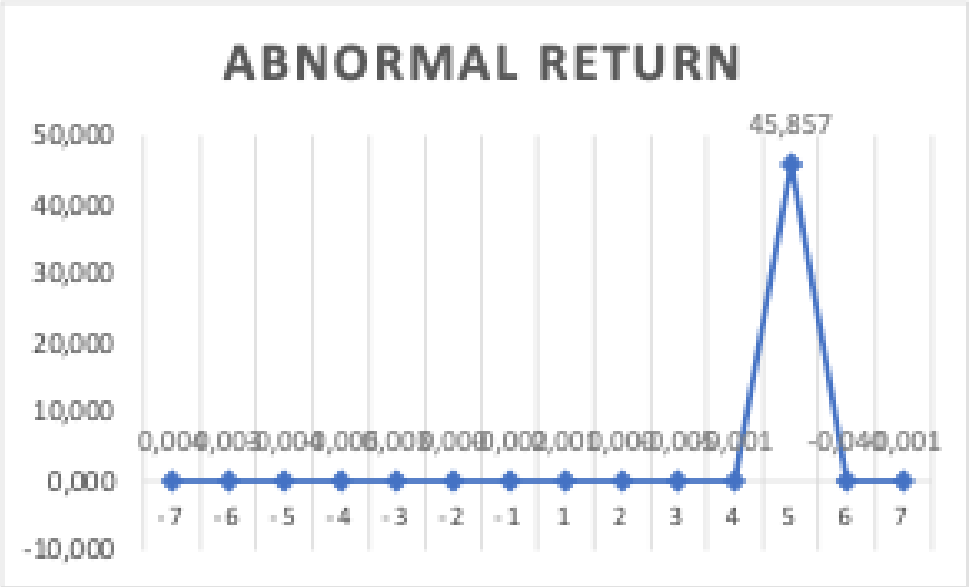
From the chart, it can be seen that on t-7 and t-6, *abnormal returns* experienced a sharp decline with a value of around -27,137,042. However, on t-5, there was a drastic spike to close to zero and subsequently remained stable in the small number range. After the spike at t-5, the abnormal return moves with a relatively small and stable value from t-4 to t+7, with a high value of 0.010 on t0 (the day of the announcement). After the announcement, there was no significant change in abnormal returns, with small movements in the positive and negative ranges, e.g. -0.007 on t+2 and 0.006 on t+7. This indicates that the announcement of the 2024 Presidential and Vice Presidential winners by the KPU does not have a significant impact on stock movements in the capital market.

Table 3. Significance of *Abnormal Mean Return Event* 3

T Day	AAR/RRTNt Event 3	t-count Event 3
T-7	0,004	1120,820
T-6	0,003	1660,516
T-5	-0,004	-1067,890
T-4	-0,006	-688,792
t-3	0,003	1227,643
T-2	0,000	-15361,656
T-1	-0,002	-2736,738
t0	**N/A (No Data)**	**N/A (No Data)**
t+1	0,001	3975,757
t+2	0,000	30813,664
t+3	-0,005	-884,528
t+4	-0,001	-2885,231
t+5	45,857	0,091
t+6	-0,040	-104,396
t+7	-0,001	-4369,570

Source: Author's Processing, 2025

The third event table of *abnormal return* movements shows a fluctuating, albeit not very significant, pattern. On the seven days before the inauguration (t-7 to t-1), the abnormal return value moved in a small range, with the highest point on t-7 being 0.004 and the lowest point on t-4 being -0.006. Just before the inauguration, the *abnormal return* value was around zero, indicating that the market did not respond to this event much before the day of its execution. At t+5 there was an average AR from negative to positive with a very large jump of 45.857. Then, the t-count value is very small with a value of 0.091 which indicates that although the AR is very large, the significance is low.



Source: Author's Processing, 2025

Figure 3. AAR *Event* 3 Chart

The abnormal return value remained small and insignificant, except at t+5, which showed a sharp spike reaching 45.857. However, this surge is most likely influenced by external factors beyond the inauguration event itself. On that day, the Jakarta Composite Stock Price Index (JCI) weakened in the period of October 21-25, 2024. At the beginning of trading on October 25, 2024, the JCI had strengthened slightly, but then weakened again (*Durrohman 2024*). Also, foreign investors carried out stock selling actions worth IDR 3.62 trillion during the period of October 21-25, 2024 (*Melani 2024*). After the spike, *the abnormal return* drops back to near zero.

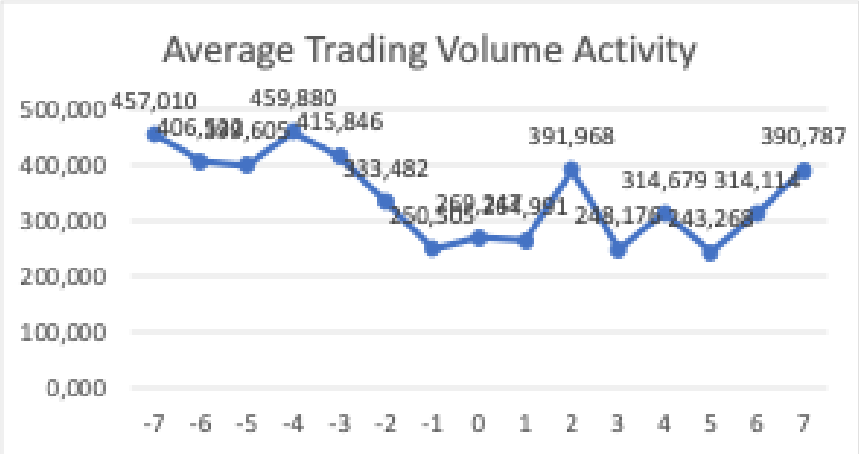
Trading Volume Activity

Table 4. Average Significance of TVA *Event* 1

T Day	Average TVA Event 1	t-count Event 1
T-7	457,010	0,009
T-6	406,522	0,010
T-5	399,605	0,010
T-4	459,880	0,009
t-3	415,846	0,010
T-2	333,482	0,013
T-1	250,505	0,017
t0	**269,247**	**0,016**
t+1	264,991	0,016
t+2	391,968	0,011
t+3	248,176	0,017
t+4	314,679	0,013
t+5	243,268	0,017
t+6	314,114	0,013
t+7	390,787	0,011

Source: Author's Processing, 2025

The value of the TVA varies between 243,268 to 459,880 indicating fairly active trading activity before the event. This may be due to investors' anticipation of upcoming events. Meanwhile, the low t-count value (ranging from 0.009 to 0.017) indicates that the change in TVA in this period is not statistically significant. In other words, even if trading activity is active, the changes may not be caused by systematic factors, but rather by random fluctuations (Ananda et al. 2019).



Source: Author's Processing, 2025

Figure 4. Average TVA *Event* 1 Graph

The chart indicates that there is considerable variation in stock trading volume activity during the observation period.

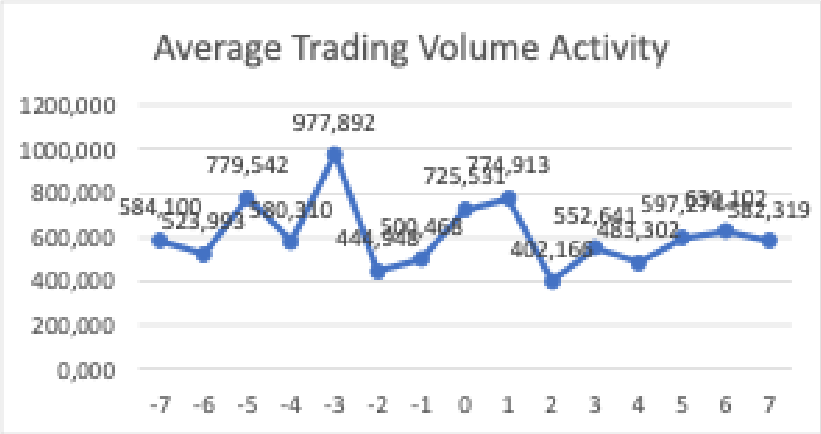
Table 5. Significance of the Average TVA *Event* 2

T Day	Average TVA Event 2	t-count Event 2
T-7	584,100	0,009
T-6	523,993	0,010
T-5	779,542	0,010
T-4	580,310	0,009
t-3	977,892	0,010

T-2	444,948	0,013
T-1	500,468	0,017
t0	**725,531**	**0,016**
t+1	774,913	0,016
t+2	402,166	0,011
t+3	552,641	0,017
t+4	483,302	0,013
t+5	597,274	0,017
t+6	630,102	0,013
t+7	582,319	0,011

Source: Author's Processing, 2025

On March 15, 2024 (t-3), the TVA reached 977,892, but with a low t-calculation value, which was 0.010. This indicates that although trading activity is very high, the change is not necessarily statistically significant. This condition occurs in the midst of a state budget surplus that reached IDR 22.8 trillion as of March 15, 2024 (Santia 2024).



Source: Author's Processing, 2025

Figure 5. Average TVA *Event* 2 Chart

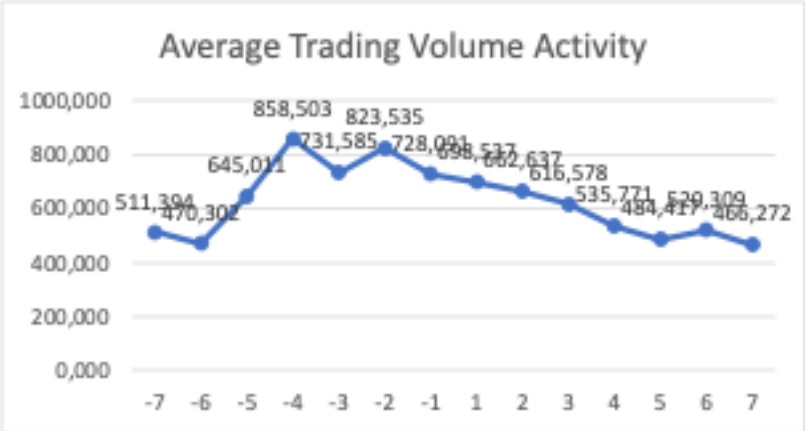
Based on this data, it is known that the movement of trading activity volume tends to fluctuate before and after the announcement event. Therefore, it is concluded that these events have an effect on market reactions, but their effects are more visible in trading activity than in direct changes in profits.

Table 6. Average Significance *Event* 3

T Day	Average TVA Event 3	t-count Event 3
T-7	511,394	0,008
T-6	470,302	0,009
T-5	645,011	0,006
T-4	858,503	0,005
t-3	731,585	0,006
T-2	823,535	0,005
T-1	728,091	0,006
t0	**N/A (No Data)**	**N/A (No Data)**
t+1	698,537	0,006
t+2	662,637	0,006
t+3	616,578	0,007
t+4	535,771	0,008
t+5	484,417	0,009
t+6	520,309	0,008
t+7	466,272	0,009

Source: Author's Processing, 2025

Consistently low t-count values throughout the period (ranging from 0.005 to 0.009) indicate that the change in TVA is not statistically significant. This indicates that although there are fluctuations in trading activity, such changes may not be affected by fundamental factors or significant relevant information.



Source: Author's Processing, 2025

Figure 6. Average TVA *Event* 3 Chart

The results of statistical testing explain that the average trading volume activity before and after the inauguration differs. Therefore, the H2c hypothesis that stock trading activities are influenced by the inauguration of Indonesia's president and vice president in 2024 is accepted.

Abnormal Return Test

Table 7. AAR *Event* 1 Normality Test

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
AAR Before Event 1	.539	22	.000	.222	22	.000
AAR After Event 1	.415	22	.000	.383	22	.000

a. Lilliefors Significance Correction

The AAR before the event and the AAR after the event both had a Sig. value of 0.000 < 0.05, in accordance with the results of the *Shapiro-Wilk* method normality test on *the average abnormal return* (AAR) before and after the 2024 presidential and vice presidential elections. This explains that the data does not follow the normal distribution.

Table 8. AAR *Event* 2 Normality Test

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
AAR Before Event 2	.539	22	.000	.221	22	.000
AAR After Event 2	.163	22	.133	.958	22	.445

a. Lilliefors Significance Correction

Based on the *Shapiro-wilk test*, the Sig. AAR value before the announcement of the results of the 2024 General Election by the KPU of 0.000 < 0.05 means that it is not normally distributed, while the Sig. AAR value after this event is 0.445 > 0.05 means that the data is distributed normally.

Table 9. AAR *Event* 3 Normality Test

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
AAR Before Event 3	.152	22	.200*	.850	22	.003
AAR After Event 3	.539	22	.000	.222	22	.000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

It is known that the Sig. AAR values before and after the inauguration of the President and Vice President of Indonesia in 2024 are 0.003 and 0.000 which have a < value of 0.05, in accordance with the results of the normality test in the *Shapiro-Wilk test event* 3. Thus, it is concluded from these results that the data is not distributed regularly. The normality test of the three abnormal responses from the 2024 election event is:

Table 10. AAR Normality Test for the 2024 Election Series

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
AAR Event 1	.539	22	.000	.222	22	.000
AAR Event 2	.539	22	.000	.221	22	.000
AAR Event 3	.538	22	.000	.222	22	.000

a. Lilliefors Significance Correction

Based on *the Shapiro-wilk test* , it is known that the Sig. values at AAR *event 1, event 2* and *event 3* are 0.000 < 0.05 respectively, meaning that the *abnormal return* data of the three events is not distributed normally.

Normality Test of Trading Value Activity

Table 11. Normality Test *Average* TVA *Event* 1

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Average TVA Before Event 1	.218	22	.008	.853	22	.004
Average TVA After Event 1	.158	22	.158	.908	22	.044

a. Lilliefors Significance Correction

The Sig value is displayed on the results of the normality test using *the Shapiro-Wilk technique*. Before and after the 2024 presidential and vice presidential elections, *the Trading Volume Activity (TVA)* was 0.004 and 0.044, both <0.05. This proves the irregular distribution of TVA data.

Table 12. Normality Test *Average* TVA *Event* 2

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Average TVA Before Event 2	.231	22	.003	.864	22	.006
Average TVA After Event 2	.127	22	.200*	.953	22	.359

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

The Sig value is displayed on the results of the normality test using *the Shapiro-Wilk technique*. Before and after the 2024 presidential and vice presidential election events, *the Trading Volume Activity (TVA)* was 0.006 and 0.359, both >0.05. This proves that there is no significant distribution in TVA data.

Table 13. Normality Test *Average* TVA *Event* 3

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Average TVA Before Event 3	.288	22	.000	.652	22	.000
Average TVA After Event 3	.332	22	.000	.609	22	.000

a. Lilliefors Significance Correction

Trading Volume Activity (TVA) before and after the inauguration of the President and Vice President of Indonesia 2024 has a Sig. value of 0.000 < 0.05. According to the *Shapiro-Wilk normality test,* it proves that the data is not distributed normally.

Table 14. TVA Normality for the 2024 Election Series

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Average TVA Event 1	.132	22	.200*	.917	22	.065
Average TVA Event 2	.144	22	.200*	.925	22	.098
Average TVA Event 3	.309	22	.000	.629	22	.000

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

Based on *the Shapiro-Wilk* output value, it is known that *the value of Sig.* shows that the data is distributed normally, but for TVA 1 and 2 events it is 0.065 and 0.098 > 0.05. Values of 0.000 < 0.05 for TVA *event* 3 indicate that the data is not distributed normally.

Testing the Abnormal Return Hypothesis

The first hypothesis test is the *Friedman* test. This test is carried out because the test on *the Shapiro Wilk* normality test obtained data that is abnormally distributed, so this non-parametric test must be performed. Non-parametic testing on this hypothesis is carried out by testing the differences of 3 or more interrelated samples with the Friedman test method (Raharjo 2019).

Table 15. *Friedman Ranks* AAR 2024 Election Series

Ranks

	Mean Rank
AAR Event 1	1.77
AAR Event 2	2.27
AAR Event 3	1.95

Based on the *output results, SPSS* shows the mean rank value for each event. The highest average *abnormal return* was in the second event, namely at the time of the official announcement of the 2024 Presidential and Vice President winners by the KPU, which was 2.27. AAR event 2 has the highest mean rank value, which can indicate that the impact of event 2 on AAR is greater than *that of event* 1 and *event* 3.

Table 16. *Friedman Test* AAR 2024 Election Series

Test Statistics

N	22
Chi-Square	2.818
df	2
Asymp. Sig.	.244

a. Friedman Test

H1: There is a difference in the average *abnormal return* in all three series of the 2024 General Election. **H0:** There is no difference in the abnormal average *return* in the three series of the 2024 General Election.

Based on the output results, it is known that *the value of Asymp Sig.* of 0.244 > 0.05 means that there is no difference in the average *abnormal return* in the three series of the 2024 General Election. Based on the *Friedman test* table on *the abnormal return* , the three events show that H0 is accepted and H1 is rejected.

Testing the Abnormal Return Hypothesis Friedman Method

Table 17. *Friedman Ranks Average* TVA for the 2024 Election Series

Ranks

	Mean Rank
Average TVA Event 1	1.36
Average TVA Event 2	2.64
Average TVA Event 3	2.00

Based on the output results, SPSS shows the same results as in abnormal *return testing*. The highest average *trading volume activity* was also in the second event, namely at the time of the official announcement of the 2024 Presidential and Vice President winners by the KPU, which was 2.64.

Table 18. *Friedman Test Average* TVA 2024 Election Series
Test Statistics

N	22
Chi-Square	17.818
Df	2
Asymp. Sig.	.000

a. Friedman Test

H2: There is a difference in the average *Trading volume activity* in all three series of the 2024 General Election.

H0: There is no difference in the average *trading volume activity* in the three series of the 2024 General Election.

Based on the output results, it is known that *the value of Asymp Sig.* of 0.000 < 0.05 means that there is a difference in the average *trading volume activity* in the three series of the 2024 General Election. Based on *the Friedman test* table on *trading volume activity*, the three events show that H2 is accepted and H0 is rejected.

Abnormal Return Hypothesis Testing Wilcoxon Signed Rank Test

Table 19. *Test Statistics Wilcoxon Signed Ranks Test* AAR *Event* 1
Test Statistics

	AAR After Event 1 - AAR Before Event 1
Z	-1.575b
Asymp. Sig. (2-tailed)	.115

a. Wilcoxon Signed Ranks Test
b. Based on negative ranks.

Table 20. *Test Statistics Wilcoxon Signed Ranks Test* AAR *Event* 2
Test Statistics

	AAR After Event 2 - AAR Before Event 2
Z	-.795b
Asymp. Sig. (2-tailed)	.426

a. Wilcoxon Signed Ranks Test
b. Based on positive ranks.

Table 21. *Test Statistics Wilcoxon Signed Ranks Test* AAR *Event* 3
Test Statistics

	AAR After Event 3 - AAR Before Event 3
Z	-.568b
Asymp. Sig. (2-tailed)	.570

a. Wilcoxon Signed Ranks Test
b. Based on negative ranks.

a. **Hypothesis 1a**: There is a difference in the abnormal average *return* in the event of determining the pair of Presidential Candidates and Vice Presidential Candidates for the 2024 Election.

Hypothesis 1a was rejected because the significance value in AAR *event* 1 was 0.115 > 0.05, meaning that there was no difference in the average *abnormal return* in the period before and after the determination of the 2024 Presidential Candidate and Vice Presidential Candidate pairs.

b. **Hypothesis 1b**: There is a difference in the abnormal average *return* in the announcement of the 2024 Presidential and Vice President winners officially carried out by the KPU.

Hypothesis 1b is rejected because the *Asymp. Sig. (2-tailed) value* of 0.426 > 0.05 means that there is no difference in the abnormal average *return* in the

period before and after the announcement of the 2024 Presidential and Vice President winners officially carried out by the KPU.

c. **Hypothesis 1c:** There is a difference in the average *abnormal return* at the 2024 Presidential and Vice President inaugurations.

Hypothesis 1c is rejected because *the Asymp. Sig. (2-tailed)* value of 0.570 > 0.05 means that there is no difference in the abnormal average *return* of the period before and after the inauguration of the President and Vice President in 2024.

Hypothesis Testing Trading Volume Activity Wilcoxon Signed Rank Test

Table 22. ***Test Statistics Wilcoxon Signed Ranks Test Average TVA Event1***

Test Statistics

	Average TVA After Event 1 - Average TVA Before Event 1
Z	-1.867b
Asymp. Sig. (2-tailed)	.062

a. Wilcoxon Signed Ranks Test
b. Based on positive ranks.

Table 23. ***Test Statistics Wilcoxon Signed Ranks Test Average TVA Event 2***

Test Statistics

	Average TVA After Event 2 - Average TVA Before Event 2
Z	-1.185b
Asymp. Sig. (2-tailed)	.236

a. Wilcoxon Signed Ranks Test
b. Based on positive ranks.

Table 24. ***Test Statistics Wilcoxon Signed Ranks Test Average TVA Event 3***

Test Statistics

	Average TVA After Event 3 - Average TVA Before Event 3
Z	-2.711b
Asymp. Sig. (2-tailed)	.007

a. Wilcoxon Signed Ranks Test
b. Based on positive ranks.

a. **Hypothesis 2a**: There is a difference in the average *trading volume activity* in the event of determining the pair of Presidential Candidates and Vice Presidential Candidates for the 2024 Election.

Hypothesis 2a is rejected because the significance value in TVA *Event* 1 of 0.062 > 0.05 means that there is no difference in the average *trading volume activity* in the period before and after the determination of the 2024 Presidential Candidate and Vice Presidential Candidate pairs.

b. **Hypothesis 2b**: There is a difference in the average *trading volume activity* in the announcement of the 2024 Presidential and Vice President winners officially carried out by the KPU.

Hypothesis 2b is rejected because the *Asymp. Sig. (2-tailed)* value of 0.236 > 0.05 means that there is no difference in the average *trading volume activity* in the period before and after the announcement of the 2024 President and Vice President winners officially carried out by the KPU.

c. **Hypothesis 2c**: There is a difference in the average *trading volume activity* at the inauguration of the President and Vice President in 2024.

Hypothesis 2c is accepted because the *Asymp. Sig. (2-tailed)* value of 0.007 < 0.05 means that there is a difference in the average *trading volume activity* in the period before and after the inauguration of the President and Vice President in 2024.

Discussion

The results of the study show that the H1a, H1b, and H1c hypotheses are not supported, because there are no significant abnormal differences in returns before and after the event of determining candidate pairs, voting, or the announcement of the official results of the 2024 Presidential and Vice Presidential Elections. These findings indicate that the series of election events does not contain new information strong enough to trigger abnormal stock price adjustments.

Theoretically, these results are consistent with the theory of half-strong form of market efficiency, which states that stock prices have reflected all available public information, so that the official announcement of an event no longer produces *significant abnormal returns* (Fama, 1970; Fama et al., 1969). Information about the stages of the election has been known and expected by investors long before the date of the event, so the market tends to react anticipatorily.

In addition, the insignificance of abnormal returns can also be explained through the perspective of investor behavior in the Islamic capital market. Islamic investors are generally oriented towards the company's fundamental performance and tend to avoid excessive short-term speculation (Tandelilin, 2010; Harton, 2019). With these characteristics, investors' responses to political information are not always reflected in changes in stock prices, especially in stocks that are classified as liquid and large-capitalized such as those that are members of the Jakarta Islamic Index.

These findings are in line with previous research that shows that national political events in Indonesia do not always cause significant price reactions, especially when the market is relatively stable and information has been well distributed (Suryanto & Prasetyo, 2017; Listyaningsih et al., 2020). Thus, the results of this study strengthen the empirical evidence that the Indonesian sharia capital market tends to be efficient in responding to political information that is public in nature.

Trading Volume Activity

In contrast to abnormal returns, the test results show that the H2a and H2b Hypotheses are not supported, while the H2c Hypothesis is empirically supported, which is shown by the significant difference in *trading volume activity* after the announcement of the official results of the 2024 Presidential and Vice Presidential Elections. These findings suggest that although stock prices did not see significant changes, investors' trading activity did increase at certain stages of the election cycle.

Conceptually, trading volume activity reflects the intensity of investors' reactions to the information the market receives. The increase in trading volume after the announcement of the official election results indicates that investors are responding to the increasing level of political certainty by making portfolio adjustments (Hartono, 2023). This stage marks the end of uncertainty in election results, so investors begin to make more decisive investment decisions.

These findings are consistent with research that states that trading volume is often a more sensitive indicator than *abnormal returns* in capturing market reactions to non-economic events, including political events (Kristian et al., 2015). In the context of the Islamic capital market, investors' response to political certainty is reflected more through stock buying and selling activities than through speculative price changes.

In addition, these results also support the view that sharia investors tend to be rational and cautious in dealing with political dynamics. The change in trading volume after the announcement of official results reflects the strategy *of rebalancing* the portfolio based on expectations of the direction of the new economic policy of the government, without causing excessive price volatility (Tandelilin, 2010; Harton, 2019).

CONCLUSION

This study analyzes the reaction of the Islamic capital market to the series of events for the 2024 Indonesian Presidential and Vice President Elections using *abnormal returns* and *trading volume activity* in companies that are members of *the Jakarta Islamic Index*. The results of the study show that election events do not cause *significant abnormal returns* , but affect stock trading activities at a certain stage, especially after the announcement of the official election results. The insignificance of abnormal returns indicates that political information has been efficiently reflected in stock prices, so that the Indonesian Islamic capital market shows the characteristics of market efficiency in a semi-strong form. Conversely, significant changes in *trading volume activity* reflect an adjustment in investor behavior to increasing political uncertainty, without being followed by excessive price volatility. Overall, this study concludes that the reaction of the Islamic capital market to national political events is more dominant reflected through changes in trading activities than changes in stock prices. These findings confirm the stability and rationality of Indonesia's sharia capital market in responding to short-term political dynamics.

This study strengthens the theory of market efficiency in a semi-strong form by showing that public political information, such as the series of events for the 2024 Presidential and Vice Presidential Elections, does not produce significant abnormal returns in the Indonesian sharia capital market *(Fama, 1970; Fama et al., 1969)*. These findings indicate that stock prices have reflected the information available quickly and accurately. In addition, the difference in results between abnormal returns and trading volume activity confirms that trading volume is an important indicator in identifying the market's reaction to non-economic information *(Hartono, 2019)*.

Practically, the results of this study show that Islamic investors do not obtain abnormal profits through speculative strategies based on short-term political events. Therefore, investment decisions should remain oriented to the company's fundamental analysis and the principle of prudence (Tandelilin, 2010). The stability of the Islamic capital market during the election period also reflects the market's resilience to national political dynamics, which is in line with the goals of developing the Islamic capital market as

directed by the Financial Services Authority (OJK, 2023).

This research has several limitations that need to be considered. First, the observation period is limited to a specific time window around the series of events for the 2024 Presidential and Vice Presidential Elections, so the results of the study have not fully captured the medium- and long-term impact of these political events on the Islamic capital market. Second, the object of the research is focused on companies that are members of *the Jakarta Islamic Index*, so that the results of the research cannot necessarily be generalized to all sharia and conventional stocks on the Indonesia Stock Exchange. In addition, the market reaction indicators used are only limited to *abnormal returns* and *trading volume activity*, so other forms of market reactions have not been accommodated.

Based on these limitations, further research is recommended to extend the observation period in order to capture the dynamics of market reactions over a longer period of time. Future research can also compare market reactions between sharia indices and conventional indices to gain a more comprehensive understanding of differences in investor behavior. In addition, the use of additional indicators such as price volatility or *bid-ask spreads* can be considered to enrich the analysis of market reactions to national political events.

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