

## **ABSTRACT**

### **THE IMPACT OF LOAN TO VALUE POLICY IMPLEMENTATION TOWARDS CAPITAL MARKET REACTION ON PROPERTY COMPANIES ENLISTED IN IDX (Event Study)**

**By**

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This study aims to analyze the impact of the announcement Loan to Value (LTV) policy implementation by Bank of Indonesia towards capital market reactions particularly on property companies which enlisted in Indonesia Stock Exchange (IDX). This research uses event study method to analyze if public information related to Loan to Value policy has information content and relevant to the investors which was measured by abnormal return and trading volume activity. The population in this research are the companies which enlisted in Indonesia Stock Exchange and the sampling methodology utilized in this research is purposive sampling method. Analysis tools in this research are descriptive statistics, normality test and paired sample t-test.

Results from the first hypothesis testing in this study shows that there is no significant difference in average abnormal return on property stocks during the study period which is 15 days before and 15 days after the Loan to Value policy announcement. While in the second hypothesis testing shows that there is significant difference in the average trading volume activity in the stocks of property in the study period. Therefore, it can be concluded that the information of announcement LTV policy implementation affect transactions on the stock market only, especially in the property but does not affect the return of the property stocks.

**Keywords:** Loan to Value Policy, Event Study, Abnormal Return, Trading Volume Activity, Indonesian Stock Exchange (IDX).