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The Differences between Abnormal Return N Trading Volume Activity Before N after the Application of ASEAN Economic Community (AEC)

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Abstract:

ASEAN Economic Community is the integrated ASEAN community to the free trading of ASEAN countries member. An economic event in Southeast Asia that has a steering point to the dynamics of capital market conditions where regional economic conditions are basically also a reflection of the stability of the economy of a country this research use paired sample t-test to test difference of AEC to abnormal return and trading volume (TVA) stock with sample of 30 companies moving in property from December 2015 until January 2016 where observation period used 14 days i.e. 7 days before and 7 days after the entry into force of the AEC. based on the results of data analysis found that the event of the entry into force of ASEAN economic Community (AEC) there is no significant difference to the abnormal return of developer companies and significantly different to the trading volume of stock neither.

Keywords: ASEAN Economic community, abnormal return, trading volume, property company, IDX

1. Preface

Asean Economic Community (AEC) is the integrated form of Asean society to free trade member of ASEAN countries. as the legal and constitutional basis for ASEAN member countries, chartered asean charter and Indonesia have ratified the charter by issuing the law no 38-year 2008 as an umbrella of various cooperation agreement at the level of asean. Rizal and aida in (Arifin:2008) the establishment of the AEC is carried out with four strategic frameworks namely the achievement of a single market and the unity of the production base, a competitive economic region, equitable economic growth and integrated with the global economy. The 12 sectors to be liberalized within the AEC framework of the service sector include: Tourism, Construction, Transportation, Finance, Communications, Distribution, Business, Education, Health, Recreation, Sports, and Culture. Of all these sectors, the government's priority is tourism, health and logistics or distribution. In the Mutual Recognition Arrangement (MRA) ASEAN countries agreed to open the movement of educated personnel from eight professions i.e. engineers, nurses, architects, survey personnel, dentists, accountants, travel services and doctors.

The study of event studies conducted by hengky chandra and friends (2014) showed that there was no market reaction in the 2004 and 2009 elections in which there was no difference in average abnormal return and no difference in average trading volume activity before and after the 2004 and 2009 elections. this shows no reaction to political events. Reinforced by Hutami research (2015) which states that there is no difference abnormal return to direct presidential election July 9, 2014.

Research Event study is a study that studies the market reaction to an event or information published and events AEC enforcement including event study. The purpose of the event study in this study is to test the market reaction to the implementation of the ASEAN economic community.

1.1. Problem Formulation

- Is there any difference of stock return abnormal directly to market efficiency before and after AEC application to property and real estate company in Indonesia?
- Is there any difference of Trading Volume Activity shares directly to market efficiency before and after AEC application on property and real estate company in Indonesia?

2. Research Methods

In this study used the type of research with descriptive method. The research method that is intended for exploration and clarification about the phenomenon by describing a number of variables related to the problem and the unit under study and the phenomenon being tested. Event study is a study of market reaction to an event (event) whose information is published as an announcement (Jogiyanto, 2009). Event studies can also be used to test information content of an announcement and can also be used to test the market efficiency of a half-strong form.

3. Population and Sample

Population in this research is Property and real estate company listed in Bursa Efek Indonesia with sample of 30 company.

Observation Period

The observation period (event period) in this research is 14 days i.e. 7 days before ($t-7$), and 7 days ($t+7$) after the practice of AEC

Event Window

Figure 1

- T0 is the date of the event incident at which the AEC is assigned as an event day.
- T-7 is 7 days of stock trading before the AEC occurs.
- T + 7 are 7 days trading of shares after the occurrence of AEC.
- 4.4 Types and Data Sources

3.1. Data Types

The data used in this study is secondary data in the form of records, recordings or historical data that has been arranged in the archive (document data) that has been published.

3.2. Data Sources

Data is secondary data published Indonesian stock exchange in the form of closing prices and daily sales volume

Analysis Techniques

In this study the technique of analysis is by the method of study events (Event Studies) to test the information content of an event that is the enactment of the ASEAN Economic Community apply by the end of 2015 if the market reacts to this event in terms of price changes that impact on Abnormal return and Trading Volume Activity. In order to facilitate the implementation of the calculation analysis then this research using the software tool Statistic Program for Social Sciensi (SPSS) version 18.

Some preliminary test steps to strengthen the opinion or results before the analysis of paired sample t test is:

Normality test is done to determine whether the data is normally distributed or not. To avoid bias, the data used should be normally distributed. In the normality test the data will use one sample colmogorov-smirnov test and who has asymp. Sig (2-tailed) below the level of significance (5%) or 0.05 AECNs that the variable variables have a normal distribution and vice versa (Ghozali, 2011: 165). So that can be tested by using paired sample test tool (Ghozali, 2011). The hypotheses in this test are:

- H0: Normally distributed data
- H1: The data is abnormally distributed

This normality test can be seen from Asymp.Sig (2-tailed) probability i.e.:

If the probability of asymp.sig (2-tailed) < 0.05 AECNs that the data is significantly different from the normal curve so that called abnormally distributed data

If the probability of asymp.sig (2-tailed) > 0.05 AECNs that the data difference with the non-significant curve implies that the data follows the normal distribution.

If an inference is obtained that the variable has an abnormal data distribution, then it cannot be passed into the parametric statistics, in which case the relevant statistical tool is paired sample t-test. Because the normality requirement is not fulfilled, the test can be done by using non-parametric test that is rank Wilcoxon (Santoso, 2006)

Hypothesis Test In hypothesis testing this research using non-parametric statistical test with t test two paired samples. Two paired sample t tests are used because the samples are taken from the same population but only different years or other sample attributes. paired sample t test, to see the significance of abnormal return and trading activity volumes from within an event. The test procedure is as follows:

- $H_0: \beta = \beta_0$ (there is no difference abnormal return and Trading Volume Activity before and after AEC) $H_1: \beta \neq \beta_0$ (there are differences abnormal return and Trading Volume Activity before and after AEC)
- In this study used significant level (α) of 5% with degrees of freedom ($n-1$), where n the amount of data observed
- Then the result of t calculation in comparison with t table is a two-sided test, namely:
 - Hypothesis accepted when the value of t arithmetic $> t$ table or $-t$ arithmetic $< -t$ table. H_0 is rejected and H_1 accepted because there are differences Abnormal return and TVA before and after the implementation of the AEC
 - Hypothesis rejected if the value of t arithmetic $< t$ table or $-t$ arithmetic $> -t$ table, AECning H_0 accepted and H_1 rejected because there is no difference abnormal return and TVA before and after AEC enactment

3.3. Medium for Probability Value $< \alpha$ (5%), I.E.:

- Hypothesis accepted if the value of probability $< \alpha$ (5%) or probability value $/ 2 < \alpha / 2$ (2.5%) for two-sided test.
- 2. The hypothesis is rejected if the probability value is $> \alpha$ (5%) or probability value $/ 2 > \alpha / 2$ (2.5%) for two-sided test

3.4. Hypothesis Testing

3.4.1. Hypothesis Testing 1

To test this hypothesis,

- Calculating Return Actual (Actual Return) Return is actually a return that occurs at time t -which is the difference in current prices relative to the previous price (Jogiyanto, 2015: 648)
- Calculating Daily Market Return

In this study using JCI data as market return. market return can be calculated by the formula:

$$R_{mt} = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}$$

- Calculate Expected return expectation is the expected return of investors to be obtained in the future where the nature has not happened (Jogiyanto, 2008). estimated return expectation using market-adjusted model

$$E[R_{i,t}] = R_{Mt}$$

- Calculating Return Not Normal (Abnormal Return) Return abnormal is the difference between actual returns that occur with the expectation return (Jogiyanto, 2015: 647)

$$AR_{i,t} = R_{i,t} - E[R_{i,t}]$$

- Calculating the Average Abnormal Return According to (Jogiyanto, 2015: 660) Examination of abnormal return is not done for each of the securities, but done in aggregate by testing the average abnormal return of all securities cross section for each day in the period of the event. Average abnormal return (average abnormal return) for t -day is calculated by the formula:

$$RRTN_t = \frac{\sum RTN_t}{k}$$

- Calculating the cumulative average abnormal return (cumulative average abnormal return)

$$CAAR_{Na} = \sum_{t=-7}^{t=7} AAR_{nt}$$

- Testing abnormal returns statistically aims to see the significance of abnormal returns that exist in the event period.

$$RTNS_{i,t} = \frac{RTN_{it}}{KSE_i}$$

- Calculation of average abnormal return before and after AEC enforcement.

$$\overline{AR}_{\text{Before}} = \frac{\sum_{t=-7}^{t=-1} AR_{\text{Before}}}{t} \quad \overline{AR}_{\text{After}} = \frac{\sum_{t=1}^{t=7} AR_{\text{After}}}{t}$$

- Calculation of standard deviation of average abnormal return

$$\sigma_{\text{Before}} = \sqrt{\frac{\sum_{t=-7}^{t=-1} (AR_{\text{Before}} - \overline{AR}_{\text{Before}})^2}{(t-1)}}$$

$$\sigma_{\text{After}} = \sqrt{\frac{\sum_{t=1}^{t=7} (AR_{\text{After}} - \overline{AR}_{\text{After}})^2}{(t-1)}}$$

Description: σ_{Before} = standard deviation abnormal return before event σ_{After} = standard deviation abnormal return after event, t = time period

- Calculation of statistical test with different test (T-test).

$$t = \frac{\overline{AR}_{\text{After}} - \overline{AR}_{\text{Before}}}{\sqrt{\frac{\sigma_{\text{After}}^2}{n} + \frac{\sigma_{\text{Before}}^2}{n}}}$$

For decision making in this research considerations are made, as follows:

- If Probability < 0.05 , then H_0 rejected AECns there is a difference variance.
- If Probability > 0.05 , then H_0 cannot be denied that AECns there is a common variance.

3.4.2. Hypothesis Testing 2

The analytical technique used to test the second hypothesis is whether there is a difference in average trading volume activity (TVA) on JCI stocks before and after AEC enforcement. The calculation is done as follows:

- Calculation of average trading volume activity (TVA) on JCI stock before and after AEC enforcement.

$$\overline{TVA}_{\text{Before}} = \frac{\sum_{t=-7}^{t=-1} TVA_{\text{Before}}}{t} \quad \overline{TVA}_{\text{After}} = \frac{\sum_{t=1}^{t=7} TVA_{\text{After}}}{t}$$

- Calculation of standard deviation of average trading volume activity (TVA).

$$\sigma_{\text{Before}} = \sqrt{\frac{\sum_{t=-7}^{t=-1} (TVA_{\text{Before}} - \overline{TVA}_{\text{Before}})^2}{(t-1)}}$$

$$\sigma_{\text{After}} = \sqrt{\frac{\sum_{t=1}^{t=7} (TVA_{\text{After}} - \overline{TVA}_{\text{After}})^2}{(t-1)}}$$

- Test statistic with different test (T-test).

$$t = \frac{\overline{TVA}_{\text{After}} - \overline{TVA}_{\text{Before}}}{\sqrt{\frac{\sigma_{\text{After}}^2}{n} + \frac{\sigma_{\text{Before}}^2}{n}}}$$

For decision making in this research considerations are made, as follows:

- If Probability < 0.05 , then H_0 rejected AECns there is a difference variance.
- If Probability > 0.05 , then H_0 cannot be denied that AECns there is a common variance.

4. Results and Discussion

This study aims to determine the difference Abnormal Return (AR) and Trading Volume Activity (TVA) based on the enactment of the ASEAN Economic Community (AEC) at the end of 2015. there are activities description data, normality test, test the research hypothesis and discussion of results research.

4.1. Data Description

This research data uses market-adjusted model so it is not necessary to use estimation period, and test period for 15 days i.e. 7 days active before AEC and 7 days active after AEC and 1 day is event day. The reason for conducting a 15-day data test is to eliminate the impact of other events that may affect the outcome of this research activity. The sampling technique of property companies and real estate is by purposive sampling, i.e. the population that meets the company that trades every day or approached every day at the time of the test event.

Variable Return Not Normal (Abnormal Return)

Actual Return (Actual Return)

The actual return is the return that occurs at time t-which is the difference in price now relative to the previous price.

No.	Stock Code	Return Actual (Rit)						
		t-7	t-6	t-5	t-4	t-3	t-2	t-1
1.	APLN	.0190	-.0155	.0126	.0218	.0030	.0030	.0121
2.	ASRI	-.0116	.0029	.0059	-.0087	.0176	-.0029	-.0058
3.	BCIP	-.0059	.0000	.0119	.0000	.0000	-.0118	.0119
4.	BSDE	-.0462	.0273	.0265	.0000	.0345	.0000	.0000
5.	CTRA	.0037	.0221	.0324	-.0314	.0432	.0103	-.0034
6.	CTRP	-.0374	.0083	.0110	.0027	.0788	.0655	-.0307
7.	CTRS	.0048	.0024	.0119	.0071	.0000	.0328	.0159
8.	COWL	.0000	.0000	.0000	.0000	.0000	.0000	.0000
9.	KPIG	.0000	.0074	.0184	-.0036	.0000	.0145	.0071
10.	DILD	.0020	.0020	-.0040	.0000	-.0061	.0020	-.0020
11.	JRPT	-.0743	.0438	.0000	-.0210	.0429	.0274	-.0067
12.	KIJA	-.0044	.0044	.0044	.0088	.0348	.0252	.0123
13.	LCGP	.0198	-.0097	-.0235	-.0984	.1136	-.0020	.2425
14.	LPCK	-.0139	.0000	.0035	-.0106	.0107	.0141	.0069
15.	LPKR	-.0216	-.0265	-.0682	.0098	.0193	-.0047	-.0143
16.	MDLN	-.0165	.0189	-.0041	.0041	-.0021	-.0083	-.0271
17.	PWON	.0503	.0104	-.0206	.0168	.0104	.0041	.0122
18.	GPRA	.0000	.0000	.0000	-.0450	.0000	.0419	.0000
19.	BKSL	-.0508	.0000	.1071	.0000	.0000	-.0484	-.0169
20.	SMRA	-.0296	.0169	.0467	.0064	.0316	.0000	.0123
21.	SMDM	.0319	.0000	-.0103	-.0521	.0110	.0652	-.0306
22.	BEST	-.0064	.0161	.0127	-.0063	-.0189	-.0161	-.0392
23.	EMDE	.0000	.0966	-.0252	-.0581	.0274	.0667	-.1000
24.	MTLA	.0045	-.0135	.0227	-.0267	.0046	-.0227	.0000
25.	NIRO	.0000	.0192	.0283	.0000	.0000	-.0275	.0283
26.	PPRO	-.0225	.0172	-.0056	.0114	.0000	.0000	.0000
27.	TARA	-.0172	-.0175	.0089	-.0177	.0090	-.0089	.0090
28.	MMLP	-.0062	-.0124	.0063	-.0063	.0000	.0063	.0000
29.	DMAS	.0250	.0098	-.0097	.0000	.0000	.0000	.0488
30.	BIKA	.0120	.0166	.0023	-.1002	.0000	.0000	.0000
Average		-.0064	.0082	.0067	-.0132	.0155	.0075	.0048

Table 1: Return of Actual Property and Real Estate Companies on BEI before AEC Enforcement

Table 1 above shows the company's actual return on 7 days before AEC enforcement showing the fluctuation of up and down. The lowest average AR occurred on the fourth day (t-4) of -0.0132 and the highest on the third day (t-3) of 0.0155 before the implementation of AEC in Indonesia. This AECns that in 7 days before the implementation of the AEC the actual return of shares of property and real estate companies in BEI ranged from -0.0132 to 0.0155.

No.	Stock Code	Return Actual (Rit)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
1.	APLN	.0000	-.0180	-.0030	-.0122	-.0124	.0000	-.0063
2.	ASRI	-.0350	.0211	.0059	-.0176	-.0090	-.0121	.0061
3.	BCIP	-.0647	.0000	-.0126	-.0127	.0000	-.0129	.0131
4.	BSDE	-.0056	.0168	.0110	-.0136	.0110	-.0381	.0142
5.	CTRA	-.0240	.0070	.0000	.0314	-.0236	-.0623	.0369
6.	CTRP	-.0561	.0129	-.0153	-.0207	.0212	-.0311	.0241
7.	CTRS	-.0179	-.0182	.0255	-.0158	.0161	-.0271	.0139
8.	COWL	-.0083	.0084	.0000	-.0083	.0000	-.0084	.0169
9.	KPIG	-.0071	.0179	-.0386	-.0146	.0185	.0182	-.0107
10.	DILD	.0000	-.0123	.0000	.0000	-.0062	-.0021	.0021
11.	JRPT	-.0336	.0278	.0000	-.0811	.0441	-.0141	.0000
12.	KIJA	-.0283	.0000	.0083	-.0124	-.0042	-.0126	.0085
13.	LCGP	-.0968	-.0982	.0000	-.0337	.0000	.0102	-.0994
14.	LPCK	-.0310	.0000	.0000	-.0249	.0036	-.0218	-.0037
15.	LPKR	-.0193	.0099	-.0049	-.0098	.0248	-.0242	.0149
16.	MDLN	.0000	.0171	.0105	.0000	-.0104	-.0168	.0064

No.	Stock Code	Return Actual (Rit)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
17.	PWON	.0000	-.0121	-.0061	-.0164	.0000	-.0313	.0431
18.	GPRA	.0000	.0000	-.0553	.0585	.0000	-.0101	-.0355
19.	BKSL	.0172	.0000	.0351	-.0339	.0175	-.0172	.0175
20.	SMRA	-.0455	.0000	.0095	-.0031	.0158	-.0280	.0224
21.	SMDM	.0000	.0105	-.0521	.0110	.0109	.0108	.0213
22.	BEST	-.0170	.0242	.0135	-.0400	-.0139	-.0246	-.0036
23.	EMDE	-.0694	-.0075	.0376	-.0435	.0000	-.0076	-.0076
24.	MTLA	-.0372	.0048	.0000	-.0048	.0048	.0000	.0096
25.	NIRO	-.0183	-.0093	.0000	-.0189	-.0096	-.0291	.0000
26.	PPRO	-.0169	.0114	.0339	-.0273	.0449	.0108	.0053
27.	TARA	-.0268	.0092	.0182	-.0357	.0000	.0000	.0648
28.	MMLP	-.0125	.0000	.0063	.0063	-.0125	.0000	.0063
29.	DMAS	-.0512	.0539	-.0326	.0096	-.0286	.0049	.0098
30.	BIKA	.0000	.0233	.0025	-.0025	.0025	.0000	-.0051
Average		-.0247	.0034	-.0001	-.0129	.0035	-.0126	.0062

Table 2: Return of Actual Property and Real Estate Companies on BEI after Enforcement of AEC

Table 2 above shows the company's actual return on 7 days after AEC enforcement showing the fluctuation of up and down. The lowest average AR occurred on the first day (t + 1) of -0.0247 and the highest on the seventh day (t + 7) of 0.0062 after AEC application in Indonesia. This AECns that in 7 days after the implementation of the AEC the actual return of shares of property and real estate companies in BEI ranged from -0.0247 to 0.0062.

4.2. Market Return

This research uses Sectoral Stock Price Index (IHSS) data of Construction, Property and Real Estate to calculate daily market return. The following is the result of daily market return calculation before and after AEC enforcement.

No.	Date	t	IHSS _{t-1}	IHSS _t	Market return (R _{mt})
1	Dec 18, 2015	-7	476.89	472.12	-0.010002348
2	Dec 21, 2015	-6	472.12	476.41	0.009086692
3	Dec 22, 2015	-5	476.41	477.36	0.001994041
4	Dec 23, 2015	-4	477.36	476.72	-0.001340674
5	Dec 28, 2015	-3	476.72	484.50	0.016319850
6	Dec 29, 2015	-2	484.50	485.42	0.001898892
7	Dec 30, 2015	-1	485.42	490.93	0.011350954
8	Jan 1, 2016	0	490.93	490.93	0.000000000
9	Jan 4, 2016	1	490.93	482.44	-0.017293690
10	Jan 5, 2016	2	482.44	486.47	0.008353368
11	Jan 6, 2016	3	486.47	489.53	0.006290209
12	Jan 7, 2016	4	489.53	485.52	-0.008191551
13	Jan 8, 2016	5	485.52	487.76	0.004613654
14	Jan 11, 2016	6	487.76	478.09	-0.019825352
15	Jan 12, 2016	7	478.09	483.27	0.010834766

Table 3: Market Return of Property and Real Estate Companies on BEI Before and After AEC Enactment

Table 3 above shows daily market return data of construction sector stock, property and real estate in the event period 15 days before and after AEC enforcement in Indonesia. the lowest market return occurs on the sixth day (t + 6) of -0.019825352 after AEC, while the highest market return occurred on the third day (t-3) of 0.016319850 before AEC implementation in Indonesia. This AECns that in the 15-day event period, the return of daily stock market of construction, property and real estate in BEI ranges from -0.019825352 to 0.016319850.

4.3. Return Expectation (Expected Return)

The expected return is the expected return of the investor to be obtained in the future which has not occurred yet. Daily market return data presented in Table 4.3 is the same as daily expected return data used in this research activity.

4.4. Return Not Normal (Abnormal Return)

Abnormal return difference between actual returns that occur with expected return. the expected return of this research is the same as market return because it uses market-adjusted model, so abnormal return can be obtained from the difference between actual return and market return. The following results show the calculation of abnormal return before and after AEC enforcement.

No.	Stock Code	Abnormal Return (ARit)						
		t-7	t-6	t-5	t-4	t-3	t-2	t-1
1.	APLN	.0290	-.0246	.0106	.0231	-.0133	.0011	.0008
2.	ASRI	-.0016	-.0061	.0039	-.0074	.0013	-.0048	-.0171
3.	BCIP	.0041	-.0091	.0099	.0013	-.0163	-.0137	.0006
4.	BSDE	-.0362	.0182	.0246	.0013	.0182	-.0019	-.0114
5.	CTRA	.0137	.0130	.0304	-.0300	.0268	.0084	-.0148
6.	CTRP	-.0274	-.0008	.0090	.0041	.0625	.0636	-.0421
7.	CTRS	.0148	-.0067	.0099	.0084	-.0163	.0309	.0045
8.	COWL	.0100	-.0091	-.0020	.0013	-.0163	-.0019	-.0114
9.	KPIG	.0100	-.0017	.0164	-.0023	-.0163	.0126	-.0042
10.	DILD	.0120	-.0071	-.0060	.0013	-.0224	.0001	-.0134
11.	JRPT	-.0643	.0347	-.0020	-.0196	.0265	.0255	-.0180
12.	KIJA	.0056	-.0047	.0024	.0101	.0185	.0233	.0009
13.	LCGP	.0298	-.0188	-.0255	-.0971	.0973	-.0039	.2311
14.	LPCK	-.0039	-.0091	.0015	-.0092	-.0056	.0122	-.0044
15.	LPKR	-.0116	-.0356	-.0702	.0111	.0030	-.0066	-.0256
16.	MDLN	-.0065	.0098	-.0061	.0055	-.0184	-.0102	-.0384
17.	PWON	.0603	.0013	-.0226	.0182	-.0060	.0022	.0009
18.	GPRA	.0100	-.0091	-.0020	-.0437	-.0163	.0400	-.0114
19.	BKSL	-.0408	-.0091	.1051	.0013	-.0163	-.0503	-.0283
20.	SMRA	-.0196	.0079	.0447	.0077	.0153	-.0019	.0009
21.	SMDM	.0419	-.0091	-.0123	-.0507	-.0053	.0633	-.0420
22.	BEST	.0036	.0070	.0107	-.0049	-.0352	-.0180	-.0506
23.	EMDE	.0100	.0875	-.0272	-.0567	.0111	.0648	-.1114
24.	MTLA	.0145	-.0225	.0207	-.0253	-.0118	-.0246	-.0114
25.	NIRO	.0100	.0101	.0263	.0013	-.0163	-.0294	.0170
26.	PPRO	-.0125	.0082	-.0076	.0127	-.0163	-.0019	-.0114
27.	TARA	-.0072	-.0266	.0069	-.0164	-.0073	-.0108	-.0023
28.	MMLP	.0038	-.0215	.0043	-.0049	-.0163	.0044	-.0114
29.	DMAS	.0350	.0007	-.0117	.0013	-.0163	-.0019	.0374
30.	BIKA	.0220	.0075	.0003	-.0989	-.0163	-.0019	-.0114
Average		.0036	-.0008	.0047	-.0119	-.0008	.0056	-.0066

Table 4: Abnormal Return of Property and Real Estate Company in BEI before AEC Implementation

Table 4 above shows the average abnormal return (AR) of property and real estate firms in Indonesia Stock Exchange (BEI) on 7 days before AEC enforcement showing fluctuation up and down. The lowest average AR occurred on the fourth day (t-4) of -0.0119 and the highest on the second day (t-2) of 0.0056 before the AEC implementation in Indonesia. This AECns that in 7 days before the implementation of the average AAA AR property companies and real estate on the BEI ranged from -0.0119 to 0.0056.

No.	Stock Code	Abnormal Return (ARit)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
1.	APLN	.0173	-.0263	-.0093	-.0040	-.0170	.0198	-.0171
2.	ASRI	-.0177	.0128	-.0004	-.0095	-.0136	.0077	-.0047
3.	BCIP	-.0474	-.0084	-.0189	-.0045	-.0046	.0069	.0022
4.	BSDE	.0117	.0084	.0047	-.0054	.0064	-.0183	.0033
5.	CTRA	-.0067	-.0013	-.0063	.0395	-.0283	-.0425	.0261
6.	CTRP	-.0388	.0046	-.0216	-.0125	.0165	-.0113	.0132
7.	CTRS	-.0006	-.0265	.0192	-.0076	.0114	-.0073	.0031
8.	COWL	.0090	.0000	-.0063	-.0001	-.0046	.0114	.0061
9.	KPIG	.0102	.0095	-.0449	-.0064	-.0139	.0380	-.0215
10.	DILD	.0173	-.0206	-.0063	.0082	-.0108	.0177	-.0087
11.	JRPT	-.0163	.0194	-.0063	-.0729	.0395	.0057	-.0108
12.	KIJA	-.0110	-.0084	.0020	-.0042	-.0088	.0072	-.0023
13.	LCGP	-.0795	-.1066	-.0063	-.0255	-.0046	.0301	-.1102
14.	LPCK	-.0137	-.0084	-.0063	-.0167	-.0010	-.0020	-.0146
15.	LPKR	-.0020	.0015	-.0112	-.0016	.0201	-.0043	.0040
16.	MDLN	.0173	.0088	.0042	.0082	-.0150	.0030	-.0044
17.	PWON	.0173	-.0205	-.0124	-.0082	-.0046	-.0115	.0323
18.	GPRA	.0173	-.0084	-.0616	.0667	-.0046	.0098	-.0464
19.	BKSL	.0001	-.0084	.0288	-.0257	.0129	.0026	.0067
20.	SMRA	-.0282	-.0084	.0032	.0050	.0112	-.0081	.0115
21.	SMDM	.0173	.0022	-.0584	.0192	.0063	.0306	.0104
22.	BEST	.0003	.0159	.0072	-.0318	-.0185	-.0048	-.0144
23.	EMDE	-.0522	-.0158	.0313	-.0353	-.0046	.0122	-.0185
24.	MTLA	-.0199	-.0035	-.0063	.0034	.0002	.0198	-.0012

No.	Stock Code	Abnormal Return (ARit)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
25.	NIRO	-.0011	-.0177	-.0063	-.0107	-.0142	-.0093	-.0108
26.	PPRO	.0004	.0031	.0276	-.0191	.0403	.0306	-.0055
27.	TARA	-.0095	.0008	.0119	-.0275	-.0046	.0198	.0540
28.	MMLP	.0048	-.0084	.0000	.0145	-.0171	.0198	-.0045
29.	DMAS	-.0339	.0456	-.0388	.0178	-.0332	.0247	-.0011
30.	BIKA	.0173	.0150	-.0038	.0057	-.0021	.0198	-.0159
Average		-.0074	-.0050	-.0064	-.0047	-.0011	.0073	-.0047

Table 5: Abnormal Return of Property and Real Estate Company on BEI after Enforcement of AEC

Table 5 above shows an average abnormal return (AR) at 7 days after AEC enforcement showing fluctuations rise and fall. The lowest average AR occurred on the first day (t + 1) of -0.0074 and the highest on day six (t + 6) by 0.0073 after AEC application in Indonesia. This AECNs that at 7 days after the enactment of the average AAA AR of property and real estate companies in BEI ranged from -0.0074 to 0.0073.

4.5. Average Abnormal Return

Testing of abnormal return is done in aggregate by testing the average abnormal return (average abnormal return) of all securities in cross section for each day in the period of the event. The result of calculation of average abnormal return before and after.

No.	Date	Day (t)	Total Abnormal Return (Σ ARit)	Average Abnormal Return (AAR)
1	Dec 18, 2015	-7	0.108357780	0.003611926
2	Dec 21, 2015	-6	-0.025347527	-0.000844918
3	Dec 22, 2015	-5	0.142576214	0.004752540
4	Dec 23, 2015	-4	-0.356850247	-0.011895008
5	Dec 28, 2015	-3	-0.024347282	-0.000811576
6	Dec 29, 2015	-2	0.168759342	0.005625311
7	Dec 30, 2015	-1	-0.197970077	-0.006599003
8	Jan 1, 2016	0	0.006135228	0.000204508
9	Jan 4, 2016	1	-0.220831983	-0.007361066
10	Jan 5, 2016	2	-0.149851105	-0.004995037
11	Jan 6, 2016	3	-0.191263406	-0.006375447
12	Jan 7, 2016	4	-0.141190260	-0.004706342
13	Jan 8, 2016	5	-0.033048266	-0.001101609
14	Jan 11, 2016	6	0.218112341	0.007270411
15	Jan 12, 2016	7	-0.139788039	-0.004659601

Table 6: Average Abnormal Return of Property and Real Estate Companies on BEI before and after AEC Implementation

Table 4.6 above shows the average abnormal return (AAR) data on the event period 15 days before and after AEC enforcement in Indonesia. The lowest stock AAR occurs on the fourth day (t-4) of -0.011895008 before AEC, the highest AAR occurs on the sixth day (t + 6) of 0.007270411. This AECNs that in the 15-day event period of the application of AEC in Indonesia, AAR shares of property and real estate companies in BEI ranged from -0.011895008 to 0.007270411.

Figure 2: AAR Graph of Property and Real Estate Company in IDX Before and After Adjustment of AEC
Source: Secondary data is processed, 2018

The graph in Figure 2 above shows fluctuations ups and downs in average abnormal return (AR) of property and real estate firms in Indonesia Stock Exchange in the event period of 15 days of AEC implementation in Indonesia. The

highest trading volume activity occurred on the fourth day (t-4) before the AEC, while the lowest trading volume occurred on the sixth day (t + 6) after the implementation of AEC in Indonesia.

Average Cumulative Return Not Normal (Cumulative Average Abnormal Return) The following summarizes the cumulative average abnormal return calculations before and after AEC implementation in Indonesia.

No.	Date	Day (t)	Average Abnormal Return (AAR)	Cumulative Average Abnormal Return (CAAR)
1	Dec 18, 2015	-7	0.003611926	0.003611926
2	Dec 21, 2015	-6	-0.000844918	0.002767008
3	Dec 22, 2015	-5	0.004752540	0.007519549
4	Dec 23, 2015	-4	-0.011895008	-0.004375459
5	Dec 28, 2015	-3	-0.000811576	-0.005187035
6	Dec 29, 2015	-2	0.005625311	0.000438276
7	Dec 30, 2015	-1	-0.006599003	-0.006160727
8	Jan 1, 2016	0	0.000204508	-0.005956219
9	Jan 4, 2016	1	-0.007361066	-0.013317285
10	Jan 5, 2016	2	-0.004995037	-0.018312322
11	Jan 6, 2016	3	-0.006375447	-0.024687769
12	Jan 7, 2016	4	-0.004706342	-0.029394111
13	Jan 8, 2016	5	-0.001101609	-0.030495720
14	Jan 11, 2016	6	0.007270411	-0.023225308
15	Jan 12, 2016	7	-0.004659601	-0.027884910

Table 7: CAAR Property and Real Estate Company on BEI Before and after AEC Implementation

Table 7 above shows the cumulative average abnormal return (CAAR) data on the event period 15 days before and after AEC enforcement in Indonesia. CAAR the company's lowest stock occurred on the fifth day (t + 5) i.e. -0.030495720 after AEC, while the highest CAAR occurred on the fifth day (t-5) of 0.007519549 before the AEC implementation in Indonesia. This AECNs that in the 15-day event period of AEC implementation in Indonesia, CAAR shares of property and real estate companies in BEI ranged from -0.030495720 to 0.007519549.

Figure 3 CAAR Charts of Property and Real Estate Companies in BEI

The graph in Figure 3 above shows a tendency to decrease cumulative average abnormal return (CAAR) in the event period 15 days before and after AEC enforcement in Indonesia. The highest share CAAR occurs on the fifth day (t-5) before the AEC, while the lowest share CAAR occurs on the fifth day (t + 5) after the AEC.

4.6. Variable Trading Volume Activity (Tva)

4.6.1. Trading Data Volume Activity

Trading volume activity is the ratio between the number of shares traded with the number of shares outstanding within a certain period. The following presented data of TVA of property and real estate companies before AEC.

No.	Stock Code	Trading Volume Activity (TVA)						
		t-7	t-6	t-5	t-4	t-3	t-2	t-1
1.	APLN	.00069	.00072	.00165	.00085	.00088	.00074	.00196
2.	ASRI	.01070	.00911	.01006	.01147	.00975	.01377	.01211
3.	BCIP	.00080	.00053	.00078	.00068	.00163	.00078	.00223
4.	BSDE	.00062	.00046	.00041	.00050	.00045	.00017	.00083
5.	CTRA	.00233	.00103	.00182	.00075	.00212	.00255	.00123
6.	CTRP	.00080	.00002	.00004	.00017	.00110	.00015	.00047
7.	CTRS	.00022	.00021	.00022	.00022	.00023	.00022	.00024
8.	COWL	.00000	.00000	.00000	.00000	.00000	.00000	.00008
9.	KPIG	.00363	.00206	.00337	.00363	.00091	.00139	.00183
10.	DILD	.00002	.00006	.00004	.00014	.00011	.00012	.00029
11.	JRPT	.00143	.00078	.00077	.00109	.00098	.00125	.00159
12.	KIJA	.00627	.01207	.01355	.00402	.00186	.00470	.00417
13.	LCGP	.00055	.00055	.00037	.00038	.00118	.00102	.00112
14.	LPCK	.00124	.00135	.00317	.00244	.00293	.00090	.00138
15.	LPKR	.00022	.00011	.00008	.00008	.00006	.00006	.00043
16.	MDLN	.00174	.00212	.00075	.00089	.00080	.00092	.00141
17.	PWON	.00023	.00001	.00017	.00000	.00000	.00003	.00001
18.	GPRA	.00077	.00054	.00266	.00279	.00060	.00083	.00104
19.	BKSL	.00124	.00052	.00123	.00103	.00223	.00078	.00119
20.	SMRA	.00000	.00000	.00000	.00000	.00000	.00000	.00000
21.	SMDM	.00219	.00204	.00124	.00076	.00128	.00195	.00555
22.	BEST	.00001	.00000	.00027	.00002	.00000	.00006	.00011
23.	EMDE	.00009	.00003	.00001	.00000	.00000	.00002	.00006
24.	MTLA	.00180	.00156	.00171	.00185	.00176	.00150	.00233
25.	NIRO	.00176	.00173	.00401	.00412	.00248	.00172	.00368
26.	PPRO	.00396	.00445	.00431	.00431	.00480	.00458	.00357
27.	TARA	.00356	.00326	.00355	.00330	.00330	.00339	.00361
28.	MMLP	.00002	.00007	.00016	.00008	.00002	.00005	.00014
29.	DMAS	.01391	.00940	.00861	.00726	.00726	.00726	.00726
30.	BIKA	.00069	.00072	.00165	.00085	.00088	.00074	.00196
Average		.00205	.00185	.00222	.00179	.00165	.00172	.00206

Table 8: TVA Property and Real Estate Companies in BEI before AEC Enforcement

Table 5.8 above shows the average trading volume of activity (TVA) of property and real estate companies in Indonesia Stock Exchange on 7 days before AEC implementation showing fluctuation up and down. The lowest average TVA occurred on the third day (t-3) of 0.00165 and the highest on the fifth day (t-5) of 0.00222 before the implementation of AEC in Indonesia. This AECNs that in 7 days before the implementation of the average AEC TVA property companies and real estate on the BEI ranged from 0.00165 to 0.00222.

No.	Stock Code	Trading Volume Activity (TVA)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
1.	APLN	.00020	.00002	.00008	.00007	.00006	.00007	.00006
2.	ASRI	.00138	.00100	.00211	.00089	.00211	.00086	.00169
3.	BCIP	.01179	.01614	.00962	.00998	.00827	.01396	.01494
4.	BSDE	.00098	.00098	.00174	.00123	.00115	.00074	.00056
5.	CTRA	.00038	.00064	.00059	.00072	.00100	.00081	.00102
6.	CTRP	.00130	.00085	.00092	.00115	.00060	.00040	.00039
7.	CTRS	.00037	.00006	.00015	.00021	.00059	.00003	.00007
8.	COWL	.00024	.00022	.00022	.00024	.00022	.00022	.00025
9.	KPIG	.00000	.00000	.00000	.00000	.00000	.00000	.00000
10.	DILD	.00215	.00196	.00537	.00629	.00327	.00204	.00234
11.	JRPT	.00001	.00000	.00000	.00009	.00000	.00010	.00005
12.	KIJA	.00073	.00031	.00069	.00016	.00027	.00068	.00077
13.	LCGP	.00112	.00249	.00391	.00604	.00285	.00286	.00358
14.	LPCK	.00058	.00090	.00157	.00110	.00216	.00084	.00235
15.	LPKR	.00137	.00203	.00475	.00211	.00355	.00205	.00325
16.	MDLN	.00029	.00007	.00008	.00012	.00027	.00013	.00007
17.	PWON	.00103	.00112	.00071	.00042	.00161	.00092	.00158
18.	GPRA	.00000	.00033	.00000	.00001	.00000	.00026	.00001
19.	BKSL	.00045	.00077	.00117	.00046	.00027	.00016	.00039

No.	Stock Code	Trading Volume Activity (TVA)						
		t+1	t+2	t+3	t+4	t+5	t+6	t+7
20.	SMRA	.00095	.00184	.00118	.00081	.00069	.00103	.00084
21.	SMDM	.00000	.00000	.00000	.00000	.00001	.00000	.00000
22.	BEST	.00099	.00113	.00175	.00170	.00274	.00092	.00139
23.	EMDE	.00004	.00003	.00007	.00000	.00000	.00006	.00000
24.	MTLA	.00008	.00004	.00002	.00000	.00000	.00012	.00007
25.	NIRO	.00130	.00156	.00139	.00151	.00238	.00089	.00174
26.	PPRO	.00273	.00201	.01483	.00545	.01103	.00519	.00858
27.	TARA	.00700	.00818	.00378	.00355	.00386	.00408	.00456
28.	MMLP	.00407	.00388	.00354	.00334	.00331	.00343	.00342
29.	DMAS	.00000	.00000	.00004	.00000	.00003	.00010	.00012
30.	BIKA	.00726	.00785	.01984	.01242	.00887	.00971	.00727
Average		.00163	.00188	.00267	.00200	.00204	.00176	.00205

Table 9: TVA Property and Real Estate Company on BEI after the Enactment of the AEC

Table 9 above shows the average trading volume of activity (TVA) of property and real estate companies in Indonesia Stock Exchange (BEI) on 7 days after AEC enforcement showing fluctuation up and down. The lowest average TVA occurred on the first day (t + 1) of 0.00163 and the highest on the third day of 0.00267 after the implementation of AEC in Indonesia. This AECns that in 7 days after the application of the average AEC TVA property companies and real estate on the BEI ranged from 0.00163 to 0.00267.

4.6.2. Average Trading Volume Activity (Atva)

The test for abnormal return is not done for each of the securities, but it is done in aggregate by testing the average abnormal return (average abnormal return) of all cross-section securities for each day in the period of the event. Here is the calculation of the average abnormal return before and after AEC enforcement.

No.	Date	day (t)	Average Trading Volume Activity (AAR)
1	Dec 18, 2015	-7	0.002041703
2	Dec 21, 2015	-6	0.001837751
3	Dec 22, 2015	-5	0.002212704
4	Dec 23, 2015	-4	0.001785936
5	Dec 28, 2015	-3	0.001628363
6	Dec 29, 2015	-2	0.001702150
7	Dec 30, 2015	-1	0.002030055
8	Jan 1, 2016	0	0.000000000
9	Jan 4, 2016	1	0.001625989
10	Jan 5, 2016	2	0.001879397
11	Jan 6, 2016	3	0.002670603
12	Jan 7, 2016	4	0.002003963
13	Jan 8, 2016	5	0.002040143
14	Jan 11, 2016	6	0.001755869
15	Jan 12, 2016	7	0.002045265

Table 10: ATVA Property and Real Estate Company on BEI before and after AEC Implementation

Table 10 above shows the average trading volume activity (ATVA) average of 15 days before and after AEC implementation in Indonesia. The ATVA of the company's lowest shares occurs on the day of the AEC event (t0) of 0.000000000, while the highest share ATVA occurs on the third day (t + 3) of 0.002040143 after the application of the AEC in Indonesia. This AECns that in the 15-day event period of the implementation of the AEC in Indonesia, ATVA shares of property and real estate companies in BEI ranged from 0,000000000 until 0,002040143.

Figure 4: ATVA Graphs of Property and Real Estate Companies In BEI Before and After AEC Implementation

The graph in Figure 4.3 above shows fluctuations in the fluctuating movement of property and real estate activity (TVA) trading volume of property and real estate companies in Indonesia Stock Exchange in the event period 15 days before and after AEC enforcement. The highest trading volume activity occurred on the 3rd day after the AEC, while the lowest trading volume occurred on the day of events (t0) on January 1, 2016 where on that day there was no stock trading activity in the capital market, as it coincided with New Year 2016.

Normality Test Normality test aims to determine whether the distribution of data obtained has a normal distribution or not. The method used is Kolmogorov-Smirnov method with decision rule that is: If Kolmogorov-Smirnov significance value $> 0,05$ then the data obtained have normal distribution. If the value of Kolmogorov-Smirnov significance $< 0,05$ then the data obtained has an abnormal distribution. Normality test is processed with the help of computer program IBM SPSS Statistics 22. Here is the result of normality test by using Kolmogorov-Smirnov method.

Variable	Data	Signifikansi Kolmogorov-Smirnov	Decision
Abnormal Return (AR)	7 Days BeforeAEC	0,200	Normal
	7 Days AfterAEC	0,017	Abnormal
Trading Volume Activity(TVA)	7 Days BeforeAEC	0,200	Normal
	7 Days AfterAEC	0,045	Abnormal

Table 11: Normality Test Results

Based on Table 11 above, it can be seen that in the abnormal return (AR) variable, the average data of AR 7 days before AEC has Kolmogorov-Smirnov significance of $0.200 > 0.05$, thus having a normal distribution. While the average data of AR 7 days after AEC has Kolmogorov-Smirnov significance of $0.017 < 0.05$, so it has an abnormal distribution. As for the variable trading activity volume (TVA), the average data of TVA 7 days before AEC has Kolmogorov-Smirnov significance of $0.200 > 0.05$, thus having a normal distribution. While the average data of TVA 7 days after AEC has Kolmogorov-Smirnov significance of $0.045 < 0.05$, thus having an abnormal distribution. Because the AR 7 variable days before and after the AEC are either normally distributed, it can use parametric or non-parametric testing. Researchers in this case chose to use parametric testing with paired-sample t test technique on hypothesis testing.

Hypothesis Testing Hypothesis testing using different test paired-sample t test. Paired-sample t test is a statistical test to determine the difference of two averages in a corresponding or paired sample. There are two hypotheses in this study which are described below. Hypothesis Testing 1 Hypothesis 1 (H1) in this study states that there are allegedly significant differences in abnormal return before and after AEC enforcement. The following is the results of the first hypothesis testing in this study.

Data Pair	AECn	t	Signifikansi
AR 7 days Before AEC& AR 7 days After AEC	-0.00088010400 -0.00313267014	0,866	0,420

Table 12: Differences Test Result on Abnormal Return (AR)

Table 12 shows that AR 7 days before and after AEC has significance t (Sig.) $0.420 > 0.05$, then hypothesis 1 (H1) is rejected and the null hypothesis (H0) is accepted. This AECns there is no significant difference or there are similarities between abnormal return (AR) property companies and real estate on the BEI on 7 days before and after AEC. This AECns that the enactment of the ASEAN Economic Community (AEC) does not provide anAECningful signal to investors of property and real estate companies in the capital market to react in the period of 7 (seven) days before and after AEC enforcement in Indonesia. However, when viewed from the average (AECn) abnormal return (AR), then seen the average AR 7 days before and after the AEC is negative, where the average AR 7 days after AEC is -0.00313267014 greater than the average AR 7 days before AECi.e. -0.00088010400 . These results show that in 7 days before and after AEC enforcement,

stock investors in the property and real estate sector showed a negative response or there was little investor concern over the implementation of AEC in Indonesia. Hypothesis 2: Testing Hypothesis 2 (H1) in this study states that there are allegedly significant differences in abnormal returns before and after AEC enactment. The following is the results of the first hypothesis testing in this study.

Data Pair	AECn	t	Signifikansi
TVA 7 days Before AEC & TVA 7 days After AEC	-0.00088010400 -0.00313267014	0,866	0,420

Table 13: Different Test Results on Variable Trading Volume Activity (TVA)

Table 13 shows TVA 7 days before and after AEC has significance t (Sig.) $0.420 > 0.05$, then hypothesis 2 (H2) is rejected and the null hypothesis (H0) is accepted. This AECns that there is no significant difference or there are similarities between the trading volume activity (TVA) property companies and real estate on the BEI on 7 days before and after AEC. This AECns that the enactment of the ASEAN Economic Community (AEC) does not provide a significant signal on the trading volume activity of shares of property and real estate firms in the capital market to react in the period of 7 (seven) days before and after AEC enforcement in Indonesia. However, if seen from the average (AECn) trading volume activity (TVA), then seen the average TVA 7 days before and after the AEC is positive, where the average TVA 7 days after AEC is 0.0020030327 greater than the average TVA 7 days before AEC i.e. 0.0018912374. These results show that in 7 days before and after AEC enactment, stocks movement in property and real estate sector showed an increase in trading activity of those shares in 7 days after AEC implementation in Indonesia. Discussion The results showed no significant difference between abnormal return (AR) property companies and real estate on the BEI on 7 days before and after AEC. This AECns that the enactment of the ASEAN Economic Community (AEC) does not provide an AECningful signal to investors of property and real estate companies in the capital market to react in the period of 7 (seven) days before and after AEC enforcement in Indonesia. The average AR at 7 days before and 7 days after AEC is negative, even the average AR after AEC becomes more negative. These results indicate that investors react negatively to the application of AEC in Indonesia. After the market reaction decreases with the decrease of stock price, the abnormal return also decreases, thus affecting the abnormal return earned by the investors. The results of this study are in line with the results of research Riyanti and Palagan (2016) that the existence of AEC is considered detrimental to the capital sector in Indonesia. This fact is due to the large difference in the number of Indonesian capital market transactions compared to other AEC countries' capital markets.

Associated with signaling theory which states that an information can be captured as a positive signal, a negative signal, and has no impact at all to influence investor decisions. Investors assume that the AEC is bad news that cannot give a good company prospect in the future. The event period is too short for 15 days can also be the cause of the absence of significant abnormal return differences. In addition, this study in the sample selection does not take into account the state of the company whether in a loss or profit state. The results also show no significant difference or there are similarities between the trading volume activity (TVA) property companies and real estate on the BEI on 7 days before and after AEC. This AECns that the enactment of the ASEAN Economic Community (AEC) does not provide a significant signal on the trading volume activity of shares of property and real estate firms in the capital market to react in the period of 7 (seven) days before and after AEC enforcement in Indonesia.

The average TVA 7 days before and after the AEC is positive, even after the average AEC application has become more positive. These results indicate the movement of stocks in the property and real estate sector which increased in 7 days after the implementation of AEC in Indonesia. The result of this research is in line with Nurlita (2017) research result that there is no difference of trading volume activity before and after Internet Financial Reporting (IFR). This result is because after a stock price decline after market adjustment occurs, where when stock price has reached the lowest value, some investors will take profit taking step by buying stocks when stock price reaches the lowest value, to get capital gain by sell it back when stock prices go up. This is indicated by the reaction of stock prices that decreased but activity volume trading activity increased. After a decline in stock prices in the stock market, some investors will take profit-taking steps by buying stocks when stock prices hit lows, to gain capital gains by reselling when stock prices rise.

5. Conclusions and Recommendations

This chapter presents the final results of the research activities by presenting the conclusions which are the answers to the problems that have been formulated previously. In addition, also presented suggestions that can be given based on the results of this study addressed to various parties concerned.

5.1. Conclusion

This study aims to examine the presence or absence of differences in abnormal returns and trading volume activity on shares of property and real estate stocks before and after the implementation of the AEC that began in early 2016. Based on the results of research and discussion then the conclusions of this study, among others:

- There is no significant difference or there is similarity between abnormal return shares of property companies and real estate on BEI on 7 days before and after AEC. This AECns that the enactment of the ASEAN Economic Community does not provide an AECningful signal to investors of property and real estate companies in the capital market to react in the period of 7 (seven) days before and after the implementation of AEC in Indonesia. The average abnormal return at 7 days before and 7 days after AEC is negative, even the average abnormal return after the AEC becomes more negative. This AECns investors react negatively to the implementation of AEC in

Indonesia. Negative reactions suggest a form of investor concern over their investment in the capital market due to the introduction of AECs in Indonesia. After the market reaction decreases with the decrease of stock price, the abnormal return also decreases, thus affecting the abnormal return earned by the investors.

- There is no significant difference or there is a similarity between the trading volume activity of the stock of the property and real estate company in BEI on 7 days before and after AEC. This AECNs that the implementation of the AEC does not provide a significant signal on the trading volume activity of shares of property companies and real estate in the capital market to react in the period of 7 (seven) days before and after AEC enforcement in Indonesia. The average trading volume activity on the 7 days before and after the AEC is positive, even after the application of the average AEC trading volume activity becomes more positive. These results indicate the movement of stocks in the property and real estate sector which increased in 7 days after the implementation of AEC in Indonesia. This result is because after a stock price decline after market adjustment occurs, where when stock price has reached the lowest value, some investors will take profit taking step by buying stocks when stock price reaches the lowest value, to get capital gain by sell it back when stock prices go up. This is indicated by the reaction of stock prices that decreased but activity volume trading activity increased.

6. Suggestions

Here are some suggestions, including:

- For the scientific treasury it is expected that not always good information or bad news coming into the capital market can cause the market to react significantly. The enforcement of the AEC is expected to provide a positive signal that can raise a negative signal for investors, although it is not significant.
- For investors need to do a review before investing. Investors are expected to not only look at one aspect but look at the whole as to decide whether to buy or not a security. Not only from government policies such as AFTA, AFCTA and AEC, but also from company actions such as stock split, bonus share, stock dividend, merger and acquisition, right issue, etc. In addition, it should also consider the fundamental aspects of the company such as the company's performance consisting of profitability, liquidity, leverage, activity and market to get the desired abnormal return.
- For further research is expected to expand this research with other abnormal return calculation methods such as CAPM, market model, or AECn-adjusted model as a comparison material. It is also recommended to use other more varied government policy events such as AFTA, AFCTA, tax policy, fuel price increase, acquisition and merger. Global events are recommended to be studied as in the political aspect for example election events, presidential election candidates who have elektabilitas in society and many others.

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