

Market Reaction to Demonstration Events



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ABSTRACT: This study aims to analyse the effect of demonstration events on abnormal returns. The literature shows that demonstration events have information content that can influence investors in the capital market. Therefore, investors in the capital market will react after the information is received. Demonstration events are risks closely related to negative signals influencing investors' decisions in the capital market. The country's situation, which was currently in turmoil due to continuous and chaotic demonstrations, greatly affected the state of the country's economy. The research sample is a company listed on the Indonesian stock exchange. The analysis results show that the days around the date of the demonstration against the Job Creation Law affect abnormal returns. Furthermore, the results of a comparative analysis between demonstration events show that demonstrations highlighting the scarcity of cooking oil and rising cooking oil prices, rising fuel prices, and increasing VAT rates at almost the same time have the highest impact on abnormal returns compared to other demonstration events. This study expands the literature on capital markets by analysing the influence of demonstration events that have broad social and economic impacts on abnormal returns in capital markets in developing countries.

KEYWORDS: abnormal return, demonstration events

I. INTRODUCTION

Demonstrations are believed to have an impact on the direction of movement of the capital market. Demonstration events will create negative sentiment for the capital market, and prolonged action will be a wrong signal for investors. A recent study by Bhambhwani (2022) on the 2019 Hong Kong protests provides evidence highlighting the impact of disruption caused by demonstrations on financial markets. Another study by Peress and Schmidt (2020) on the United States market shows that days around sensational news coverage can potentially disrupt stock trading activity. The study of investor behavior by Barber et al. (2022) shows that the termination of an American fintech broker, Robinhood, is related to the behavior of application users. According to Manson and Elkassabgi (2022), information leaks before publication indicate an increase in trade volatility that occurs immediately before news of the development of a COVID-19 vaccine is published in America. Almaqableh et al. (2022) in cryptocurrency trading show that cryptocurrency abnormal returns around terrorist activities with samples of terror events in France, Jakarta, Belgium, Turkey, Mali, Canada, England, Sweden, Iran, Colombia, Burkina Faso, Spain, New York, and Egypt. Supporting a recent study by Hu et al. (2022) with the NYSE stock sample shows that uncertainty about the size of the market impact on upcoming news is a risk of abnormal returns. Our study aims to complement previous studies by demonstrating that demonstration events can serve as another disruptive event to the capital market. The series of demonstrations in Indonesia can generate a negative response for investors in the capital market. Over the last five years, three demonstrations have brought up sensitive, controversial issues in Indonesia that have caused disruption to business-critical infrastructure and dominated local news coverage and social media.

The first demonstration was when a candidate for governor of DKI Jakarta named Basuki Tjahaya Purnama, or Ahok, carried out a campaign that was considered insulting to Islam (Mei Amelia R., 2016). We will refer to this first demonstration as the "demonstration for the prosecution of blasphemy cases." At the end of 2016, when Indonesia's political situation was heating up, it coincided with the governor's general election of the Indonesian State Capital. The Ahok case became a big issue because Indonesia has the world's largest Muslim population. In fact, thousands of masses from various cities held a grand demonstration in Jakarta, starting on November 4, 2016, demanding that Ahok be sentenced (Greg Fealy, 2016 and Mei Amelia R., 2016).

The following protest action began on October 5, 2020, when the Job Creation Law was passed (M. Rosseno Aji, 2020). We will refer to this second demonstration event as the "demonstration against the new regulations on the Job Creation Law."

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The Job Creation Law, or what can be called the Omnibus Law, was passed to solve regulatory and bureaucratic problems that occur in Indonesia. The Indonesian capital market has responded positively to the enactment of the Job Creation Law. However, the ratification of the Job Creation Law received a rejection response from the Indonesian people, especially workers, with protests against the application of the Job Creation Law because they felt it was detrimental to workers. It was not until the demonstration that the workers also staged a national strike (Hestiana Dharmastuti, 2020). The protest is a threat to capital market players to be wary of escalating and ongoing turmoil that could threaten the country's stability.

The last demonstration took place on April 11, 2022, highlighting the scarcity and rising cooking oil prices, rising fuel prices, and increasing VAT rates at almost the same time (Arrijal Rachman, 2022). We will refer to this third demonstration event as the "price increase demonstration." The protest was controversial, coupled with the existence of a public figure who became a victim of mass tantrums. An increase in prices simultaneously will have a successive effect, namely an increase in all goods and services, so that it will affect all economic sectors (Thhohirin, 2022). This price increase will affect the profitability of companies already listed on the Indonesia Stock Exchange (IDX) and cause changes in their share prices on the capital market.

The events mentioned above are disruptive and can even become a more significant distraction for capital market players because of their scope and the fact that many demonstration events occur in the center of Indonesia's national and multinational businesses, namely in Jakarta. While research on the impact of published information on capital markets is still limited, our research aims to contribute to the literature by demonstrating the effect of disruption caused by demonstrations on market returns. Bhambhwani (2022), Almaqableh et al. (2022), and Hu et al. (2022) show that there are abnormal returns on the days around the date the event occurs. Their study is also reinforced by Peress and Schmidt (2020), who show that there is potential for disruptive capital market trading when sensational news coverage is published.

Our study aims to complement previous research by demonstrating that demonstration events can serve as another disruptive event to the Indonesian capital market. Furthermore, apart from the recent work of Acemoglu et al. (2018), evidence of the impact of demonstrations on financial markets is still limited. This study will compare the three forms of demonstrations that carry different issues. In particular, Acemoglu et al. (2018) use the protests associated with the Egyptian Arab Spring to show that more intense protests against the government are associated with lower stock market valuations for politically connected companies. The main focus is studying the role of protest in politics. Because the domestic capital market has an essential role in the Indonesian economy coupled with the existence of Indonesia's cultural diversity, which causes many demonstrations, this paper aims to complement previous research (Acemoglu et al., 2018) by showing the impact of disturbances caused by demonstrations on abnormal returns of companies - Indonesian companies listed in a particular index also compare the three demonstrations on different issues.

Our research design identifies the effect of demonstration events on abnormal returns. Our study compares the returns of companies listed in the same index across three different demonstration events. Similar to studies where news publications can disrupt capital markets, as presented by Peress and Schmidt (2020). Indirect disturbances such as sensational news can affect the country's economy and companies listed on the capital market.

The steps above examine the impact of disturbances caused by demonstration events on capital market abnormal returns. Our primary empirical analysis relies on a sample of 300 Indonesian companies listed on the Kompas100 index (see Table 1) that corresponded to 292 stocks during the demonstration event. These companies are listed on the Indonesian Stock Exchange and indexed in Kompas100, which makes them quite suitable for our research, given that we can compare market returns and have good liquidity simultaneously.

As pointed out by Barber et al. (2022), Eaton et al. (2021), and Peress and Schmidt (2020), events that disrupt and disrupt stock trading but are not related to company characteristics can have a significant impact on stock trading activity and the level of liquidity. Our paper aims to examine a similar phenomenon by studying the influence of protest-induced disruptions in the heart of Indonesia's business centers on the trading activity of Indonesian stocks of Indonesian stock exchange-listed companies. Specifically, we compare market returns when demonstration events occur with three issues proxied by the average abnormal return. The advantage of this empirical design that allows us to complement the previous literature is that we can compare the differential effects of demonstration intensity on three different types of demonstrations. We find that more excellent and sustained protest intensity is associated with higher abnormal returns for demonstrations against the new Job Creation Law regulations.

We examine abnormal returns around major demonstration events. Theoretically, stock returns should be similar, considering that the company's underlying cash flows and fundamentals are the same. However, as shown by Baker et al. (2012), and De Jong et al. (2009), domestic stock returns experienced a more significant increase with the domestic market. Our empirical analysis documented negative abnormal returns with a significant 2-tailed below 0.05 around demonstrations against the new Job Creation Law regulations. In comparison, the abnormal return on demonstrations involving the prosecution of

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blasphemy cases and price increases is not significant. However, such negative abnormal returns indicate a reversal immediately after the event, which is consistent with traders exploiting arbitrage opportunities for listed companies (De Jong et al., 2009).

The results of this study are in accordance with Barber et al. (2022), Eaton et al. (2021), and Peress and Schmidt (2020) while also complementing (Acemoglu et al., 2018) our understanding of the impact of protests on the stock market. In particular, Peress and Schmidt (2020) highlight that disturbing or “sensational” news events are associated with lower trading activity. In the same sense, the value of Indonesia’s economic and political uncertainty, according to Baker et al. (2016), which derives from local news machine readings, there was a spike during demonstration events marked by violent and sustained protests. In addition, the demonstrations disrupted the operation of business-critical infrastructures, such as the destruction of public infrastructure, severe traffic jams, and security problems. Hence, workers stopped working in Jakarta’s business center and its surroundings. The above evidence further strengthens our paper’s fundamental position that demonstrations have had a significant disruptive effect in Indonesia.

In addition to research studies on the impact of disruptive information on capital markets, our research also contributes to the financial literature on investor behavior. As shown (Goetzmann et al., 2015) that there is an abnormal return when news appears and traders use it to buy stocks at low prices. As long as the news is trending, traders are optimistic that stock prices will rise after the news is no longer trending. Thus, our results can also be associated with a negative mood among investors, as evidenced by the increased mental and emotional stress during demonstration events that do not subside. This result is in line with research published in *The Lancet* (Ni et al., 2020). Our findings also complement studies (Loughran & Schultz, 2004) which highlight the importance of local events such as natural disasters and national religious holidays, which can reduce the volume of stock trading in companies in these cities. In a different sense, Ozik et al. (2021) show an increase in stock trading activity during the lockdown due to COVID-19 in the United States. In contrast, the results of our study focus on abnormal returns when demonstration events occur as a complement to the study of Ozik et al. (2021).

Additional literature on the issue of governance uncertainty as researched by Bhattacharya et al. (2017), Brogaard et al. (2020), Kelly et al. (2016), Baker et al. (2016), and Pástor & Veronesi (2013) which correlate with economic uncertainty, our paper complements the studies mentioned above by highlighting the impact of demonstration events on political uncertainty. Our study shows a negative abnormal return on the days around the date of the demonstration event. Shortly after the demonstration event, there is a return reversal. This reversal allows our research to expand the literature on arbitrage opportunities (De Jong et al. (2009) and Gagnon & Karolyi (2010)). Finally, our results complement Lee's (2011) study, which shows the impact of economic and political economic events on capital market abnormal returns.

The remainder of this paper is organized as follows. Section 2 provides details on the three demonstration events. Section 3 describes our data source and sample selection procedure and presents some descriptive evidence. Section 4 details our empirical methodology and discusses our findings. Section 5 concludes.

II. RESEARCH BACKGROUND

In this section, we provide some background on the demonstrations.

A. Demonstration Events

Demonstrations for the prosecution of religious blasphemy cases began on November 4, 2016, demanding the imposition of a sentence against Ahok, who had ignited the emotions of the Indonesian people, especially followers of the Islamic religion, resulting in demonstrations in major cities in Indonesia (Mei Amelia R., 2016). The masses demanded by calling for peaceful demonstrations for the blasphemy case. In particular, the official Market Business account revealed that the day before the demonstration, namely November 3, 2016, the JCI market responded by closing in the red zone, correcting 1.4% by 75.95 points to a level of 5,329.50, the Jakarta Composite Index (IHSG) left the 5,400 level with a close at the daily low. Along with the demonstration, the official representative of PT. Schroder Investment Management Indonesia assesses that the mass action related to allegations of religious blasphemy that has spread to the political sphere has become a negative domestic catalyst that will suppress the JCI. The following mass action on December 2, 2016, now known as the 212 Reunion, was the second demonstration aimed at prosecuting a case of religious blasphemy (Greg Fealy, 2016).

The second demonstration event was the rejection of the new regulations on the Job Creation Law on October 5, 2020. This law was conducted from a proposal by the People’s Representative Council of the Republic of Indonesia and was ratified by the President. This regulation aims to resolve regulatory and bureaucratic problems that occur in Indonesia so that it can encourage the investment climate, especially foreign investment (PMA). The Indonesian capital market has responded positively to the stipulation of this regulation. However, the ratification of the Job Creation Law received a rejection response from the Indonesian people, especially workers, by holding demonstrations to reject the application of the Job Creation Law because it was detrimental to labor groups. Not until the demonstration on the next day the workers also called for national strike action

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on October 6, 2020 (Hestiana Dharmastuti, 2020 and M. Rosseno Aji, 2020). The mass action is a threat to capital market players to be wary of increasingly heated and ongoing turmoil that could threaten the country's stability.

The third demonstration incident occurred on April 11, 2022, in Jakarta, highlighting scarcity and rising prices in almost the same period for cooking oil, fuel, and VAT rates (Arrijal Rachman, 2022 and Thohirin, 2022). World oil price fluctuations have an impact on developing countries such as Indonesia. It is noted that the Indonesian government has made adjustments (increasing or decreasing) several times to domestic fuel prices. Fluctuations in fuel prices cause turmoil in the reaction of the capital market and economic players. Fluctuations in fuel prices will have a successive effect, namely an increase in the prices of all goods and services so that it will affect all economic sectors and then cause an increase in the company's operational costs. The increase in operational costs will affect the profitability of companies listed on the Indonesia Stock Exchange (IDX) and cause changes in their share prices on the capital market.

The demonstrations above eventually reduced the theoretical basis supporting this phenomenon, namely the signaling theory that demonstration events in Indonesia contained information that could affect the capital market, so the capital market would react quickly when the market received information about events. Demonstration events are non-economic risks closely related to negative signals influencing investors' decisions in the market. The country's situation, which is currently in turmoil due to continuous and chaotic demonstrations, dramatically influences the state of the economy of the country. The state of Indonesia from political conditions is the basis for this study to determine whether there is a link between demonstration events and abnormal returns.

III. DATA AND SAMPLES

In this section, we highlight our primary data sources and expand on the sample used in this study. We end this section with descriptive statistics and normality tests.

A. Data Sources and Company Samples

We obtained daily trading data from Indonesian companies listed on the Indonesia Stock Exchange. We indexed as Kompas100 shares, adjusting the period when the demonstrations took place. We collected daily closing prices from Datastream. We started our sample with an estimated 60 days prior to the time window period, then a time window of 11 days consisting of 5 days before the start of the demonstration, the day the action occurred, and 5 days after the action. We use this sample period for four reasons. First, the estimation period is used to calculate alpha and beta, which determine risk and anticipate that the estimation period is too long. This causes bias and could have occurred in corporate action or other events in the companies included in the research sample. Second, the time window allows a relatively balanced sample of time before and after the start of the demonstration. Third, the time window involves the day before the announcement date to find out whether there is information leakage, namely whether the market has heard the information before it is announced, and to minimize the occurrence of confounding effects or changes in stock prices due to other factors outside of the observed events. Fourth, demonstration events are included in fast events whose information can be immediately absorbed by the market, so a short observation period is needed.

For a sample period of 14 weeks, we obtained data for 292 Indonesian companies registered with Kompas100. To be included in the Kompas100 index, a company must meet the indicators of liquidity, market capitalization, actual performance, and the trading model of the stock. 100 stocks have good liquidity and large market capitalization in the Kompas100 index. We limit our sample to companies active on the Kompas100 index.

The number of firms in our sample is consistent with previous research. For example, Wardhani (2012) examines studies of events over a specific time using the Kompas100 index. Similarly, we collected data from 300 Kompas100 registered companies from Datastream, which was reduced to 292 after imposing active restrictions on Kompas100 or not being suspended. Our sample adequately covers the spectrum of Kompas100 companies in the market during our study (see Table 1 for the sample selection process).

Table 1. Company Sample Selection

Description	Demonstration Event 1	Demonstration Event 2	Demonstration Event 3
Industry group:			
Natural resources	16	14	20
Manufacture	22	31	25
Service	62	55	55
Total population	100	100	100

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Data not available/inactive	5	3	-
Total sample	95	97	100

- Demonstration Event 1

Demonstration of prosecution of blasphemy cases

- Demonstration Event 2

Demonstration of rejection of the new regulations on the Job Creation Law

- Demonstration Event 3

Price increase demonstrations (increase in cooking oil prices, increase in fuel prices, and increase in VAT rates)

Studying these 292 companies is crucial because we can check their returns daily, which have good liquidity and large market capitalization. These companies can be used as a benchmark to observe the direction of market movement. Thus, investors can see trends in the direction of market movements by observing the movement of the Kompas100 index. In addition, demonstrations increase work disruption and distract employees in Indonesia from these aspects in major cities.

B. Variables

We measure returns following Chan et al. (2022), who studied the abnormal stock returns on average global stock markets that react when various phases of human clinical trials on a COVID-19 vaccine begin. The average abnormal returns from all types of stocks being carried out are analyzed daily. AAR can show a powerfully positive and negative reaction from all types of stocks on any given day during the window period.

1. Descriptive Statistics and Normality Test

We present descriptive statistics of the variables used in our study in Table 2. The dependent variable for Demonstration Event 1 has a mean AAR of -0.159692, then for Demonstration Event 2 of -0.241931, and Demonstration Event 3 of -0.090039. This variable shows that the demonstration incident brought AAR to the movement of stock prices in the Indonesian capital market.

Table 2. Descriptive Statistics

<i>Variable</i>	<i>Obs.</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>
AAR Demonstration Event 1	95	-0,159692	0,0970765	-0,4615	0,0669
AAR Demonstration Event 2	97	-0,241931	0,1114037	-0,4973	0,0416
AAR Demonstration Event 3	100	-0,090039	0,0796702	-0,3333	0,0866

Subsequently, we present the normality test in Table 3. The significance value of Asymp. Sig. (2-Tailed) for Demonstration Events 1, 2, and 3 are more significant than 0.05, or the data is typically distributed. Thus, the assumptions or requirements for normality in the Paired Sample T-Test and Independent Sample T-Test test models are fulfilled.

Table 3. Normality Test

<i>Description</i>	<i>Asymp. Sig. (2-Tailed)</i>
Demonstration Event 1:	
AAR Before	0,911
AAR After	0,718
AAR Event	0,200
Demonstration Event 2:	
AAR Before	0,788
AAR After	0,527
AAR Event	0,200
Demonstration Event 3:	
AAR Before	0,972
AAR After	0,953
AAR Event	0,200

IV. DESIGN AND EMPIRICAL FINDINGS

This section first describes the empirical method used in this study. Then it discusses our findings regarding the disturbing effect of demonstrations.

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A. Abnormal Return Around Demonstration Events

Demonstration Event 1 value Sig. (2-Tailed) of 0.184 > 0.05, then H₀ is accepted, and H_a is rejected. It was concluded that there was no difference between the AAR before Demonstration Event 1 and the AAR After Demonstration Event 1, which means that there was no influence from Demonstration Event 1 on the AAR in the capital market. Then the Demonstration Event 2, the value of Sig. (2-Tailed) of 0.003 < 0.05, H₀ is rejected, and H_a is accepted. It was concluded that there was a difference between the AAR before the Demonstration 2 Event and the AAR After the Demonstration 2 Event, which means that the Demonstration 2 Event influenced the AAR in the capital market. Then for Demonstration Event 3, the value of Sig. (2-Tailed) of 0.617 > 0.05, then H₀ is accepted, and H_a is rejected. It was concluded that there was no difference in AAR Before the Demonstration Event 3 and the AAR After Demonstration Event 3, which means that there was no influence from Demonstration Event 3 on AAR in the capital market. This is listed in table 4.

Table 4. Paired Samples Test

Description	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-Tailed)
				Lower	Upper			
-Demonstration Event 1	0,0021853	0,0159166	0,0016330	-0,0054276	0,0010571	1,338	94	0,184
-Demonstration Event 2	0,0082010	0,0264588	0,0026865	-0,0135337	-0,0028684	3,053	96	0,003
-Demonstration Event 3	0,0007830	0,0155961	0,0015596	-0,0023116	0,0038776	0,502	99	0,617

We found that before and after Demonstration Event 1, namely prosecuting the blasphemy case, and Demonstration Event 3, namely rejecting a price increase, had no impact on AAR. In contrast to before and after event 2, which significantly impacted AAR. Demonstration event 2, the action against the Job Creation Law, had a real impact on AAR. This was due to the more intense demonstrations accompanied by continued demonstrations until the following days. Taken together, our first set of findings rounds out (Acemoglu et al., 2018; Barber et al., 2022; and Eaton et al., 2021) by highlighting the impact of protests on the stock market.

B. Comparison of Abnormal Stock Returns between Events

Event 1 with Event 2 based on table 5, Sig. Levene's for Equality of Variances is 0.130 > 0.05, so it can be interpreted that the variance of the data between the AAR for Demonstration 1 and AAR for Demonstration 2 is homogeneous or the same. The interpretation of the Independent Sample T-Test is guided by the values contained in the "Equal Variances Assumed" table. The value of Equal Variances Assumed is known to be Sig. (2-Tailed) of 0.000 < 0.05, that H₀ is rejected and H_a is accepted. It was concluded that there was a significant difference between the average AAR for Demonstration Events 1 and 2. Based on the t count, it was positive 7.697 because the average AAR for Demonstration Event 1 was higher than the average AAR for Demonstration Event 2. Interpreted that the Group 2 Demonstration Event had a more significant influence on AAR than the Demonstration Event 1.

Then for Demonstration Events 1 and 3, it was found that the data variance between AAR Demonstration Event 1 and AAR Demonstration Event 3 was the same, H₀ was rejected, and H_a was accepted. There is a significant difference between the average AAR for Demonstration Events 1 and 3. Suppose you look at it based on the t count. In that case, the value is -7.762 because the average AAR for Demonstration Event 1 is lower than the average AAR for Demonstration Event 3. Demonstration Event 3 is more influential on AAR compared to Demonstration Event 1.

Lastly, Event 2 and Event 3 produced the same variance value that H₀ was rejected and H_a was accepted. A significant (real) difference exists between the average AAR for Demonstration 2 Events and Demonstration 3 Events. Based on the t count, it is positive 15.589 because the average AAR for Demonstration 3 Events is higher than the average AAR value for Demonstration 2 Events. It means that Demonstration Event 3 has a more significant influence on AAR than Demonstration Event 2.

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Table 5. Independent Samples Test

Description	Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2- Tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Event 1 with Event 2									
AAR – Equal variances assumed	2,308	0,130	7,697	381	0,000	0,0822395	0,0106840	0,0612324	0,1032466
AAR – Equal variances not assumed			7,706	375,481	0,000	0,0822395	0,0106726	0,0612540	0,1032250
Event 1 with Event 3									
AAR – Equal variances assumed	7,434	0,007	-7,762	388	0,000	-0,0696531	0,0089735	-0,0872959	-0,0520103
AAR – Equal variances not assumed			-7,723	365,950	0,000	-0,0696531	0,0090186	-0,0873879	-0,0519182
Event 2 with Event 3									
AAR – Equal variances assumed	16,937	0,000	15,589	391	0,000	0,1518926	0,0097437	0,1327361	0,1710491
AAR – Equal variances not assumed			15,499	346,787	0,000	0,1518926	0,0098001	0,1326175	0,1711676

Table 5 as a whole, Demonstration Event 3 is the event that has the highest impact on AAR compared to other events. Then the events that have an impact are ranked in the following order: Demonstration Event 2, and the position with the lowest impact on AAR is Demonstration Event 1. Demonstration Event 3 is a public protest over the increase in cooking oil prices, fuel prices, and adjacent VAT rates post-COVID-19. This was exacerbated by the finding that there were cases of rising cooking oil prices caused by officials from the Ministry of Home Affairs. This proves that the turmoil of demonstrations easily influences the domestic capital market. Our findings are in line with Bhambhwani (2022) that the intensity of demonstrations can disrupt the stock market.

V. CONCLUSION

This paper aims to provide empirical evidence of the Indonesian capital market's reaction to demonstrations. The results showed that 1 out of 3 events before and after the demonstration had an effect on the abnormal return on the Indonesian stock market. Then for comparisons between demonstration events, it was found that price increase demonstration events had the highest impact on abnormal returns compared to other demonstration events. In addition, our paper contributes to the financial literature by documenting the comparative effects of demonstration action on stock trading (e.g., Barber et al. (2022), Eaton et al. (2021), and Peress and Schmidt (2020)).

Capital market players can consider the results of this study in paying attention to investing in stocks using technical analysis. There is encouragement for investors' concerns in the capital market due to unresolved demonstrations affecting abnormal returns, as found by Goetzmann et al. (2015) and Peillex et al. (2001). Capital market participants can consider factors from demonstrations that provide signals that can affect stock prices. Capital market players may be more careful within 5 days when making transaction decisions to avoid losses due to abnormal returns.

This study has several limitations and suggestions for further research. First, the company sample focuses on companies indexed in Kompas100, so the research results cannot be generalized to all companies. Therefore, future research is expected to expand the research sample by adding other index samples. Also, this study only compared three types of events, so the results

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cannot be generalized to all similar events. Future studies may be able to observe a comparison of the impact of abnormal returns on recent events.

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