

ABSTRACT

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THE EFFECT OF ECONOMIC POLICY UNCERTAINTY TO STOCK PRICE SYNCHRONICITY IN INDONESIA

(x + 56 pages : 8 figures; 7 appendix)

The economic contraction caused by the global pandemic from 2020, impacted the shift of economic policy in every country, including Indonesia. The unstable economy encourages the government to apply several economic policies resulting in uncertainty of economic policy. On the other hand, economic contraction and unstable economic policy cause stock prices in the Indonesia Stock Exchange to fluctuate. In this thesis, the author aims to find the effect of economic policy uncertainty to the stock price synchronicity in Indonesia. Using the data provided by World Uncertainty Index (WUI) and Indonesia Stock Exchange for every firm in the stock market, excluding the financial firms. This research is conducting the data in Indonesia for the time period from 2009 to 2019. There are two results from this research. The first result is economic policy uncertainty does not influence the stock price synchronicity. The second result is institutional investors do not influence negatively or positively the impact of economic policy uncertainty to stock price synchronicity.

Keywords: Economic policy uncertainty, institutional investors, stock price synchronicity, analysts tracking.

References: 97 (1943-2021).