

Market Reaction Of Telecommunication Companies Before And After The Passing Of The Omnibus Law On Job Creation

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ARTICLE INFO

Article history :

Received:

14 Oktober 2025

Revised:

31 Maret 2026

Accepted:

31 Maret 2026

ABSTRACT

This study analyzes and examines the reaction of the Indonesian capital market to the passing of Omnibus Law on Job on October 5, 2020. The study uses an event study approach focusing on abnormal returns and trading volume activity (TVA). The study utilizes secondary data from 13 telecommunications companies listed on the Indonesia Stock Exchange (IDX). The data was obtained from financial reports on the official IDX website and from other relevant sources for research purposes. The observation period was conducted for 10 days before and 10 days after the event. Hypothesis testing was done using one-sample t-test and paired sample t-test, accompanied by normality tests for the data. The results show a significant reaction in abnormal returns, but not in TVA. The Indonesian capital market is relatively inefficient in processing information related to the passing of the Omnibus Law because the market took a longer time to reflect the information in trading volume activity. The research findings support signaling theory, suggesting that public information affects investor perception. This study provides important insights into market reactions to major events, especially in the political domain, and supports future research on event studies.

Keywords: Job Creation; event study; abnormal return; trading volume activity; market efficiency

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INTRODUCTION

The capital market can be an alternative option for companies to maximize excess funds owned by investors, which can be invested in the company to meet its funding needs, while investors receive their desired returns (Hafidz & Isbanah, 2020). The capital market plays an important role because it serves as an indicator of a country's economic progress and contributes to supporting economic development and growth. This is due to the functions of the capital market, which carries out two main roles: first, as a means of business financing or as a means for companies to obtain funds from the investing public (investors) (Pitoy et al., 2022). For companies, the capital market can be used as a means to obtain funding or capital from various investors to support business growth. Market reactions are reflected in the changes in the prices of the related securities. These reactions can be measured using returns as the value of the price changes or by using abnormal returns (Lukman et al., 2022).

The capital market is one of the economic instruments that is inevitably influenced by various developments or events, whether economic or non-economic in nature. Similarly, stock price movements in the capital market can also be driven by non-economic factors, such as political events. Essentially, political events are not directly related to the operations of the capital market. However, political events can have a direct impact and influence the rise and fall of stock prices in the market (Herlina & Heliani, 2022). Events that occur in Indonesia can influence the capital market not only from economic factors but also from non-economic factors, such as political events. Essentially, political events are not directly related to capital market activities. However, political events can have a direct impact and influence the fluctuations of stock prices in the capital market. This can serve as one of the considerations for investors when making decisions about whether or not to invest their capital (Indriani & Mariana, 2021).

The Omnibus Law is a regulation established by the government and is often regarded as a controversial rule. One of the political phenomena whose informational content needs to be examined is the passing of the Job Creation Law (UU Cipta Kerja) on October 5, 2020. The law was passed by the People Representatives Assembly in a plenary session. On the other hand, the passing of the Job Creation Law had a positive impact on the Indonesia Composite Stock Price Index (IHSG). The IHSG is an index that reflects the average stock prices of all shares listed on the Indonesia Stock Exchange (IDX) (Herlina & Heliani, 2022). Omnibus Law comes from the words "Omnibus" and "Law." "Omnibus" itself is derived from the Latin word *omnis*, which means all or many. Meanwhile, "law" refers to legal regulations. The Omnibus Law is a new regulation that consolidates around 80 other laws. This new regulation became official after being signed by the president on November 2, 2020. The purpose of the Omnibus Law is to improve the investment climate and boost consumption. One of the policies implemented by the government is a fiscal policy related to taxation regulations.

The Omnibus Law provides several tax facilities aimed at fostering equality and fairness in doing business (Herlina & Heliani, 2022). Regulations related to investment

have already been established through Law Number 25 of 2007 concerning Investment. The restructuring of investment-related regulations using the Omnibus Law concept in 2020 was intended to prepare a law on job creation, including provisions and tax incentives aimed at strengthening Indonesia's economy. Therefore, research is needed on the capital market's reaction to the enactment of the Job Creation Law in 2020 (Indriani & Mariana, 2021).

In his inauguration speech on October 20, 2019, President Joko Widodo announced his plan to formulate the Omnibus Law in collaboration with the People's Representative Assembly of Indonesia (DPR). Jokowi mentioned that two laws would be included within it: the Job Creation Law and the MSME Empowerment Law (Kompas, 2020). The Job Creation Law, or Law Number 11 of 2020 concerning Job Creation (commonly referred to as the Job Creation Law or UU CK), is a law in Indonesia that was passed on October 5, 2020, by the DPR and officially enacted on November 2, 2020. Its purpose is to create employment opportunities and increase both foreign and domestic investment by reducing regulatory requirements for business permits and land acquisition (Pitoy et al., 2022).

On the other hand, the passing of the Job Creation Law (Omnibus Law) had a positive impact on the Indonesia Composite Stock Price Index (IHSG). The IHSG is an index that reflects the average prices of all stocks listed on the Indonesia Stock Exchange (IDX). The movement of IHSG stock prices before, during, and after the enactment of the Omnibus Law indicates a market response to the event. On October 6, 2020, the IHSG rose by 0.92% or 45 points, reaching the level of 5,004.39 (Herlina & Heliani, 2022).

The Omnibus Law has a positive impact on the national telecommunications industry (Jati, 2020). This is because, under the law, telecommunications operators are allowed to share spectrum, passive infrastructure, and active infrastructure through a cooperation scheme. The provisions on passive infrastructure sharing ensure fairness, equity, and non-discrimination in providing communication services while still prioritizing business agreements. This has a positive impact on both companies and society. The reason is that, in the past, people living in certain areas or buildings with specific agreements with operators could not choose their preferred operator. The impact on telecommunications companies is the accelerated deployment of telecommunications infrastructure. The Vice Chairman of the Indonesian Telecommunications Service Providers Association (ATSI) believes that the Omnibus Law will help improve the health of the national telecommunications industry, as spectrum sharing will make telecommunications companies more efficient (Atmoko, 2020).

Abnormal return is the difference between actual return and expected return. AR is used to determine whether an event contains news information and also to test market performance. Trading volume activity is used to determine whether the content of information from an event can be utilized by investors to make trading decisions (Herlina & Heliani, 2022). Market reactions are reflected in changes in the prices of the related securities (Lukman et al., 2022). These reactions can be measured using returns as the value of price changes or by using abnormal returns.

Previous research on information content has been widely conducted. A prior study concluded that there was no difference in the average abnormal return, TVA, and security return variability in state-owned bank companies listed in the LQ45 index before and after the enactment of the Omnibus Law on Job Creation (Herlina & Heliani, 2022). This is due to the market's lack of sensitivity to the event of the enactment of the Job Creation Law (Indriani & Mariana, 2021). It shows that there is a significant difference in the average between the period before and after the enactment of the Omnibus Law on Job Creation. However, there is no significant difference in the average trading volume activity between the period before and after the enactment of the Omnibus Law on Job Creation (Pitoy et al., 2022). It shows that the event of the passing of the Omnibus Law on Job Creation into law contains information that causes the market to react.

Based on this event, the author is interested in conducting a test on the information from an event in the stock exchange activity with the title "Stock Price Reaction of Telecommunication Companies Before and After the Passing of the Omnibus Law on Job Creation." This study aims to analyze the stock price reactions of Indonesian telecommunication companies to abnormal returns and trading volume activity before and after the passing of the Job Creation Law. This research is expected to provide useful data and information for market participants regarding market conditions in the event of similar occurrences that may affect the capital market, so it can be used as a reference for investment decision-making.

THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES

Signaling Theory

Signaling theory assumes that investors act based on the information they receive (Hafidz & Isbanah, 2020). This theory suggests that information published by the media, companies, or the government serves as a signal for investors in making investment decisions. If the information has a positive value, the market will react when the information is received. Once the information is published and all market participants have received it, they will first analyze the information as either a good or bad signal (Herlina & Heliani, 2022).

Capital Market

In general, the capital market can be defined as a market that buys and sells products in the form of abstract funds. In its concrete form, the products traded in the capital market are securities in the stock exchange (Islami & Sarwoko, 2012). In its economic function, the capital market offers an opportunity to bring together two interests: those who have capital and those who need capital (Herlina & Heliani, 2022). The capital owners or investors can invest their funds with the expectation of gaining profits in the future, while the company can use these funds to support its operations and growth without having to wait for the company to have available funds. In terms of finance, the capital market

provides opportunities for generating profits for fund owners based on the characteristics of the chosen investment (Herlina & Heliani, 2022).

Omnibus Law

Omnibus Law is a law that regulates everything within a certain field (Herlina & Heliani, 2022). The Omnibus Law or the Job Creation Law was passed by the People Representative Assembly (DPR) of the Republic of Indonesia on October 5, 2020, and approved by the president, then promulgated on November 2, 2020. One of the objectives of the Job Creation Law, based on Law No. 12 of 2010 on Job Creation, Chapter II, Article 3, is to create job opportunities and increase both foreign and domestic investments by reducing regulatory requirements for business licenses and land acquisition (Pitoy et al., 2022). The Omnibus Law on Job Creation aims to make adjustments related to increasing investment, facilitating, and accelerating national strategic projects (Indriani & Mariana, 2021).

Since the discussion process until the enactment of the Omnibus Law on Job Creation (UU Cipta Kerja), there has been rejection and condemnation of this regulation from civil society, especially labor groups, activists, environmentalists, and human rights advocates, leading to demonstrations in various regions. This rejection occurred because the public believes that the Omnibus Law on Job Creation brings negative impacts to society and the environment and tends to favor capital owners. Furthermore, the law is considered lacking in transparency from the start, dominated by the interests of business owners, and has the potential to lead to the centralization of power in the central government.

Corporate Action

Corporate action is a significant activity of a company that can affect the number of shares outstanding or stock movements (Hermuningsih, 2019). The decision to carry out a corporate action or not is determined by a general meeting of shareholders or an extraordinary general meeting of shareholders. (Indriani & Mariana, 2021). Corporate actions include rights issues, stock splits, dividend distributions, bonus shares, mergers, acquisitions, spin-offs, Initial Public Offerings (IPOs), and additional listings.

Event Study

An event study is an occurrence that contains information published as an announcement and is used to assess the information content of an event that may affect the market in a semi-strong form (Indriani & Mariana, 2021). An event study in the field of capital markets is an empirical study conducted to analyze the impact of a particular event on a country's capital market (Suganda, 2018). Any event, regardless of the field in which it occurs, can be examined for its influence on the capital market through an event study.

Abnormal Return

Abnormal return is the difference between the actual return and the expected return (Herlina & Heliani, 2022). That means abnormal return is the excess over the actual return. Information can be considered valuable to investors if it triggers a reaction to conduct transactions in the capital market, and abnormal return is one of the indicators that can be used to observe the current state of the market (Cheng & Christiawan, 2011).

Trading Volume Activity

Trading Volume Activity (TVA) is the ratio between the number of shares traded during a certain period and the number of outstanding shares at that time (Herlina & Heliani, 2022). TVA can serve as a tool for investors to predict future stock price movements. A high TVA indicates that the trading volume of shares is high or that the stock is favored by investors.

The Relationship between the Abnormal Return Variable and the Event of the Passing of the Omnibus Law on Job Creation 2020 for Telecommunication Companies Listed on the Indonesia Stock Exchange (IDX)

A market that responds to information in order to reach a new equilibrium price is very important. Since information causes price changes, returns will also change, investor perceptions will shift, and investment decision-making will be affected (Herlina & Heliani, 2022). Abnormal return can occur due to a difference between actual return and expected return. Abnormal return can be either positive or negative (Indriani & Mariana, 2021).

If the actual return is greater than the expected return, then the abnormal return is positive, and vice versa. In line with signaling theory, the passing of the Job Creation Law/Omnibus Law became a phenomenon that investors considered and that influenced their investment decisions, leading to abnormal returns. Supported by one prior study, there is a significant difference in average abnormal returns between the period before and after the passing of the Job Creation Law (Indriani & Mariana, 2021).

H1. *There was a market reaction to the news of the passing of the Omnibus Law on Job Creation, as reflected by the significant abnormal return during the event period.*

The relationship between the Trading Volume Activity variable and the Enactment of the 2020 Omnibus Law on Job Creation Event for Telecommunications Companies Listed on the Indonesia Stock Exchange (IDX)

Event study analysis can be conducted using the TVA ratio indicator. This is because TVA is able to show market reactions through stock trading volume movements (Indriani & Mariana, 2021). The larger the transaction volume, the more informative the news received by investors, which can lead to decisions to buy or sell stocks (Hafidz & Isbanah, 2020). Supported by research conducted by (Pitoy et al., 2022) there is a significant difference in trading volume activity between the periods before and after the passing of the Omnibus Law on Job Creation.

H2. *There was a market reaction reflected in the significant difference in trading volume activity before and after the announcement of the passing of the Omnibus Law on Job Creation.*

RESEARCH METHODS

This research uses a quantitative research type with an event study design. Event study analyzes the impact of an event on a country's capital market. In other words, this study is conducted to investigate the market's reaction to an event (Suganda, 2018). The type of data used in this research is secondary data. Secondary data in the form of numbers includes the annual financial reports of telecommunications companies that meet the research criteria. The data source is obtained from the Yahoo Finance website (<http://finance.yahoo.com>).

The data collection method used in this study is the documentation method, which involves recording aspects related to the object of the study. the event to be tested in this research is the passing of the omnibus law on job creation on October 5, 2020. the estimation window is set for 30 days before the anticipation date. The anticipation date is 10 days before the event occurs and the adjusted date is 10 days after the event takes place.

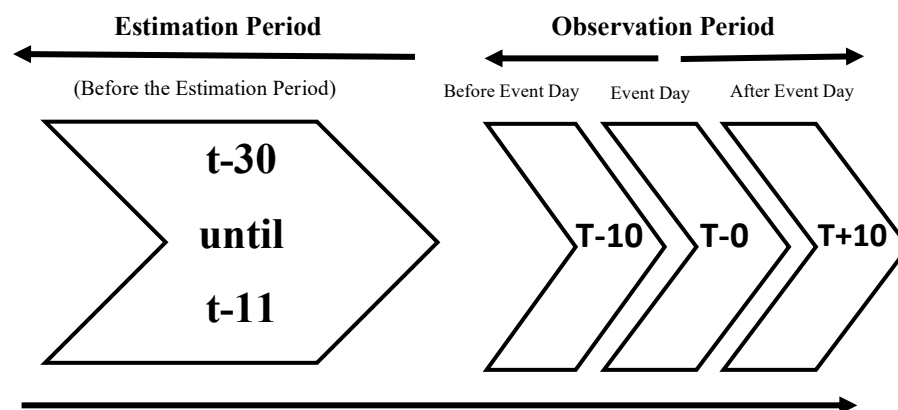


Figure 1 Windows Date
Source: Data Processed (2025)

Data Selection and Collection Approach

The population used in this study consists of all telecommunications companies whose stocks are listed on the Indonesia Stock Exchange (IDX) during the research period. The research sample includes 13 telecommunications companies that meet the criteria to be included as research samples, namely those whose stocks are actively traded and have complete stock price data for the period before and after the passing of the Omnibus Law on Job Creation. The research indicators are abnormal return and Trading Volume Activity. If the test results show a significant difference between the period before and after the event, it can be concluded that the event, as the subject of the research, contains information that can trigger a market reaction.

Table 1 List of Telecommunication Companies
Sample List of Telecommunications Companies Listed on the IDX

NO	Company Code	Company Name
1	TLKM	PT Telkom Indonesia Persero Tbk
2	ISAT	PT Indosat Tbk
3	EXCL	PT XI Axiata Tbk
4	FREN	PT Smartfren Telecom Tbk
5	JAST	PT Jasmita Telekomindo Tbk
6	KBLV	PT First Media Tbk
7	LINK	PT Link Net Tbk
8	BALI	PT Bali Towerindo Sentra Tbk
9	GHON	PT Gihon Telekomunikasi Indonesia
10	GOLD	PT Visi Telekomunikasi Infrastruktur Tbk
11	LCKM	PT LCK Global Kedaton Tbk
12	TBIG	PT Tower Bersama Infrastructure Tbk
13	TOWR	PT Sarana Menara Nusantara Tbk

Source: Idx.co.id (2025)

Variables and Operational Definitions

Actual stock return is the rate of return on a stock from an investment made through an investment portfolio. The actual stock return is formulated as follows (Suganda, 2018):

$$R = \frac{P_t - (P_{t-1}) + D}{P_{t-1}} \dots \dots \dots (1)$$

Note:

- R = Stock Return
- P_t = Stock price at period t
- D = Dividend
- P_{t-1} = Stock price at period t-1 (previous period)

Expected return using the market adjusted model estimation is formulated as follows (Suganda, 2018):

$$R_i = \frac{(IHSG_t - IHSG_{t-1})}{IHSG_{t-1}} \dots \dots \dots (2)$$

Note:

R_i = Return of stock i in period t

$IHSG_t$ = Stock price i in period t

$IHSG_{t-1}$ = Stock price i in period t-1

Abnormal return is calculated using the following formula (Suganda, 2018):

$$AR_{i,t} = R_{i,t} - R_i \dots\dots\dots(3)$$

Note:

$AR_{i,t}$ = Abnormal return of stock i in period t

$R_{i,t}$ = Return rate of stock i in period t

Trading Volume Activity is calculated using the following formula (Suganda, 2018):

$$TVA = \frac{\text{Volume of shares traded}}{\text{Total outstanding share}} \dots\dots\dots(4)$$

Framework of Thinking

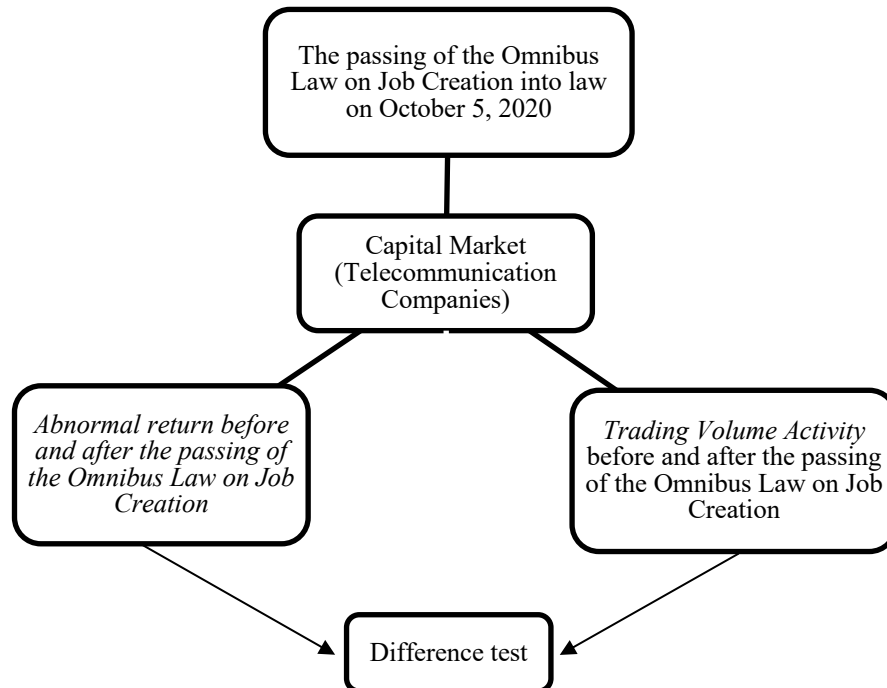


Figure 2 Framework Thinking
Source: Data Processed (2025)

Type of Statistical Test

The data analysis technique used is the one-sample t-test and the paired sample t-test using SPSS software. The one-sample t-test is used to determine whether a specific value used as a comparison significantly differs from the mean of a sample (Suganda, 2018). In addition, a normality test is also conducted on the data obtained to determine whether, in the regression model, the disturbance or residual variables have a normal distribution (Suganda, 2018). The paired sample t-test indicates whether the paired samples experience a meaningful change. The results of the paired sample t-test are determined by the significance value (Pitoy et al., 2022).

RESULTS AND DISCUSSIONS

Hypothesis 1 Test: Abnormal Return

Table 2 One Sample t-Test Abnormal Return

Day	AAR	t-statistics	Sig. (2-tailed)	Description
t-10	-0,01069	-1,713	0,112	Not Significant
t-9	0,00946	1,840	0,091	Not Significant
t-8	-0,00233	-0,801	0,439	Not Significant
t-7	0,00392	0,193	0,851	Not Significant
t-6	0,00250	0,953	0,359	Not Significant
t-5	0,03829	1,734	0,108	Not Significant
t-4	0,01517	1,217	0,247	Not Significant
t-3	-0,00821	-1,306	0,216	Not Significant
t-2	-0,00955	-0,502	0,624	Not Significant
t-1	0,00483	0,284	0,782	Not Significant
t0	0,03759	1,417	0,182	Not Significant
t+1	0,00971	0,597	0,561	Not Significant
t+2	-0,01667	-2,015	0,067	Not Significant
t+3	0,00621	0,073	0,943	Not Significant
t+4	-0,00432	0,057	0,956	Not Significant
t+5	-0,00073	0,107	0,916	Not Significant
t+6	-0,01176	-3,057	0,010	Significant
t+7	-0,00031	0,184	0,857	Not Significant
t+8	0,01194	0,986	0,343	Not Significant
t+9	0,00637	0,583	0,571	Not Significant
t+10	-0,01295	-2,945	0,012	Significant

Source: Data Processed (2025)

The results of the One-Sample t-Test abnormal return in the One-Sample Test are significant. There are two days after the event date that yield a Sig. (2- tailed) value < 0.05,

which are 0.010 for t+6 and 0.012 for t+10. The periods t+6 and t+10 have negative t-statistic. From these results, it can be concluded that there is a negative market reaction to the passing of the Omnibus Law on Job Creation during the t+6 and t+10 periods. Therefore, hypothesis one is accepted.

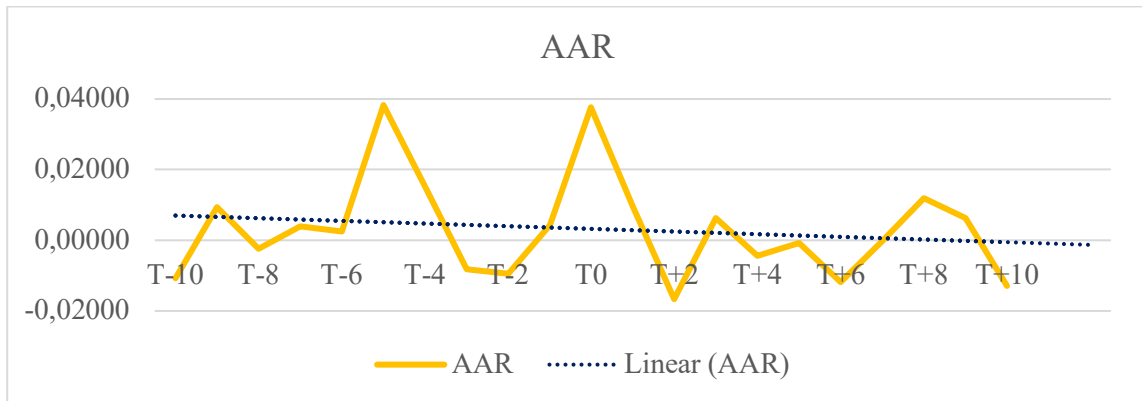


Figure 3 Average Abnormal Return

Source: Data Processed (2025)

Figure 3 shows that the AAR fluctuates between negative and positive positions, indicating variation in the AAR data during the observation period. The chart shows the fluctuation of AAR from day t-10 to t+10. There are several positive peaks, such as on days t-9, t-5, t+3, and t+8. Then, there are several declines to negative values, such as on days t-10, t-8, t-3, t+2, t+6, and t+10.

The first hypothesis established by the researcher in this study is that there is a market reaction to the news of the passing of the Omnibus Law on Job Creation, reflected in a significant abnormal return during the event period. The results of the one-sample t-test conducted on the abnormal return data show that there is a significance on the sixth and tenth days after the event date. This finding is in line with the signaling theory, which states that information with either positive or negative value will cause the market to react when the market receives the notification.

The findings related to the significance of abnormal return in this study are supported by two previous studies by (Indriani & Mariana, 2021) and (Pitoy et al., 2022). They found that there was a significant difference in the average abnormal return between the period before and after the ratification of the Omnibus Law on Job Creation. The significant difference in abnormal return values indicates that the market responded to the passing of the Omnibus Law on Job Creation, leading to a change in investors' perception of the stock value of telecommunication companies on the IDX.

The results of the one-sample t-test show that the passing of the Omnibus Law on Job Creation acted as a negative signal (bad news) for investors to invest in telecommunications companies. However, according to some news and expert perspectives, the passing of the Omnibus Law on Job Creation should have had a positive impact on telecommunications companies. This difference could be due to the large-scale protests across Indonesia from academics and the general public at the time of the passing

of the law. The significance of the abnormal return indicates that the Indonesian capital market is quite sensitive to political events that have an impact on the economy. In this case, it is the passing of the Omnibus Law on Job Creation.

Hypothesis 2 Test: Trading Volume Activity (TVA)

Table 3 One-Sample Kolmogorov Smirnov Test

Day	ATVA Before	Day	ATVA After
t-10	0,014185	t+10	0,080818
t-9	0,015324	t+9	0,038225
t-8	0,014649	t+8	0,036322
t-7	0,014703	t+7	0,013903
t-6	0,047333	t+6	0,013213
t-5	0,040526	t+5	0,037195
t-4	0,053518	t+4	0,028653
t-3	0,028482	t+3	0,018106
t-2	0,040615	t+2	0,008994
t-1	0,028260	t+1	0,023276
Mean	0,29760		0,029870
Std. Deviation	0,0149700		0,0208498
Asymp. Sig. (2-tailed)	0,652		0,589
Asymp. Sig. (2-tailed)		0,621	

Source: Data Processed in SPSS (2025)

The results of the Normality Test for trading volume activity using the Kolmogorov-Smirnov test show a significance value of 0.652 for the pre-period and 0.589 for the post-period, with an average of 0.621. The Normality Test results indicate a significance probability >0.05 . Based on these results, it can be seen that the hypothesis test can be conducted using the t-Test, specifically the Paired Sample t-Test.

Table 4 Paired Sample t-Test TVA

	ATVA After – ATVA Before
Std. Deviation	0,0304789
Sig. (2-tailed)	0,991

Source: Data Processed in SPSS (2025)

The result of the Paired Sample t-Test for trading volume activity shows a Sig. (2-tailed) value of 0.991. The obtained value is higher than the specified probability value of 0.05. This result provides information that there is no effect from the passing of the Omnibus Law on Job Creation on telecommunication companies.

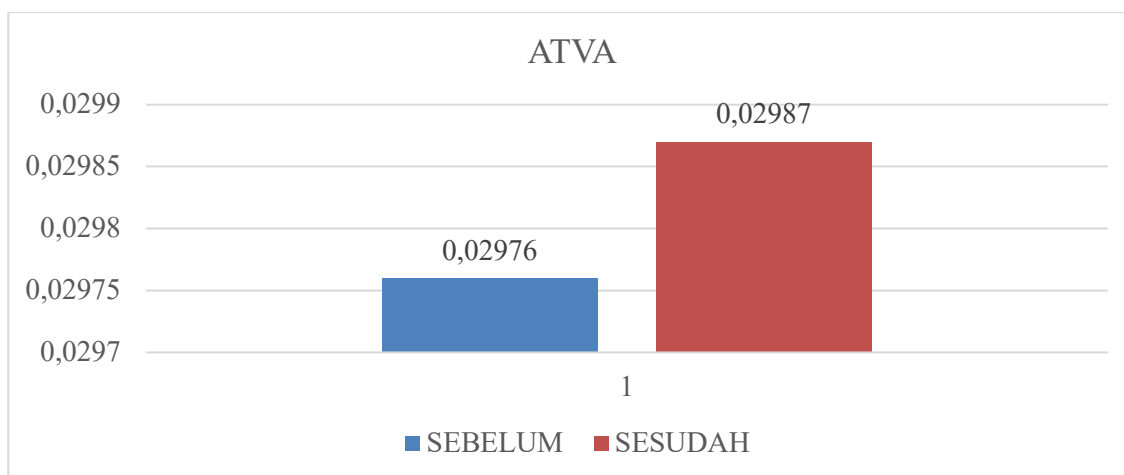


Figure 4 Average Trading Volume Activity (ATVA)

Source: Data Processed (2025)

The chart above shows the comparison of the average trading volume activity (ATVA) before and after the passing of the Omnibus Law on Job Creation on October 5, 2020. Before the passing of the Omnibus Law on Job Creation, the resulting ATVA was 0.02976, whereas after the passing, the resulting ATVA was 0.02987. Therefore, the ATVA after the event date is higher compared to the ATVA before the event date.

The second hypothesis established by the researcher in this study is that there is a market reaction reflected in a significant difference in trading volume activity before and after the announcement of the passing of the Omnibus Law on Job Creation. The research data shows an increase in ATVA between the periods before and after the event. However, based on the results of the paired sample t-test, the market did not react to the event, and the difference in TVA was not significant. Therefore, the second hypothesis is rejected.

The results of this study differ from those of the research conducted by Pitoy et al. (2022) which indicates that a market reaction occurred, as reflected by a significant difference in TVA before and after the passing of the Omnibus Law on Job Creation. This study found that the impact of the event on TVA was not as strong as its impact on abnormal return. This suggests that although the information was received and responded to by the market, not many investors immediately changed their trading activity.

The market requires more time to respond to changes in TVA. The information regarding the passing of the Omnibus Law on Job Creation has been received by investors, but the decision to buy or sell stocks may require additional time for more in-depth analysis. In this case, although there is a reaction in terms of abnormal return, the change in trading volume is not immediately significant. This indicates that the Indonesian market is less efficient in responding to the event of the ratification of the Job Creation Law.

CONCLUSION, SUGGESTION, AND LIMITATION

Conclusion

This study found that the passing of the Omnibus Law on Job Creation triggered a response in the Indonesian capital market, as reflected in the abnormal return values. These findings support the reliability of signaling theory, which states that information disseminated to the public has a direct impact on investor perception. The passing of the Omnibus Law on Job Creation should have been a positive signal for investors, as the regulation benefits telecommunications companies. However, the test results showed a significant negative difference in the average abnormal return (AAR) during the post-event period. This occurred because investor perception tended to be negative toward the Job Creation Law, which faced strong public opposition across Indonesia.

The passing of the Omnibus Law on Job Creation did not have a directly significant impact on trading volume, as reflected in the results of the TVA test. The Indonesian capital market, which is classified as a semi-strong efficient market, showed limited efficiency in responding to this event. The market required a longer time to reflect the information in trading volume activity. This study contributes to event study research in the Indonesian capital market, particularly in the context of market reactions to political events in Indonesia. Changes in trading behavior in the Indonesian capital market take a longer time to become significant, and thus, these findings contribute to the literature on the sensitivity of the Indonesian capital market.

In addition, the development of theories regarding market efficiency in Indonesia has the potential to grow, especially when triggered by major events. Furthermore, research on the capital market's reaction to the passing of the Omnibus Law on Job Creation is expected to serve as a foundation for future studies to further explore the impact of other political events on various business sectors in the capital market. This research also provides practical implications by offering guidance to investors in making investment decisions based on market reactions to political events. The scope of this study, which is limited to telecommunications companies, opens up opportunities for future research to include a broader range of business sectors.

Suggestion

This study is limited in terms of its narrow focus on telecommunications sector companies and the short observation period. It is recommended that future research involve a wider range of sectors and extend the observation period to provide a clearer and more in-depth analysis of the capital market's reaction to an event. Furthermore, future studies are advised to include additional variables such as average security return variability to improve the accuracy of market reaction predictions and to gain a more comprehensive understanding of how the market responds to specific events.

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