



Analysis of the Impact of The India–Pakistan War on Abnormal Return and Trading Value Activity (TVA) of LQ45 Stocks

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ABSTRACT

This study aims to analyze the impact of the war between India and Pakistan on abnormal return and trading value activity (TVA) of stocks listed in the LQ45 index on the Indonesia Stock Exchange (IDX). The research applies an event study methodology with a 7-day observation window (−3, 0, +3) around three major events: the Pahalgam attack on April 22, 2025, Pakistan's retaliatory strike on India on May 7, 2025, and the claim of Pahalgam assailants' killing on July 28, 2025. The sample consists of 45 LQ45 companies, and the analysis techniques include normality test, average abnormal return (AAR), cumulative average abnormal return (CAAR), and paired sample t-test. The results indicate that certain events generated significant abnormal returns on specific days; however, in general, there was no significant difference before and after the events for most stocks. Meanwhile, TVA analysis shows an increase in trading activity during the conflict, although the paired sample tests were not significant in most periods. These findings suggest that Indonesian investors tend to respond selectively to geopolitical conflicts, with reactions more reflected in trading volume fluctuations rather than stock price movements.

Keywords: India–Pakistan War; Abnormal Return; Trading Value Activity; Event Study, LQ45

Field: Financial Management; Capital Market; Investment Analysis; Stock Market/Securities; Event Study; Behavioral Finance

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INTRODUCTION

Capital markets play a vital role in the economy by helping to mobilize funds for investment. A nation's capital market performance is often influenced by shifting political, economic, and social conditions worldwide. As part of the global financial system, capital markets are highly susceptible to various events, particularly geopolitical ones, that can heighten market uncertainty. Conflicts, wars, or political tensions can affect investors well beyond the countries directly involved. This stems from the human tendency, as social beings, to react to changing circumstances perceived as threats to social and economic stability, including the stability of investments. Investors, as key participants in capital markets, react to any new information that emerges; international geopolitical events are a prime example of information that can trigger market volatility.

The conflict between India and Pakistan stands out as one of the most significant geopolitical issues in Asia. The two nations have a long-standing dispute, centered largely on the Kashmir issue, that has repeatedly led to military tensions. Outbreaks of war or armed clashes between India and Pakistan generate economic uncertainty that can impact capital markets in neighboring regions, including Indonesia, while also affecting the political and security landscape of the area.

The 2025 India-Pakistan conflict emerged as a major geopolitical issue that not only affected the nations involved but also sparked uncertainty across global capital markets. Escalating political tensions, military strikes, and international political responses led investors to perceive increased risk in stock trading activities. For developing nations like Indonesia, capital markets are particularly sensitive to global sentiment. In today's global economy, financial market stability is heavily influenced by geopolitical dynamics. International events, such as

military conflicts, economic sanctions, or socio-political pressures on a specific country, can create uncertainty that directly impacts capital flows and the prices of financial assets, including stocks.

The war that broke out on May 7, 2025, heightened tensions between the two nations and had far-reaching consequences, including impacts on global financial markets. Since India and Pakistan gained independence in 1947, conflict has affected the geopolitical stability of South Asia. Protracted conflict, particularly regarding the Kashmir region, has frequently led to economic instability and volatility in global financial markets. This has not only impacted the domestic stock indices of both nations but also created uncertainty in the financial markets of other countries, including Indonesia. The following is Indonesia's trade balance with India:



Figure 1. Indonesia-India Non-Oil and Gas Trade Balance

Indonesia recorded a non-oil and gas trade surplus with India, the United States, and the Philippines. This means the value of Indonesia's exports to these three countries exceeded its imports from them. India ranked second, with a surplus of USD 1,814.1 million (Exports: USD 2,471.1 million; Imports: USD 657.0 million). Commodities traded between Indonesia and India include coal, palm oil, iron, copper ore, sugarcane, sugar, nuts, meat, and pharmaceutical products. Meanwhile, regarding the Indonesia-Pakistan trade balance:

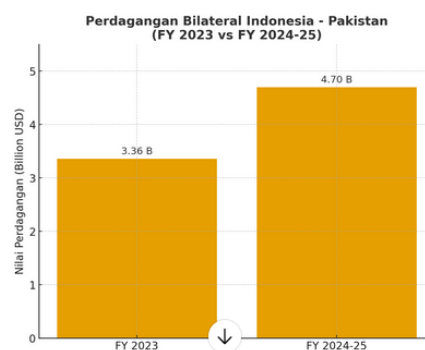


Figure 2. Indonesia-Pakistan Trade Balance

The value of trade between Indonesia and Pakistan was recorded at USD 3.36 billion in 2023. It rose to USD 4.70 billion in 2024–25, representing an increase of approximately 39.9% (USD 1.34 billion). The graph shows a positive growth trend, indicating that trade relations between the two countries are strengthening. This surge reflects increased demand, particularly in key commodity sectors such as Indonesian palm oil, which dominates exports to Pakistan. Commodities traded between Indonesia and Pakistan include palm oil, man-made fibers, paper products, chemical products, and plastics.

As previously mentioned, the stock markets of India and Pakistan have also been affected by the war, particularly regarding the export sectors for crude palm oil (CPO) and coal, Indonesia's primary exports. Demand for these commodities can be influenced by economic instability caused by the war. Stock price movements and trading activity on the Indonesia Stock Exchange (IDX) can reveal shifts in investor sentiment resulting from geopolitical tensions, such as the conflict involving India and Pakistan. The LQ45 Index, comprising the 45 most liquid and large-cap stocks in Indonesia, serves as an indicator that reflects overall stock market conditions.

The LQ45 Index was selected as the object of this study because it consists of stocks characterized by large market capitalization and high liquidity, and it is representative of market conditions. This index serves as a primary benchmark for both institutional and individual investors. Consequently, any geopolitical shock has the potential to influence the share prices and trading volumes of LQ45 stocks.

In the investment world, geopolitical events hold significant potential to influence investor behavior, particularly regarding decision-making concerning risky assets. Uncertainty stemming from armed conflict often leads to capital flight or significant shifts in stock trading patterns. This is reflected in abnormal returns and trading volume activity (TVA); stocks within the LQ45 index may experience unusual surges or declines driven by market sentiment affected by the conflict. Consistent with Jaya et al. (2024), geopolitical conflicts can significantly boost trading volume activity, even if not always accompanied by significant abnormal returns, indicating a distinct investor response.

Several studies have examined the impact of specific events on abnormal returns and trading volume activity. Nurhaflah Soraya (2023) conducted an event study on LQ45 stocks surrounding the declaration of the Russia-Ukraine war. The findings indicated that while certain sectors (such as mining, finance, consumer goods, and real estate) exhibited significant differences in abnormal returns (AR), the overall market reaction to the war was relatively insignificant.

Meanwhile, Tambunan, Saerang, and Wenas (2023), as well as Kurniawan and Sudirman (2023), conducted research on the energy sector within the IDX. They found significant differences in AR and TVA when comparing the periods before and after the Russia-Ukraine invasion.

Regarding the impact of geopolitical events on capital markets: first, market uncertainty is often triggered by political events such as elections, large-scale demonstrations, interstate conflicts, or controversial economic policies. Second, regarding changes in stock returns, investor concerns about future economic conditions, fueled by political tensions, can negatively affect stock returns. Gunawan et al. (2022) examined how global geopolitical tensions affect Indonesian stock returns and found that during periods of international political uncertainty, such as the Russia-Ukraine conflict, stock returns tend to decline.

Third, the emergence of abnormal returns. When significant political events occur, capital markets often experience abnormal returns, defined as the difference between actual returns and expected normal returns. In their study, Septyana et al. (2023) demonstrated that the Russia-Ukraine conflict had a negative impact on abnormal returns at the Indonesia Stock Exchange, particularly regarding LQ45 stocks.

Fourth, increased trading activity. Driven by investor tendencies toward speculation or panic selling, political events also lead to a surge in trading activity. Rizki et al. (2021) showed that global geopolitical conflicts increased transaction values and trading volumes for energy stocks on international exchanges, both on the day of the event and in the days immediately following.

Previous studies have demonstrated market reactions to political events, such as the Russia-Ukraine conflict, Brexit in the UK, and the US-China trade war. However, research findings have been mixed; some studies identified significant abnormal returns, while others did not. This indicates a research gap that warrants further investigation. Consequently, this study aims to answer the following question: did the 2025 India-Pakistan conflict influence abnormal returns and trading volume activity for LQ45 stocks on the Indonesia Stock Exchange?

LITERATURE REVIEW

Signaling Theory

Signaling theory stems from the issue of information asymmetry—a situation where one party in a transaction possesses more or better information than the other. First introduced by Michael Spence (1973) within the context of the labor market, the theory has since expanded significantly into the fields of economics, finance, and management.

According to Connelly et al. (2011), signaling mechanisms comprise three main components: (1) Signaler: the party possessing the information (typically corporate management). (2) Signal: the action or information communicated (e.g., dividend announcements, CSR spending, or auditor selection). (3) Receiver: the party that receives and interprets the signal (e.g., investors or consumers).

Efficient Market Hypothesis (EMH)

According to Fama (1970), stock prices reflect all available information. Abnormal returns tend to be insignificant in semi-strong form efficient markets because stock prices adjust immediately to public news. Changes in market dynamics, digitalization, and the use of AI in trading have driven further research into EMH over the past five years. Research by Lim et al. (2020) examined market efficiency across several Asian developing nations during the COVID-19 pandemic. The results indicated that market efficiency tends to be disrupted during global crises, as stock prices move irrationally due to extreme volatility and uncertainty. This supports criticisms raised by the behavioral finance perspective.

Behavioral Finance

Behavioral finance is a branch of finance that studies how psychological and social factors influence individual behavior regarding financial and investment decisions. Psychological finance theory posits that investors are prone to psychological and emotional biases that lead to irrational investment decisions. This contrasts with classical finance, which assumes market participants act rationally. Investors do not always rely on logic when making decisions; even when stock prices remain relatively stable, sentiment, emotion, and psychology can drive up trading volumes. Abnormal Return and Trading Volume Activity

Abnormal Return (AR): Abnormal return is the difference between a stock's actual return during a specific period and the return expected under normal conditions, absent any specific event. Event studies frequently utilize abnormal returns to measure the impact of information or events on stock prices (Jogiyanto, 2019). Furthermore, Gunawan et al. (2022) demonstrated that geopolitical events, such as US-China tensions and the Russian invasion, influence abnormal stock returns in Indonesia. Investors tend to withdraw their funds during times of global political uncertainty; consequently, many blue-chip stocks experience unusually low returns.

Trading Volume Activity (TVA)

Trading Volume Activity (TVA) is a metric that indicates changes in transaction volume before and after a specific event. In event studies, TVA is often used to gauge market reactions regarding stock trading liquidity (Rizki et al., 2021). Research on the energy sector listed on the Indonesia Stock Exchange (IDX) found that geopolitical events increase TVA. Geopolitical tensions heighten stock trading activity, often triggering market panic or speculation.

Event Study

In finance, an event study is an empirical approach used to evaluate how a specific event impacts a company's market value. This method examines how external events—such as policy announcements, scandals, or socio-political issues, can influence stock prices over a short period. Event studies remain a primary method for measuring the impact of events on capital markets. Jaya et al. (2024) conducted a recent study examining the impact of the Russia-Ukraine conflict on the IDX30 index; they found that while abnormal returns did not show significant changes, trading activity increased.

The event study approach is employed to determine the extent to which specific events affect stock prices and trading activity. Zamzany et al. (2020) investigated market imbalances and stock returns among LQ45 companies, demonstrating that external variables, such as the specific day of trading, can influence stock return patterns.

Variable Relationships and Hypothesis Development

Analysis of the Impact of the War Between India and Pakistan on Abnormal Returns of LQ45 Stocks

An event study approach is used to assess the impact of a specific event on an asset's market value by measuring abnormal returns, defined as the difference between the actual return and the expected return that would have occurred had the event not taken place (Brown & Warner, 1985; Baig et al., 2023). In a geopolitical context, event studies enable researchers to analyze how stock markets react to military conflicts, such as the war between India and Pakistan.

Abnormal returns on LQ45 stocks can serve as an early indicator of negative investor sentiment resulting from geopolitical tensions. Consequently, the event study approach is crucial for evaluating the impact of such conflicts on the domestic capital market. Based on the explanation above, the hypotheses for this study are developed as follows:

Hypothesis 1 (H1): There are abnormal returns on LQ45 stocks before and after the India-Pakistan conflict events: (a) The attack in the city of Pahalgam (India) on April 22, 2025; (b) Pakistan's retaliatory attack on Indian territory on May 7, 2025; (c) The claim regarding the killing of the Pahalgam perpetrator and the associated political controversy on July 28, 2025.

Hypothesis 2 (H2): There is a difference in abnormal returns on LQ45 stocks before and after the India-Pakistan conflict events: (a) The attack in the city of Pahalgam (India) on April 22, 2025; (b) Pakistan's retaliatory attack on Indian territory on May 7, 2025; (c) The claim regarding the killing of the Pahalgam perpetrator and the associated political controversy on July 28, 2025.

Analysis of the Impact of the War Between India and Pakistan on Trading Volume Activity (TVA) for LQ45 Stocks

To understand how events impact the capital market, several event studies evaluate abnormal returns and TVA simultaneously. Septyana et al. (2023) state that unusual negative returns are often accompanied by an increase in TVA, indicating that investors respond more quickly to geopolitical information or events by executing larger transactions than under normal conditions. Research by Gunawan et al. (2022) found similar results, where geopolitical tensions caused a decline in returns accompanied by an increase in stock trading activity, representing a market reaction.

Based on the explanation above, the hypotheses for this study are developed as follows:

Hypothesis 3 (H3): There is a difference in Trading Volume Activity (TVA) for LQ45 stocks before and after the India-Pakistan conflict events: (a) The attack in the city of Pahalgam (India) on April 22, 2025; (b). The incident involving Pakistan's retaliatory attack on Indian territory on May 7, 2025. (c) The incident regarding the claimed killing of the Pahalgam perpetrator and the associated political controversy on July 28, 2025.

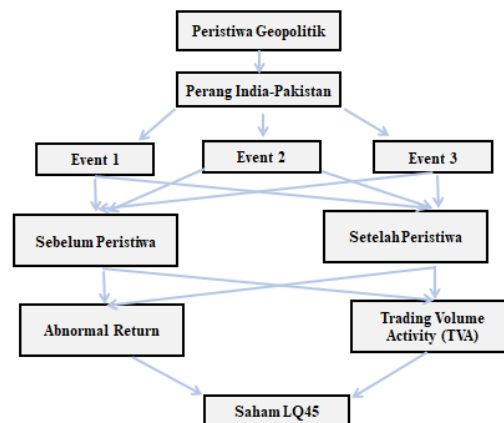


Figure 3. Conceptual Framework

METHODOLOGY

Population & Sample

The population for this study consists of all stocks included in the LQ45 index listed on the Indonesia Stock Exchange during the observation period. A sample is a subset of the population that effectively represents that population. This study employs a saturated sample, comprising all companies included in the LQ45 index.

Data Analysis

The study utilizes a descriptive-comparative statistical analysis approach, which involves providing an overview or description of the data. Descriptive analysis is conducted using specific analytical tools. Hypothesis testing is performed using SPSS version 16. Prior to hypothesis testing, a normality test is conducted to determine the appropriate subsequent statistical tools. The procedure is as follows: (1) Data normality test. (2) One-sample t-test for AR. (3) Paired-sample t-test for AR and TVA before and after the event.

Formula

Expected Return

$$E(R_{it}) = \alpha_i + \beta_i \cdot R_{mt}$$

Notation:

(R_{it}) = expected return for stock i in period t

R_{mt} = market return in period t

Abnormal Return (AR)

$$AR_{it} = R_{it} - E(R_{it})$$

Information:

AR_{it} = abnormal return of stock i in period t

R_{it} = actual return of stock i in period t

(R_{it}) = expected return of stock i in period t

Trading Volume Activity (TVA)

$$TVA = \frac{\text{stock trading volume in period } t}{\text{number of shares outstanding in period } t}$$

RESULTS AND DISCUSSION

Result

Descriptive Statistics

The Normality Test table presents the results of the Kolmogorov-Smirnov and Shapiro-Wilk normality tests, including their significance values (Sig). Since all variables exhibit significance values greater than 0.05, it can be concluded that the data are normally distributed. Therefore, subsequent hypothesis testing can be conducted using a parametric test, specifically, the Paired Sample T-Test.

Table 1. Mean Test Results for 45 Samples

Event	Jumlah Sampel	Rata-rata Return	Std. Deviasi	Min Return	Max Return
22 April	45	0,0021	0,0152	-0,034	0,041
7 Mei	45	0,0017	0,0135	-0,028	0,036
28 Juli	45	0,0024	0,0161	-0,031	0,043

All three geopolitical events exhibited positive average returns, albeit of relatively small magnitude (<0.3%). The highest volatility occurred on July 28 (standard deviation of 0.0161), indicating heightened market turbulence.

The wide range of returns across all events suggests that the impact of the India–Pakistan conflict was uneven; some stocks benefited, while others suffered losses.

Theoretically, the impact of geopolitics on market risk is usually greater than its impact on average returns. In other words, conflict tends to heighten uncertainty, thereby increasing market volatility. However, not all geopolitical events directly generate significant abnormal returns. Such returns emerge only when investors perceive that an event will affect the fundamental performance of the economy or specific companies. The market did not exhibit a consistent rise or fall in returns; instead, it showed short-term turbulence reflected in volatility. This aligns with the theory that geopolitical events tend to increase market risk (volatility) without necessarily generating significant abnormal returns across all stocks.

AR Test Results

Table 2. Abnormal Return Test Results

Event	AAR Event 1	AAR Event 2	AAR Event 3	Average AAR
Day -3	-0,48065	-0,28479	0,50252	-0,08764
Day -2	0,44224	0,29838	0,20854	0,31639
Day -1	-0,14724	0,31691	-0,31320	-0,04784
Day +1	0,37378	-0,74209	0,12966	-0,07955
Day +2	-0,02403	-0,14449	-0,46469	-0,21107
Day +3	0,69212	0,90149	-0,52823	0,35513

The results of this study indicate that the Indonesian market operates at a semi-strong form of efficiency, as stock prices adjust rapidly in response to public news. Investors interpret incoming information differently, as evidenced by the contrasting reactions observed in the pre-event (positive) and post-event (negative) periods.

Overall, the test results reveal significant abnormal returns in the days surrounding the event. Prior to the event, the market exhibited both positive (T-3) and negative (T-1) reactions, whereas post-event responses tended to be negative (T+2 and T+3). Consequently, the alternative hypothesis (H_1) is accepted; significant abnormal

returns were observed around the date of the claim regarding the killing of the Pahalgam attacker on July 28, 2025.

Paired Sample T-Test Results

Consistently, the test results for all three events indicate no significant difference in abnormal returns between the pre-event and post-event periods for the analyzed geopolitical events. However, descriptive analysis reveals a shift in the direction of abnormal returns. This suggests that while the capital market reacts to geopolitical events with fluctuation, the response is not strong enough to yield a statistically significant difference.

Table 3. Paired Sample T-Test Results

No	Average Condition	Before	After	Difference (After–Before)	t Stat	p-value (two-tail)	Conclusion
1	First Data	0,008132	–0,000160	+0,008292	0,712346	0,550142	Not Significant
2	Second Data	–0,000970	0,004743	–0,005713	–0,333090	0,770744	Not Significant
3	Third Data	–0,007760	0,002608	–0,010368	–0,891750	0,466622	Not Significant

None of the three datasets yielded statistically significant results (all p-values > 0.05). This indicates a lack of consistency in how the events impacted the variable's mean. Empirically, any observed changes in values before and after the events can be attributed to normal fluctuations rather than a genuine consequence of the events themselves.

The three paired t-tests conclude that there is no significant difference between pre- and post-event conditions. Consequently, the events under study likely did not have a tangible impact on the variable in question.

These results suggest that the market did not react strongly, possibly because the information regarding the events had already been anticipated or was deemed inconsequential to the company's fundamental performance. The market does not view all geopolitical events as significant; typically, only events with a major or direct economic impact trigger a significant reaction. In such instances, the events may merely increase short-term market noise without sufficiently altering returns or trading volume.

TVA Test Results

Table 4. TVA Test Results

Data	Before Average	After Average	Difference Average	t-stat	Sig. (p-value)	Conclusion
1	0,00212 – 0,00196 – 0,00176	0,00153 – 0,00187 – 0,00171	0,00024	1,38616	0,15001	Not Significant
2	0,00276 – 0,00134 – 0,00246	0,00186 – 0,00168 – 0,00180	0,00040	1,06758	0,19875	Not Significant
3	0,00140 – 0,00147 – 0,00216	0,00133 – 0,00188 – 0,00170	0,00004	0,15387	0,44592	Not Significant

The results of the Trading Volume Activity (TVA) difference test indicate that the average TVA following the event was slightly higher than prior to the event. However, this difference was not statistically significant (all p-values exceeded 0.05). This suggests that the market did not respond to the tested event by altering stock trading activity. The significance value was greater than 0.05, indicating a lack of statistical significance. Consequently, the study concludes that the null hypothesis (H0) is accepted and the third hypothesis (H3) is rejected.

These results highlight the importance of avoiding overreactions to geopolitical events. If an event does not directly impact the domestic market, there is no need for emotionally driven trading. The stability of TVA indicates that the market is relatively resilient to geopolitical issues that lack a direct link to Indonesia's economic fundamentals.

Discussion

Overall, the test results indicate that the days surrounding the event—both before and after—yielded abnormal returns. This demonstrates that the capital market reacted to the attack in Pahalgam on April 22, 2025.

Therefore, the alternative hypothesis (H1), which posits the existence of significant abnormal returns around the event date, is accepted.

The analysis of the Pahalgam attack event reveals a significant, unusual increase in returns during the days immediately following the incident. According to Kurniawan & Sudirman (2023), geopolitical conflicts can trigger unusual returns, though such effects are typically initial and short-lived. The findings regarding the Pahalgam attack—showing significant Abnormal Returns (AR) for a few days that subsequently dissipated—indicate that the market reaction was merely temporary or short-term. This aligns with the Efficient Market Hypothesis (EMH), which posits that in an efficient market, new information is immediately reflected in stock prices; consequently, abnormal returns appear only briefly and are not sustained.

Test results show an average abnormal return of 0.008132 after the event, compared to -0.00016 prior to the event. The t-statistic value was 0.712346 with a two-tailed p-value of 0.550142 (>0.05). Consequently, H_0 was accepted and H2 was rejected, indicating no significant difference in abnormal returns before and after the event. The change in the direction of abnormal returns (from negative to positive) was descriptive in nature but not statistically significant.

Test results showed that the average abnormal return after the event was -0.00097, while before the event it was 0.004743. The t-statistic value was -0.33309 with a two-tailed p-value of 0.770744 (>0.05). Thus, H_0 was accepted and H2 was rejected, meaning there was no significant difference in abnormal returns between the periods before and after Pakistan's retaliatory strike. Although the direction of abnormal returns shifted from positive to negative, the change was not statistically significant.

For this event, the average abnormal return (AR) before the event was recorded at 0.002608, while after the event it shifted to -0.00776. Test results showed a two-tailed p-value of 0.466622 (>0.05). Therefore, H_0 was accepted and H2 was rejected, indicating no significant difference in abnormal returns between the periods before and after the event involving the claim of a killing.

Based on the test results for all three events, it was consistently found that there was no significant difference in abnormal returns before and after the geopolitical events analyzed. However, a change in the direction of abnormal returns was observed descriptively. This suggests that investors on the Indonesia Stock Exchange are relatively cautious and do not overreact to external geopolitical conflicts, particularly those occurring abroad.

The difference test for Trading Volume Activity (TVA) regarding the Pahalgam attack event on April 22, 2025, yielded a significance value of 0.15001 (>0.05), indicating a non-significant result; consequently, the study concludes that H_0 is accepted and H3 is rejected. Similarly, the difference test for the Pakistani retaliatory attack event on May 7, 2025, showed a significance value of 0.19875 (>0.05), which is non-significant, leading to the acceptance of H_0 and the rejection of H3. Finally, the difference test for the event involving the claim of the killing of the Pahalgam perpetrator on July 28, 2025, resulted in a significance value of 0.44592 (>0.05), also non-significant, resulting in the acceptance of H_0 and the rejection of H3.

Regarding trading volume, the difference test results indicate no significant difference between the average TVA before and after the events. Thus, the attack did not trigger investor panic reflected in a surge in transaction volume. This aligns with findings by Putra & Handayani (2022), who observed that international terrorism events did not significantly impact abnormal returns or stock trading volumes on the Indonesia Stock Exchange (IDX); investors tend to focus more on domestic economic stability than on foreign affairs.

These findings are consistent with the semi-strong form of the Efficient Market Hypothesis (EMH), wherein the market responds only to public information that is fundamentally relevant to the economy. Investors viewed the Pahalgam event merely as a continuation of a recurring conflict that posed no systemic risk to domestic economic stability; therefore, it did not trigger abnormal returns or a surge in transaction volume.

CONCLUSION

Conclusion

The analysis utilized secondary data, with independent variables comprising the Pahalgam attack (April 22, 2025), Pakistan's retaliatory strike on Indian territory (May 7, 2025), and the claim regarding the killing of the Pahalgam perpetrator alongside the associated political controversy (July 28, 2025); the dependent variables were Abnormal Return and Trading Volume Activity. Testing regarding the Pahalgam attack revealed changes in abnormal returns on several days surrounding the event. Conversely, the analysis of Pakistan's retaliatory strike showed no changes in abnormal returns or trading volume activity in the periods before and after the event.

Similarly, the event involving the claim of the Pahalgam perpetrator's killing and the political controversy showed no changes in abnormal returns or trading volume activity before or after the event occurred. This study examined a six-day trading window, three days prior to and three days following each event, with this short timeframe serving as a study limitation.

Recommendation

Based on the findings, investors are advised to carefully analyze information from frequently occurring events, given the diversity of events and their varying impacts, to maximize investment returns. However, it is recommended that investors avoid basing investment decisions on sporadic or seasonal events that do not occur consistently. For companies, this research can assist in evaluating business strategies regarding innovation, diversification, risk management, information transparency, digitalization, and operational efficiency. Finally, for policymakers, the study offers insights for shaping information disclosure regulations to ensure investors have access to accurate and timely data. For the government, this can assist in formulating stable economic policies to prevent excessive capital market volatility caused by non-economic factors.

Future Research

Future researchers are encouraged to conduct event studies to examine the impact of announcements on abnormal returns and trading volume activity, while accounting for the timing of announcements based on official news sources.

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