SRIWIJAYA INTERNATIONAL JOURNAL OF DYNAMIC ECONOMICS AND BUSINESS

http://ejournal.unsri.ac.id/index.php/sijdeb

The Impact of the United States of America and China Export Rate Setting on Wealth and Liquidity of Shareholders

Helma Malini[1*], Herry Giovandi[2]
[12]Faculty of Economics and Business, Universitas Tanjungpura
[1]helma.malini@ekonomi.untan.ac.id

Abstract: The US-China trade war began in 2017 when both countries-imposed tariffs on product imports. The purpose of this study is to examine the effect of policy on shareholder prosperity (as measured by variable abnormal returns) and stock liquidity (as measured by variable volume trading activity) on the Indonesian Stock Exchange. The descriptive statistics, normality test, and paired sample t-test are used to analyse the data where sources of data in this study are secondary data. Secondary data in this study taken from the daily price of shares listed on the Indonesia Stock Exchange, especially stocks listed in LQ45 index from 27th June 2018 – 17th July 2018. The findings of this study indicate that the United States and China's export-import tariff policies on 6th July 2018 do not have significant differences in terms of return and average trading volume. This means that the policy contains no information that could be used to influence investor decisions on the Indonesian Stock Exchange.

Keywords: Trade War; Tariffs on Import; Shareholders Wealth; Shareholders Liquidity

Introduction

Globalization has resulted in a broadening of the economy, particularly in terms of trade. Trade cooperation does not have to be limited to domestic parties; it can also be conducted with foreign parties (Carvalho et al., 2019). Typically, in a collaboration, one party receives benefits or incurs losses, and the collaboration concludes in a dispute or conflict (Frankel, 2000). In 2018, a trade war between two economies of scale, namely China and America, erupted. (Carvalho et al., 2019; Li et al., 2018; Liu & Woo, 2018).

---

* Corresponding author

The trade war between the United States and China is a significant event, even more so now that both countries have implemented import tariffs on products from the other country beginning in 2017. Strict tariffs on Chinese imports and the trade war's zenith occurred on July 6, 2018 when the US imposed 25% tariffs on China. China retaliated by imposing tariffs on the US (Evans, 2019; Liu & Woo, 2018).

The tariff stipulation has an effect on Indonesia, which is one of the countries with trading relations with both countries. Indonesia is confronted with both positive and negative consequences. For the possible positive impact, namely the emergence of increased export opportunities for either China or the United States, as a result of Indonesia's ability to obtain export demand for certain products due to the high tariffs. On the other hand, the negative impact is a decrease in raw material exports, as an increase in tariffs results in a decrease in production, which results in a decrease in the price of exported commodities (Siara, 2021).

This research examines event studies of market efficiency (Malkiel & Fama, 1970). An event study is a study that examines the effect of information announcements on the prices of securities (Evans, 2019). This research is generally concerned with the rate at which new information enters the market and is reflected in the current stock price. MacKinlay, (1997) defines event study as a research methodology that makes use of financial market data to determine the impact of a particular event on a company's value, which is typically reflected in the stock price and transaction volume. According to (MacKinlay, 1997) A market that is efficient is one in which the share price accurately reflects all available information. Share prices will fluctuate when new information becomes available that was not anticipated.

Based on several previous studies that examined information on event studies on capital market, including (Shiller, 1980; Taylor-Gooby, 2017; Ying et al., 2016) demonstrating statistically significant differences in abnormal returns and trading volume prior to and following the event. While other studies have concluded that stock price volatility is primarily determined by changes in the stock price or price movement in response to a company's financial performance (Buguk & Brorsen, 2003; Malini, 2016; Malkiel & Fama, 1970; Olowe, 1999; Shiller, 1980; Worthington & Higgs, 2003).

The previous research examined events primarily in the realms of politics and corporate policy. There is limited research available on economic events such as the US-China trade war, which could be considered major events with a significant impact on trading for related countries. According to the description above, the topics of this research are: "The Impact of the United States and China Determining Export Import Tariffs on July 6, 2018 on Shareholder Prosperity and Stock Liquidity in the LQ45 Index". This research is necessary to conduct in order to ascertain the impact on the stock market in general and investors in particular.

Literature Review

Research on event studies is primarily focused on the area of weak-form market efficiency, with a historical emphasis. A study on event market efficiency is critical to conduct because macroeconomic variables have an effect on companies' performance. Macroeconomic variables are highly volatile and change on a near-daily basis. As a result, these variables have a significant impact on how well businesses perform.

A research from (Roe, 2000) highlighting shareholder wealth refers to the collective wealth accumulated by shareholders as a result of their investment in a business. Members of the board of directors owe a fiduciary duty to shareholders and are responsible for safeguarding their investment by conducting business prudently and in accordance with generally accepted practices.

A research from (Riyani et al., 2020; Wong et al., 1990) stated that liquidity refers to the ease with which shares of a stock can be bought or sold without materially affecting the stock price. Stocks with low liquidity may be difficult to sell, resulting in a larger loss if you are unable to sell the shares when you wish.

Political events have the greatest effect on the stock market. However, another type of event that qualifies as an event study is the government's announcement and implementation of new regulations. Redzwan et al., (2019), highlighting how investors react to the Tax Amnesty Law's implementation as a result of the policy's changes and how they have shifted the paradigm of people's perceptions of the law. According to the Paired sample test, there are significant differences in abnormal returns and trading volume activity prior to and following the event.

From foreign market, (Malini, 2019; Redzwan et al., 2019; Silver, 2009) conclude that a trade deficit, alternatively referred to as net exports, is a state of economic affairs in which a country imports more goods than it exports. The trade deficit is calculated by subtracting the value of imported goods from the value of exported goods. A country that is in a trade deficit imports (or purchases) more goods and services from other countries than it exports (or sells). A country's balance of trade surplus occurs when it exports more goods and services than it imports. A trade deficit can have an effect on the stock market because it can be a positive indicator that a country is growing and requires additional imports or a negative indicator that a country is having difficulty selling its goods internationally.

Conceptual Framework
This research examined the events surrounding the implementation of Import and Export Tariffs for the United States of America and China on July 6th, 2018. Indonesia and both countries have mutual agreements, particularly in terms of international trade. Numerous companies in Indonesia rely heavily on material distribution from the United States and China. Thus, this research examines whether tariff policy has an effect on shareholder prosperity and stock liquidity prior to and following the event, using a seven-day stock exchange observation period prior to and following the event.

The following is the conceptual framework of this research:

Figure 1. **Conceptual Framework**

After the Event
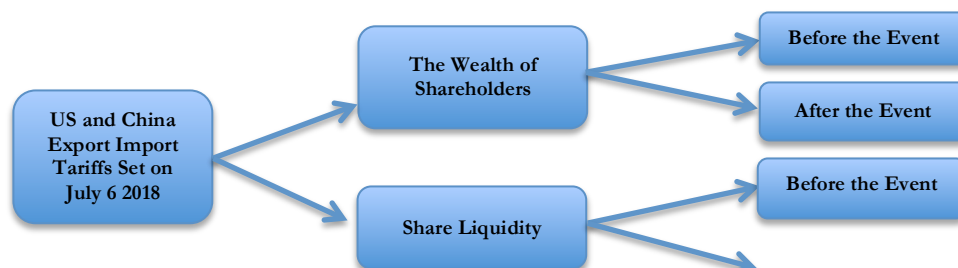
Methods

Data
The data processed in this study are quantitative data types. According to (McWilliams & Siegel, 1997). The quantitative data is data in the form of numbers, or quantitative data which is assessed (scoring). Sources of data in this study are secondary data. Secondary data in this study taken from the daily price of shares listed on the Indonesia Stock Exchange, especially stocks listed in LQ45 index from 27th June 2018 – 17th July 2018. Index LQ45 are consist of 45 companies that classified as LQ 45 with criteria as follow: 1. Shares have a strong financial position and the potential for growth in the value of the business's transactions 2. At least three months have passed since the shares were listed 3. Shares must be included in 60 combined shares based on the last year's regular market transaction value 4. Included in the last year's list of 60 publicly traded companies with a high market capitalization.

Methodology Specification
This research is quantitative in nature and employs an event study methodology. The location of research on stocks listed on the Indonesian Stock Exchange (IDX), particularly on the LQ45 index. The time period covered by this research is t+7 and t-7, which are calculated using the stock exchange day with t0 at the time of the announcement of the United States and China Export Import Tariffs determination on July 6, 2018, making the time period covered by this research (June 27 2018 – July 17 2018). Secondary data in the form of closing share prices was obtained from http://www.id.investing.com. The descriptive statistics, normality test, and then a different test in the form of paired sample t-test if the data are normally distributed, or Wilcoxon signed rank test if the data are not normally distributed, were used in this study.

Abnormal Return is the difference between the actual return and the expected return. According to (Rao et al., 2010) Abnormal Return occurs when the market is inefficient where the securities will produce a higher return than normal, which is called an abnormal return.

Calculating abnormal returns (Jogiyanto, 2010):

$$ARit = Rit - E(Rit)$$

Information: AR*it* is Abnormal Return of security i in period t; R*it* is Actual return of securities i in period t; E (R*it*) is Expected return of securities i in period t (In this study, expected return is obtained using the market adjusted model)

Calculation of the average abnormal return:

$$C\ AARit = \sum_{t=1}^{n} \frac{ARit}{n}$$

Information: AARit is the average abnormal return of securities i in period t; ARit is Abnormal Return of security i in period t; and n is length of observation period

Trading Volume Activity or trading volume activity is generally used to measure stock liquidity (Verma & Verma, 2007). TVA can be obtained by comparing the number of traded company shares against the total number of shares outstanding during the study period.

TVA calculations as follow:

$$TVA = \text{"Number of shares traded"} / \text{"Number of shares outstanding"}$$

Calculation of the average TVA:

$$TVA = \frac{\text{Traded Shares}}{\text{Distribute Shares}}$$

Calculation of the average TVA:

$$ATVA = \frac{\sum_{i=1}^{n} TVAi}{n}$$

Information: ATVA is Average Trading Volume Activity; TVAi is Trading Volume Activity for securities I; and n is length of observation period

Research Hypothesis
The imposition of tariffs on US and Chinese exports and imports on July 6, 2018 is one of the most significant events in the global economy. This study examines the policy's effect on shareholder prosperity and stock liquidity. According to efficient market theory, the capital market will respond to information contained in an event or policy through changing stock prices (Fama, 1970).

H1:   The determination of export-import tariffs for the United States and China on July 6th, 2018 has had an effect on shareholder prosperity and stock liquidity in the financial sector's LQ45 index.

H2:   The establishment of export-import tariffs between the United States and China on 6th July 2018 has had an effect on shareholder prosperity and stock liquidity in the non-financial sector's LQ45 index.

H3:   There is an effect of the United States and China imposing export import tariffs on July 6th 2018 on shareholder prosperity and stock liquidity in the LQ45 index in the financial and non-financial sectors.

Research were conducted on stocks listed on the Indonesia Stock Exchange particularly LQ45 index. The research time span used is t+7 and t-7 on the basis stock exchange day with t0 at the time of policy announcement (27th June 2018 – 17th July 2018). The basis for the research time span is based on the Fama's theory of efficient market (Malkiel & Fama,

1970). Investors can no longer obtain abnormal returns as a result of the event being deemed appropriate for the time period.

Findings

This research, which takes the form of an event study, will examine the differences in shareholder wealth between before and after the event using average abnormal returns and stock liquidity variables. When calculating the abnormal return, the market-adjusted model is used, which assumes that the best predictor of a security's return is the return on the market index at the time, namely JCI.

Different tests will be conducted on the sample, first on the financial sector, then on the non-financial sector, and finally on the two sectors, to determine the impact of these divisions.

Table 1. **Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
AAR Before	7	-.0310	.0259	-.002524	.024
AAR After	7	-.0394	.0393	.001807	.031
ATVA Before	7	.0015	.0020	.001710	.000
ATVA After	7	.0015	.0022	.001842	.000
Valid N	7				

Source: Output SPSS 23

Table 1. shows that the average of the average abnormal return before the event which is negative is -0.002524 with a standard deviation of 0.0248336, an increase of 0.004331 to a positive value of 0.001807 with a standard deviation of 0.0310649. The smallest value decreased by -0.0084 from -0.0310 to -0.0394 while the largest value increased by 0.0134 from 0.0259 to 0.0393. Meanwhile, the average value of the average trading volume activity before the event was 0.001710 with a standard deviation of 0.0001649, an increase of 0.000132 to 0.001842 with a standard deviation of 0.0002373. Then the smallest value before and after the event was the same, namely 0.0015, while the largest value increased by 0.0002 from 0.0020 to 0.0022. The findings from the descriptive statistics showed that abnormal return and trading volume activity before and after the tariff policy are different. However, further investigation needed to find out whether the differences due to tariff policy.

Table 2. **Expected Return Calculation Results**

t	Date	Composite Index	Rmt = E (Rit)
-7	27-Jul	5.788	-0,006
-6	28-Jul	5.667	-0,020
-5	29-Jul	5.799	0,023
-4	02-Jul	5.747	-0,008
-3	03-Jul	5.634	-0,019
-2	04-Jul	5.734	0,017
-1	05-Jul	5.739	0,000
0	06-Jul	5.695	-0,007
+1	09-Jul	5.807	0,019
+2	10-Jul	5.882	0,012
+3	11-Jul	5.893	0,001
+4	12-Jul	5.908	0,002
+5	13-Jul	5.944	0,006
+6	16-Jul	5.905	-0,006
+7	17-Jul	5.862	-0,007

Table 3. **Average *Abnormal Return***

t	Date	Average *Abnormal Return* (Financial Sector)	Average *Abnormal Return* (Non-Financial Sector)	Average *Abnormal Return* (Both Sector)
-7	27-Jul	0,003952	0,023050	0,007
-6	28-Jul	0,028271	0,014485	0,025
-5	29-Jul	-0,027224	-0,049029	-0,030
-4	02-Jul	0,007756	0,012716	0,008
-3	03-Jul	0,023327	0,027565	0,024
-2	04-Jul	-0,032222	-0,020690	-0,030
-1	05-Jul	-0,018665	-0,039610	-0,022
0	06-Jul	0,007716	0,031466	0,011
+1	09-Jul	-0,026283	0,002039	-0,021
+2	10-Jul	-0,025352	-0,044340	-0,028
+3	11-Jul	0,029777	0,014562	0,027
+4	12-Jul	0,011563	0,014149	0,012
+5	13-Jul	-0,038914	-0,041697	-0,039
+6	16-Jul	0,039621	0,037755	0,039
+7	17-Jul	0,025298	0,015403	0,023

Table 4. **Average Trading Volume Activity**

t	Date	Average *Trading Volume Activity* (Financial Sector)	Average *Trading Volume Activity* (Non-Financial Sector)	Average *Trading Volume Activity* (Both Sector)
-7	27-Jul	0,001200	0,001536	0,001
-6	28-Jul	0,001135	0,001765	0,001
-5	29-Jul	0,001552	0,002109	0,002
-4	02-Jul	0,001658	0,001656	0,001
-3	03-Jul	0,001086	0,001852	0,001
-2	04-Jul	0,000976	0,001785	0,001
-1	05-Jul	0,001138	0,001933	0,001
0	06-Jul	0,001590	0,001904	0,001
+1	09-Jul	0,001281	0,001701	0,001
+2	10-Jul	0,001699	0,002289	0,002
+3	11-Jul	0,001563	0,001945	0,001
+4	12-Jul	0,001359	0,001718	0,001
+5	13-Jul	0,001507	0,002071	0,001
+6	16-Jul	0,002510	0,001347	0,001
+7	17-Jul	0,001476	0,002134	0,002

Based on the results shown in table 4, it is known that the difference in the average abnormal return is 0.0043593 where the average value before the event is -0.002115 becomes 0.002244 after the event, while the difference in the average abnormal return before and after the event is 0 , 0000813 from 0.001805 to 0.001886 with Sig. (2-tailed) value, the average abnormal return is 0.840> 0.05 and the average trading volume activity is 0.510> 0.05, both of which are above the significance of 0.05 so that H0 is accepted while H2 is rejected.

This means that there is no significant influence on the prosperity of shareholders and stock liquidity before and after the event or it can be said that the market did not react to the US and China export import tariffs on July 6 2018. The announcement did not contain information that could influence the decision. Based on the results shown in the table, it is known that the difference in the average abnormal return is 0.0043314, where the average value before the event is -0.002524 to 0.001807 after the event, while the difference in the average abnormal return before and after the event is 0. , 0001323 from 0.001710 to 0.001842 Then for the Sig. (2-tailed) value the average abnormal return is 0.841> 0.05 and the average trading volume activity is 0.183> 0.05, both of which are above the significance of 0.05 so that H0 is accepted while H3 is rejected.

This means that there was no discernible impact on shareholder prosperity and stock liquidity prior to and following the event, or that the market did not react to the US and China export import tariffs on July 6th, 2018. The announcement lacked information that could have swayed the decision.

Hypothesis test

The hypothesis is tested using a two-average difference test, which compares the average abnormal return and the average trading volume activity prior to and following the US-China Export Import Tariff Determination on July 6th, 2018. The normality test indicated that the data in this study were normally distributed, and the process continued with parameter testing, specifically testing the paired average difference between two samples (paired sample t-test).

The test criteria are:
1. If the Sig. (2-tailed) <0.05, then Ho is rejected while Ha is accepted
2. If the value is Sig. (2-tailed)> 0.05, then Ho is accepted while Ha is rejected

First Hypothesis Testing
The first hypothesis in this study is "There is an impact of import export tariffs for the United States and China on July 6th 2018 on the prosperity of shareholders and stock liquidity in the LQ45 index.

Table 5. **Paired Samples Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	AAR Before	-.004502	7	.0314156	.0118740
	AAR After	-.000304	7	.0310460	.0117343
Pair 2	ATVA Before	.001249	7	.0002543	.0000961
	ATVA After	.001628	7	.0004118	.0001557

Table 6. **Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	AAR Before & AAR After	7	-.629	.130
Pair 2	ATVA Before & ATVA After	7	-.517	.234

Table 7. **Paired Samples Test**

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper			
Pair 1 AAR Before - AAR After	-.0041977	.0563676	.0213050	-.0563291	.0479336	-.197	6	.850
Pair 2 ATVA Before - ATVA After	.0003786	.0005853	.0002212	-.0001628	.0009199	1.711	6	.138

Source: Output SPSS 23

Table 7. shows the differences in the average abnormal return of 0.0041977 where the average value before the event was -0.004502 to -0.000304 after the event, while the differences in the average trading volume activity before and after the event was 0.0003786 from 0.001249 becomes 0.001628. Then for the Sig. (2-tailed) value, the average abnormal return is 0.850> 0.05 and the average trading volume activity is 0.138> 0.05, both of which are above the significance of 0.05 so that H0 is accepted while H1 is rejected.

This result indicates that there is no discernible effect on shareholder prosperity and stock liquidity prior to and following the event, or that the market did not react to the US and China export import tariffs on July 6, 2018. The announcement contained no information that could have influenced an investor's decision. This result is comparable to that of a study conducted by (Minkus et al., 2019).

Second Hypothesis Testing
The second hypothesis in this study is; There is an impact of import export tariffs for the United States and China on 6 July 2018 on the prosperity of shareholders and stock liquidity in the LQ45 index in the non-financial sector

Table 8. **Paired Samples Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	AAR Before	-.002115	7	.0242062	.009
	AAR After	.002244	7	.0317352	.011
Pair 2	ATVA Before	.001805	7	.0001860	.000
	ATVA After	.001886	7	.0003200	.000

Table 9. **Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	AAR Before & AAR After	7	-.904	.005
Pair 2	ATVA Before & ATVA After	7	.358	.431

Table 10. **Paired Samples Test**

	Paired Differences							
				95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1 AAR Before - AAR After	-.0043593	.0546020	.0206376	-.0548577	.0461391	-.211	6	.840
Pair 2 ATVA Before - ATVA After	-.0000813	.0003073	.0001161	-.0003655	.0002029	-.700	6	.510

Source : Output SPSS 23

Table 10. shows the differences in the average abnormal return of 0.0043593 where the average value before the event was -0.002115 to 0.002244 after the event, while the differences in the average abnormal return before and after the event was 0.0000813 from 0, 001805 becomes 0.001886. Then for the Sig. (2-tailed) value, the average abnormal return is 0.840> 0.05 and the average trading volume activity is 0.510> 0.05, both of which are above the significance of 0.05 so that H0 is accepted while H2 is rejected.

This result indicates that there is no discernible effect on shareholder prosperity and stock liquidity prior to and following the event, or that the market did not react to the US and China export import tariffs on July 6, 2018. The announcement was devoid of any information that could have influenced investor decisions. This result is comparable to that of a study conducted by (Carvalho et al., 2019).

Third Hypothesis Testing

The third hypothesis in this study is: There is an effect of the United States and China imposing import export tariffs on July 6, 2018 on shareholder prosperity and stock liquidity in the LQ45 index in the financial and non-financial sectors.

Table 11. **Paired Samples Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	AAR Before	-.002524	7	.0248336	.009
	AAR After	.001807	7	.0310649	.011
Pair 2	ATVA Before	.001710	7	.0001649	.000
	ATVA After	.001842	7	.0002373	.007

Table 12. **Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	AAR Before & AAR After	7	-.921	.003
Pair 2	ATVA Before & ATVA After	7	.376	.406

Table 13. **Paired Samples Test**

	Paired Differences							
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
				Lower	Upper			
Pair 1 AAR Before - AAR After	-.0043314	.0547984	.0207119	-.0550115	.0463487	-.209	6	.841
Pair 2 ATVA Before - ATVA After	-.0001323	.0002326	.0000879	-.0003474	.0000828	-1.505	6	.183

Source: Output SPSS 23

Table 13 shows the difference in the average abnormal return of 0.0043314 where the average value before the event was -0.002524 to 0.001807 after the event, while the difference in the average abnormal return before and after the event was 0.0001323 from 0, 001710 becomes 0.001842 Then for the Sig. (2-tailed) value the average abnormal return is 0.841> 0.05 and the average trading volume activity is 0.183> 0.05, both of which are above the 0.05 significance so that H0 is accepted while H3 is rejected.

This result indicates that there was no discernible effect on shareholder prosperity and stock liquidity prior to and following the event, or that the market did not react to the US and China export import tariffs on July 6, 2018. The announcement was devoid of any information that might have an effect on investor decisions. This finding contradicts findings from (He et al., 2020). This study found no significant effect on average abnormal return and average trading volume in the financial, non-financial, and both sectors. This means the event has no information that could sway investors' decisions.

Conclusions

The purpose of this paper is to examine the effect of US-China tariff policy on shareholder wealth and liquidity. Since 2006, the US-China trade dispute has deteriorated, with both parties engaging in a series of actions aimed at gaining an advantage or inflicting losses on

the other. However, the implementation of the US-China trade war impacted not only the two countries, but also other countries, including Indonesia, that have commercial ties with both. After analyzing the data, it is concluded that there is no discernible difference between shareholder wealth as measured by the Average Abnormal Return and stock liquidity as measured by the Average Trading Volume Activity on Stocks in the LQ45 Index prior to and following the Event of Determining US and Chinese Import and Export Tariffs on July 6, 2018.

As this dispute will impair businesses' ability to benefit from export and import, it will also impair businesses' ability to deliver wealth and liquidity to shareholders. The findings of this study indicate that there is no discernible difference in shareholder prosperity as measured by average abnormal return or stock liquidity as measured by average trading volume activity in the financial sector before and after the US and China Export Import Tariff Determination Event on July 6, 2018 on shares in the LQ45 Index. Additionally, the result indicates that there is no significant difference in shareholder prosperity as measured by the average abnormal return and stock liquidity as measured by the average trading volume activity in the non-financial sector prior to and following the US and China export import tariff policy on 6 July 2018 on shares in the Index LQ45.

Investors are advised to be more precise and thorough in their analysis of existing data to be considered when making decisions, as not all events contain information that has an effect on the capital market. It is hoped that through sound information analysis, investors will be able to make rational investment decisions and earn a profit. Further research is recommended to lengthen the research period and to broaden the sample coverage to include a broader stock index. Further researchers are advised to extend the duration of the study, to expand the sample coverage to a larger index, and to calculate the expected return using the mean adjusted model or the market model in order to obtain more accurate results.

References

Buguk, C., & Brorsen, B. W. (2003). Testing weak-form market efficiency: Evidence from the Istanbul Stock Exchange. *International Review of Financial Analysis*, *12*(5), 579–590.

Carvalho, M., Azevedo, A., & Massuquetti, A. (2019). Emerging Countries and the Effects of the Trade War between US and China. *Economies*, *7*(2), 45.

Evans, O. (2019). The effects of US-China trade war and Trumponomics. *Forum Scientiae Oeconomia*, *7*(1), 47–55.

Frankel, J. A. (2000). *Globalization of the Economy*. National Bureau of Economic Research.

He, F., Lucey, B., & Wang, Z. (2020). Trade policy uncertainty and its impact on the stock market-evidence from China-US trade conflict. *Finance Research Letters*, 101753.

Jogiyanto, H. (2010). Teori portofolio dan analisis investasi (edisi ketujuh). *Yogyakarta: BPFE*.

Li, C., He, C., & Lin, C. (2018). Economic impacts of the possible China–US trade war. *Emerging Markets Finance and Trade*, *54*(7), 1557–1577.

Liu, T., & Woo, W. T. (2018). Understanding the US-China trade war. *China Economic Journal*, *11*(3), 319–340.

MacKinlay, A. C. (1997). Event studies in economics and finance. *Journal of Economic Literature*, *35*(1), 13–39.

Malini, H. (2016). Indonesia Shari'ah compliance stock index responses toward

macroprudential and monetary policy of Indonesian central bank. In *Macroprudential regulation and policy for the Islamic financial Industry* (pp. 213–227). Springer.

Malini, H. (2019). Efficient market hypothesis and market anomalies of LQ 45 index in Indonesia stock exchange. *Sriwijaya International Journal of Dynamic Economics and Business*, *3*(2), 107–121.

Malkiel, B. G., & Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. *The Journal of Finance*, *25*(2), 383–417.

McWilliams, A., & Siegel, D. (1997). Event studies in management research: Theoretical and empirical issues. *Academy of Management Journal*, *40*(3), 626–657.

Minkus, L., Deutschmann, E., & Delhey, J. (2019). A Trump effect on the EU's popularity? The US Presidential Election as a Natural Experiment. *Perspectives on Politics*, *17*(2), 399–416.

Olowe, R. A. (1999). Weak form efficiency of the Nigerian stock market: further evidence. *African Development Review*, *11*(1), 54–68.

Rao, Y., Peng, D., & Cheng, D. (2010). Does media attention cause abnormal return?— Evidence from China's stock market [J]. *Systems Engineering-Theory & Practice*, *2*, 287–297.

Redzwan, N., Musa, N., Latip, A. H. A., Latif, Y. A., & Ab Rahman, I. N. (2019). Stock market analysis during election period in Malaysia. *International Journal of Business and Economy*, *1*(2), 95–103.

Riyani, Y., Mardiah, K., & Andriana, S. (2020). Reaksi Pasar Modal Indonesia terhadap Kemenangan Presiden Republik Indonesia dalam Pilpres 2019. *Eksos*, *16*(1), 84–94.

Roe, M. J. (2000). The shareholder wealth maximization norm and industrial organization. *U. Pa. L. Rev.*, *149*, 2063.

Shiller, R. J. (1980). *Do stock prices move too much to be justified by subsequent changes in dividends?* National Bureau of Economic Research.

Siara, G. F. (2021). *THE IMPACT OF TRADE WAR BETWEEN THE US AND CHINA TOWARDS INDONESIA ECONOMY*. Universitas Muhammadiyah Yogyakarta.

Silver, M. (2009). Do unit value export, import, and terms-of-trade indices misrepresent price indices? *IMF Staff Papers*, *56*(2), 297–322.

Taylor-Gooby, P. (2017). Re-Doubling the Crises of the Welfare State: The impact of Brexit on UK welfare politics. *Journal of Social Policy*, *46*(4), 815–835.

Verma, R., & Verma, P. (2007). Noise trading and stock market volatility. *Journal of Multinational Financial Management*, *17*(3), 231–243.

Wong, P. L., Neoh, S. K., Lee, K. H., & Thong, T. S. (1990). Seasonality in the Malaysian stock market. *Asia Pacific Journal of Management*, *7*(2), 43–62.

Worthington, A. C., & Higgs, H. (2003). *Weak-form market efficiency in European emerging and developed stock markets* (Vol. 159). School of Economics and Finance, Queensland University of Technology.

Ying, T. L., Rasiah, D., & Ming, L. M. (2016). Behaviour of Stock Returns in Relation to General Elections: Evidence from Malaysian Stock Market. *International Information Institute (Tokyo). Information*, *19*(7B), 2955.