EVALUATION OF DIVIDEND DISTRIBUTION ANNOUNCEMENT IMPACT ON STOCK PRICE FLUCTUATION IN INDONESIAN STOCK EXCHANGE USING TIME SERIES INTERVENTION APPROACH

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Abstract

Capital market is place of capital transaction that very affected on financial development of a country. In efficiency condition, stockbroker need many kind of accounting information. One of it is information about stock price fluctuation as impact of ex dividend date. Ex dividend date is date when investor cannot receive dividend if they buy stock from company. In Indonesia, early research had been done using Paired t-Test to compare pre-ex dividend date stock price and post-ex dividend date stock price. In this paper, the method used in this research is time series intervention to analyze impact of ex dividend date in the future day. This is appropriate with the main purpose of time series intervention analyze to measure impact and remains time in effect thereafter. This research used daily stock closing price financial company belong to LQ45 for February-July 2008 period and issued dividend announcement to public in 2008-2009. The conclusion of this research is showing that ex dividend date has no significant impact in remains time effect thereafter. Finally, the best model is accomplished by ARIMA Box-Jenkins method with outlier detection. Out sample data used is daily stock closing price for January-February 2010.

Keyword: closing price, ex dividend date, time series intervention, ARIMA Box-Jenkins.