

## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.1. Conclusions

The purpose of this research was to find out whether the announcement event of XVIII ASIAN Games and the announcement event of XXX SEA Games had an effect on stock price. The sample was collected by purposive sampling method and the analysis technique used in this research was t-test.

Based on the analysis and discussion from the previous chapter, this result can be concluded as follows:

1. The announcement event of XVIII ASIAN Games that happened on September 20<sup>th</sup>, 2014 had significant effect on Indonesia stock price as the host country and had negative *cumulative average abnormal return* before and after the announcement because the *Cumulative Average Abnormal Return* after the announcement was decrease. In the conclusion, it means that the investors had fast respond on reacting the event. As the result, the market was efficient because the market was reflected by the event.
2. The announcement event of XXX SEA Games that happened on August 18<sup>th</sup>, 2017 had significant effect on Philippine stock price as the host country and had positive *cumulative average abnormal return* before and after the announcement because the *Cumulative Average Abnormal Return* after the announcement was increase. It the

conclusion, it means that the investors had fast respond on the event. As the result, the market was efficient because the market reacted to the event.

## **5.2. Research Limitations**

This research had the following limitations, such as:

1. The samples were only LQ45 for Indonesia Stock Exchange and PSEi for Philippine Stock Exchange.
2. This research only considered information about the confounding effect of news available on the internet that had been issued by the company.
3. The effect on the abnormal return that occurred in the research period would be caused by other aspects or event outside the study or announcement of other information from the company, such as the business environment, changes in corporate strategy and so on.
4. The method of calculating the abnormal return only used the Market Adjusted Model method.

## **1.3. Recommendations**

After looking at the conclusions and limitations of this research, the researcher proposed some suggestions for investors and further research as follows:

1. A comparison can be made between older and more events of International Sporting events with the same country's background considering the stock market maturity between developing and developed country are different.

2. The next research can conduct a research with different samples or specific analysis of samples. Thus, the results can be compared with each sector samples and can be conducted to determine whether any sector experiencing a positive lift in stock prices to hosting the International Sporting events.
3. Other factors may affect the research result and also need to be considered, such as macro conditions, political stability, and others.
4. At last, the method of calculating abnormal return can be done by using another model. Research with different models will likely show different results.