

**“THE IMPACT OF TESLA Inc. TOWARDS INDONESIAN NICKEL
MINING COMPANIES’ INVESTORS OVERREACTION BEHAVIOR”**

THESIS

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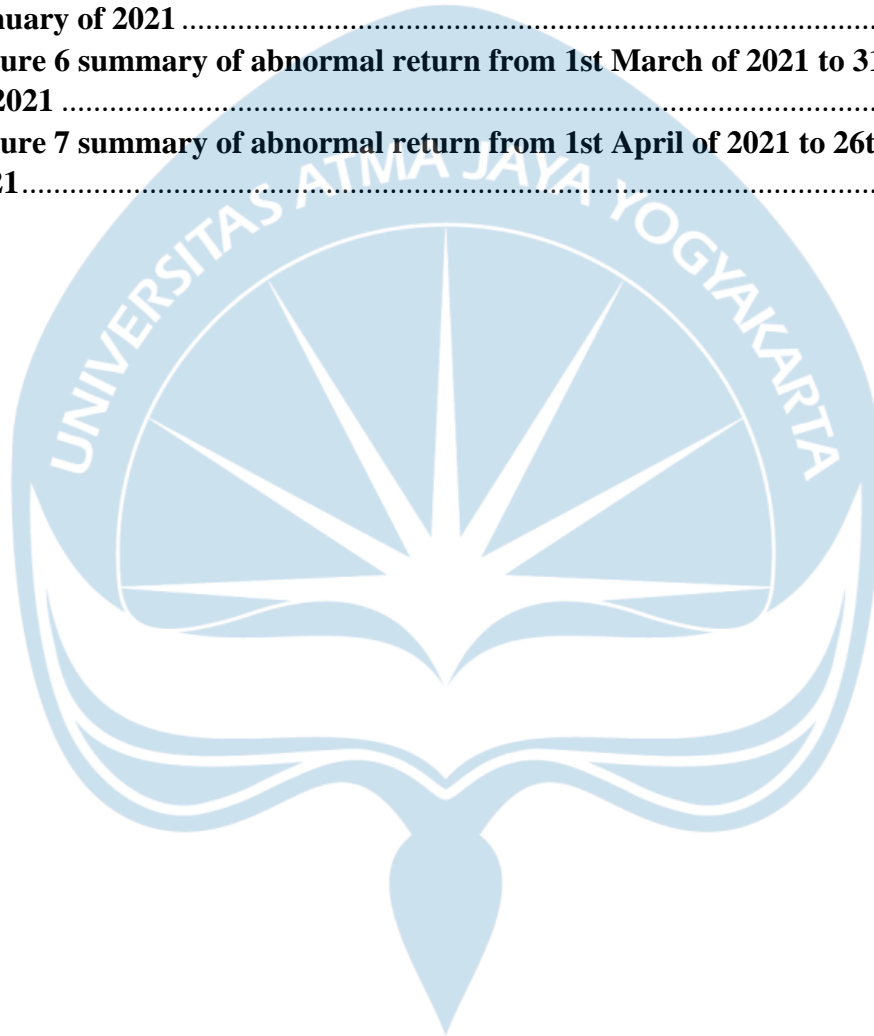
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Abstract

The main goal of being an investor is to gain the most profit and the least loss. To accomplish such goal, an investor must become rational. Rational investors properly analyze relevant information and formulate a strategy based on it. However, irrational investors do not properly analyze and formulate strategies. Rational investors can achieve a better result than those who are irrational. Financial behavior can be used to explain investors' irrationality. Financial behaviors suggested that there are four categories namely Investor Sentiment, Investor Overconfidence, Overreaction and Underreaction, and lastly Herding Behavior. This study will focus on overreaction. One of the possible sources of overreaction is the news about the company, which investors invested in. When

good news arrived, stock price is higher than its intrinsic value and vice versa. Another source of overreaction is investors' own information about the company. Investors can be categorized from Informed and Uninformed. It can be assumed that rational investors are informed investors and irrational investors are uninformed investors. This study will focus on Tesla news affecting five nickel companies namely PT. Vale Indonesia (INCO), PT. Aneka Tambang (ANTM), PT. Timah (TINS), PT Central Omega Resources (DKFT), and PT. Ifishdeco (IFSH). This research is aimed to investigate news overreaction in the nickel mining companies regarding Tesla. The scope of this research will be divided into two periods, one during tesla news and during no tesla news. The collected data suggested 90 days of daily data in both periods, therefore 180 days of daily data is obtained. The data is secondary data taken from a reliable website. The data will be calculated into Average Abnormal Return, which will be compared between the two periods. In order to find overreaction, there must be significant difference between both periods. Independent paired t-test will be performed to find the difference. After calculating using IBM SPSS, the inferential statistics suggested that there was insignificant difference between two periods. This result suggested that Tesla news did not cause overreaction in all five companies. It can also be suggested that Tesla news is not strong enough to shock the nickel mining companies.

Keywords: Overreaction, Nickel, Tesla, News, Financial Behavior.