

The Stock Market Reaction to the Announcement of Government Policy on Restricted Movement Order Covid 19 in the Travel, Leisure, and Service Industry.

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- **Abstract:** This study highlights the effects of the stock market on the announcement of government policy on Restricted Movement Orders due to the Covid 19 outbreak focusing on the travel, leisure, and service industries. The results corroborate signaling theory, as government announcements have a significant effect on stock prices. The findings of the study indicate that following MCO 1.0 announcements, stock prices moved significantly higher, indicating that the positive incidence of both AAR and CAAR could be attributed to the government's stimulus packages (PEMERKASA), which simultaneously boosted investor confidence, resulting in an increase in the stock market.
- **Keywords:** Stock market, Restricted Movement Orders, AAR and CAAR