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Market Response to the Launch of Indonesia's Sovereign Wealth Fund

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Abstract−This study aims to investigate the short-term impact of Danantara's launch, a newly established sovereign wealth fund in Indonesia, on market performance. A quantitative research design is employed in this study with an event study approach. The observed variables are stock returns and trading volume during 15 trading days before the launch of Danantara and 15 trading days after the launch of Danantara. Data were obtained from the IDX report. Paired-sample t-tests were conducted to identify any significant differences in Jakarta Composite Index (JCI) returns and trading volume. The results show no statistically significant changes in either variable, indicating that the market may have already priced in the policy or remained cautious due to limited information regarding the fund's governance and implementation. Theoretically, these findings suggest that policy announcements do not necessarily trigger immediate market reactions when clarity is lacking. Practically, the study highlights the importance of transparent governance structures and effective communication in shaping investor sentiment. Future research could extend the observation period to capture delayed market responses and incorporate additional variables for a more comprehensive understanding of Danantara's long-term effects.

Keywords: Market Response; Stock Market; Trading Volume; Event Study; Sovereign Wealth Funds

1. INTRODUCTION

Sovereign Wealth Funds (SWFs) have become an essential financial instrument for many nations to manage state assets and drive long-term investments (Dixon et al., 2022); (James et al., 2022); and (Souhila, 2024). Countries like Singapore (Temasek Holdings), Norway (Government Pension Fund Global), and the United Arab Emirates (Abu Dhabi Investment Authority) have successfully utilized SWFs to foster economic growth and financial stability (Jumaniyazov, 2020). In line with this global trend, Indonesia officially launched its own SWF, Danantara (Daya Anagata Nusantara)**,** on February 24, 2025. Danantara is designed to attract foreign and domestic investments into key sectors such as infrastructure, energy, and manufacturing, aiming to boost economic development and sustainability. Danantara is projected to manage assets of around $900 billion or approximately equivalent to IDR14,847.3 trillion, making it one of the largest sovereign wealth funds in the world (Ismoyo, 2025); (Shofa, 2025).

One of the objectives of establishing a SWF is to diversify the economy. SWF helps countries reduce their dependence on one source of income (for example, oil exports) by investing in various sectors of the global economy (Affuso et al., 2022). SWF is often seen as a reserve fund for future generations, especially if the country has non-renewable natural resources (Wurster & Schlosser, 2021). SWF can be used to support the country's economy during an economic crisis or market tension by providing additional funds or reserves for the government (Bortolotti & Fotak, 2020).

The advantages of SWF include increasing State Financial Reserves. With good management, SWF can provide significant results for the country's economy, increase financial reserves and diversify asset portfolios (Wurster & Schlosser, 2021). SWF helps the country achieve long-term prosperity, even after its natural resources run out. In terms of economic stability, SWF also supports the country in stabilizing the economy by providing additional sources of funds in the face of global economic uncertainty (Bahoo et al, 2020).

Despite the anticipated benefits, the launch of Danantara did not immediately instill confidence in the stock market. On the day of the launch, the Jakarta Composite Index (JCI) opened higher, gaining 13.582 points (0.20%) to reach 6,816.584**.** However, as the trading session progressed, the index reversed its gains and closed down by 53.40 points (0.78%) at 6,749.60**,** reflecting investor uncertainty about the implications of Danantara. Foreign investors recorded IDR3.47 trillion withdrawal after Danantara launch (Shabrina, 2025). This decline was also evident in the share prices of several state-owned enterprises (SOEs) included in Danantara's investment portfolio. For instance, stocks of PT Bank Mandiri Tbk **d**own 50 points or equivalent to 0.98 percent to IDR5,025 from the previous IDR5,075 per share**).** Stock of PT Bank Negara Indonesia Tbk decrease 100 points or 0.23 percent to IDR4,200 from the previous IDR4,300 per share**.** PT Telkom Indonesia Tbk shares fell 50 points or 1.18 percent to IDR2,600 from IDR2,650 per share. Only PT Bank Rakyat Indonesia Tbk shares experienced an increase of 30 points or equivalent to 0.007 percent to IDR3,920 from the previous IDR3,890 per share. This market reaction raises questions about investor sentiment, market efficiency, and the short-term impact of Danantara on the Indonesian stock market (IDX, 2025).

Previous studies have examined how stock markets react to major policy shifts, financial regulations, and economic announcements. Research suggests that market reactions can vary depending on investor sentiment, perceived risks, and economic expectations (Rahman et al., 2021). For instance, studies on market reactions to central bank central announcement on stock return and inflation swaps (Hubert & Maule, 2021) and government interventions

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during economic crises (Gormsen & Koijen, 2020) indicate that investors respond swiftly to policy news, often leading to short-term volatility. Similarly, studies on SWF-related policy announcements (Megginson et al., 2023) suggest that investor responses depend on the transparency and credibility of the SWF.

Short-term event studies on SWFs have yielded mixed results. Studies by (Souhila, 2024) found that stock markets tend to exhibit short-term volatility following major SWF announcements, particularly in cases where investors lack clarity about the fund's investment strategy. Empirical evidence from China's CIC (China Investment Corporation) and Norway's Government Pension Fund Global (GPFG) suggests that while SWFs enhance long-term investment stability, their initial market reactions can be negative due to uncertainty about capital allocation and investment priorities (Lamina, 2024). She argued that the effect of SWF investments on stock prices varies depending on the transparency and corporate governance practices of the SWF. This is relevant to Indonesia, as Danantara's governance structure, investment priorities, and capital allocation methods were not fully detailed at launch, possibly contributing to investor concerns and the decline in the JCI.

In the Indonesian context, (Soraya, 2023) studied how Indonesia capital market reaction after the announcement of Russia and Ukraine war to the Jakarta Composite Index (JCI), revealing that although the abnormal returns in the mining, finance, consumer, and real estate sectors varied significantly, the Indonesian capital market's reaction to the Russia-Ukraine war is still relatively insignificant. Similarly, (Tampubolon et al., 2023) found that trading volume activity and in bid-ask spread among IDX80 companies had significant impact by the announcement of fuel price increases on September 3, 2022**.** This aligns with the market response observed during the launch of Indonesia Investment Authority (INA) in 2021, where initial optimism was followed by stock market corrections due to investor concerns over implementation risks.

However, there is currently a lack of empirical studies examining the immediate reaction of the Indonesian stock market to the launch of a sovereign wealth fund**.** While previous studies have explored policy-driven market movements and SWF investment effects on firm performance**,** no research has specifically analyzed how the Indonesian market reacts in the short term to the creation of an SWF like Danantara. This research conduct to fill this gap by examining the immediate effects of Danantara's launch on trading volumes and market returns.

The objective of this study is to investigate the short-term impact (before and after) of Danantara's launch on capital market performance in term of JCI movement and trading volume activity. This study offers novelty by analyzing the short-term reaction of the Indonesian stock market to the launch of the Danantara sovereign wealth fund (SWF), which has not been widely studied in previous literature. Analyzing the short-term stock market reaction to the launch of Danantara is of great significance as it reflects investor sentiment, market efficiency, and expectations of new economic policies.

2. RESEARCH METHODS

2.1 Basic Research Framework

2.1.1 SWFs and Short-Term Market Reactions

Over the past decade, empirical studies have examined the short-term market reactions to Sovereign Wealth Fund (SWF) investments, revealing nuanced insights. For instance, research by (Souhila, 2024) found that while announcement-period abnormal returns were positive, they were approximately 2.67 percentage points lower than those associated with comparable private-sector investments. This suggests that although markets react favorably to SWF investments, the enthusiasm is somewhat tempered compared to private-sector counterparts.

Further, research by (Megginson et al., 2023) indicates that SWF investments can lead to positive short-term market reactions, particularly when the funds are perceived as stabilizing forces during financial uncertainties. However, the magnitude of these reactions varies based on factors such as the SWF's investment purpose and the political regime of its home country. For example, SWFs from authoritarian regimes with a focus on long-term value creation tend to elicit more positive immediate market responses.

Generally, these studies underscore that while SWF investments generally prompt positive short-term market reactions, the extent of these reactions is influenced by the characteristics and perceived intentions of the investing fund. This highlights the importance for SWFs to maintain transparency and align their investment strategies with market expectations to optimize favorable outcomes.

A similar pattern emerged during the launch of Indonesia's sovereign wealth fund, Danantara. While the initial announcement sparked optimism, the market quickly reacted with corrections. On the day of the announcement, JCI opened higher, rising by 0.20%, but later dropped by 0.78% by the time the market closed. This suggests that investors were uncertain about how Danantara would be implemented and governed, leading to a pullback in stock prices.

2.1.2 Event Study

An event study is a widely used method in financial research to examine how a specific event influences asset prices, market returns, or trading behavior. This approach is based on the efficient market hypothesis (Fama, 1970), which suggests that stock prices quickly incorporate new information. By analyzing stock returns and trading volume before and after an event, researchers can assess whether the market reacts significantly or remains indifferent. Event studies

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have been extensively applied in corporate finance, policy evaluation, and macroeconomic research to measure investor sentiment and market efficiency.

The key principle of an event study is identifying an event window which is the period around the event during which market reactions are observed. This typically includes a pre-event window, to establish a baseline for normal market behavior, and a post-event window, to capture any price or volume adjustments following the event.

In the context of Danantara's launch, an event study can help determine whether investors viewed the establishment of Indonesia's Sovereign Wealth Fund as a positive or negative market signal. By analyzing the Jakarta Composite Index and trading volume 15 trading days before and after the event, this study seeks to identify whether the market reacted significantly to the policy shift. If the findings show no substantial changes in returns or trading volume, it may suggest that investors had already priced in expectations, or that further clarity on Danantara's implementation is required before a meaningful market response occurs.

Below is the graphical model illustrating the event study framework applied in this research, where the event window spans 15 trading days before and after Danantara's launch.

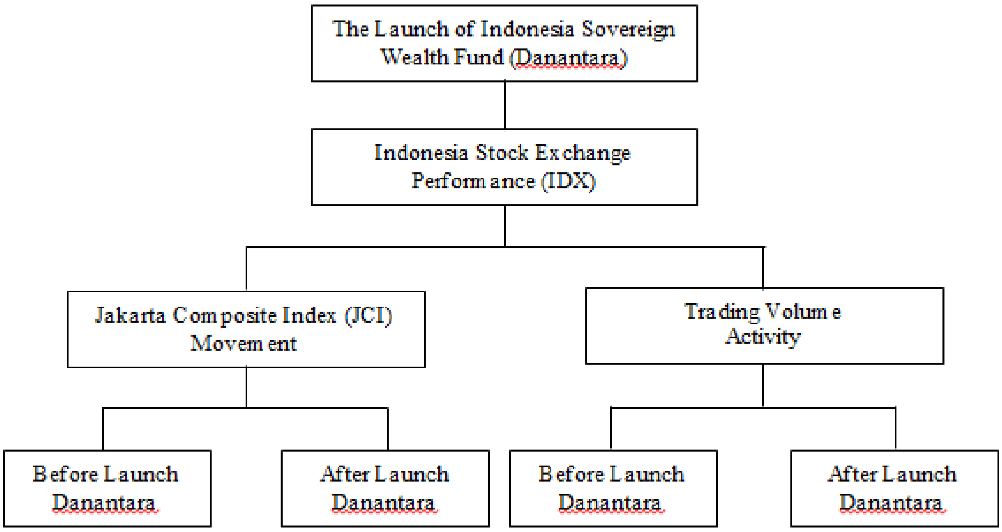

Figure 1. Research Framework

2.2 Analytical Method

This study employs a quantitative research design using an event study approach. An event study is a widely used method in financial research to analyze the market reaction to a specific event by examining stock price movements and trading activity over a defined period. This approach helps determine whether the event has a significant impact on market behavior.

The research utilizes daily time series data covering 15 trading days before the launch of Danantara (February 1 – February 13, 2025) and 15 trading days after the launch (February 25 – March 17, 2025). The data consists of the JCI and stock trading volume during the observation period. The study focuses on two key variables:

1. Market Return
   Market return represents the percentage change in the stock index over a specific period, reflecting overall market performance. It is calculated to assess whether Danantara's launch had a significant impact on investor profitability and market sentiment. Market return is calculated using the following formula:

$$\text{Market Return} = \frac{JCIt - JCIt-1}{JCIt-1} \times 100\% \quad (1)$$

2. Trading Volume Activity
   Trading volume measures the total number of shares traded within a specific period, serving as an indicator of market liquidity and investor participation. A change in trading volume after the event can signal shifts in investor confidence and market reactions to Danantara's introduction.

Building on insights from the literature review, this study puts forward the following hypotheses:
H1: Market returns experience a significant difference before and after the launch of Danantara
H2: Trading volume experience a significant difference before and after the launch of Danantara.

The data is processed using SPSS version 25.0. To test the research hypotheses, a paired sample t-test is conducted at a 5% significance level to determine whether there is a significant difference in market return and trading volume activity before and after the launch of Danantara. The decision-making criteria for hypothesis testing is If the probability value (p-value) is less than 0.05 (< 0.05), the hypothesis (H_1) is accepted, indicating that there is a significant difference before and after Danantara's launch, and vice versa.

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3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

Before Danantara's launch (Feb 3–21, 2025), the JCI showed a steady decline. It started at 7,030.06 on February 3 and remained relatively stable for a few days before beginning to drop, falling to 6,742.58 by February 7 and continuing downward. A sharp dip occurred on February 11, when the index hit 6,531.99, signaling a loss of investor confidence. Although there were minor recoveries, such as on Feb 18 when it reached 6,873.55, the index eventually closed at 6,803 on February 21, reflecting ongoing downward pressure likely driven by macroeconomic uncertainty and cautious investor sentiment. On February 24, the launch day of Danantara, the JCI opened at 6,750, showing a neutral market reaction. However, volatility persisted, and by February 28 the index dropped to 6,270.6, one of its lowest points during the period. This suggests that investors remained uncertain, possibly due to concerns over Danantara's implementation. Despite brief rebounds, like the rise to 6,665.04 on March 12, the index closed at 6,471.95 on March 17, marking an overall decline of 7.94% from March 3. These movements indicate that although Danantara's launch was a significant event, it did not immediately restore investor confidence, leading to continued selling pressure. This pattern aligns with theories on market efficiency and investor sentiment, where uncertainty about new policies or financial instruments often triggers short-term corrections. The movement of JCI during the research period can be seen in Figure 2.

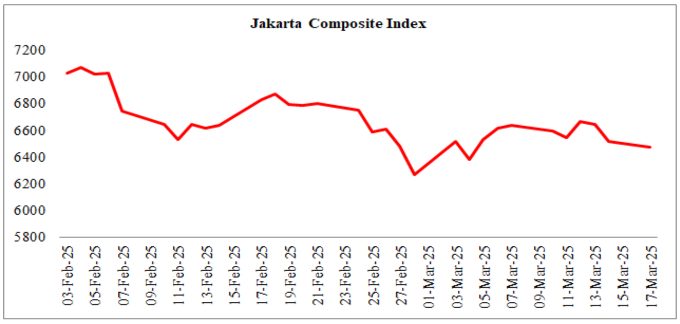

Figure 2. JCI Movement

To provide a more specific analysis, the discussion will be divided into three time periods, that is the first five days, the second five days, and the third five days after the launch of Danantara. This approach aims to capture the market dynamics over time and identify patterns in investor sentiment in the short term following the launch. The movement of the Jakarta Composite Index (JCI) in the three periods following the launch of Danantara on February 24, 2025, is presented in Table 1.

Table 1. JCI Movement After the Launch of Danantara

Period	Date	JCI	Change	Trend
First 5 Days (Feb 25 - Mar 3, 2025)	Feb 25, 2025	6,587.09	-	JCI experienced high volatility
	Feb 26, 2025	6,606.18	(+0.29%)	
	Feb 27, 2025	6,485.45	(-1.83%)	
	Feb 28, 2025	6,270.60	(-3.31%)	
	Mar 3, 2025	6,519.86	(+3.97%)	
Second 5 Days (Mar 4 - Mar 11, 2025)	Mar 4, 2025	6,380.40	(-2.14%)	JCI showed a gradual recovery, though fluctuations persisted.
	Mar 5, 2025	6,531.40	(+2.37%)	
	Mar 6, 2025	6,617.85	(+1.33%)	
	Mar7, 2025	6,636.00	(+0.27%)	
	Mar 10, 2025	6,598.21	(-0.57%)	
Third 5 Days (Mar 12 - Mar 17, 2025)	Mar 11, 2025	6,645.85	(-0.79%)	After an initial upward trend, JCI weakened again in the final days
	Mar 12, 2025	6,665.04	(+1.82%)	
	Mar 13, 2025	6,647.42	(-0.26%)	
	Mar 14, 2025	6,516.63	(-1.97%)	
	Mar 17, 2025	6,471.95	(-0.67%)	

In the five days following the launch of Danantara on February 24, 2025, the JCI experienced high volatility, reflecting investor uncertainty. On February 25, the index opened at 6,587.09, showing a relatively stable response. The following day, JCI gained a modest 0.29% to 6,606.18, suggesting that investors were cautiously optimistic, possibly anticipating long-term benefits from the sovereign wealth fund. However, this optimism was short-lived. On February 27 and 28, the market saw a sharp decline, with JCI dropping 1.83% to 6,485.45 and then plunging another 3.31% to 6,270.60. This significant downturn indicates that after an initial wait-and-see approach, investors began selling off stocks, possibly due to concerns over liquidity, uncertainty about Danantara's immediate economic impact,

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or broader market sentiment. Foreign investors may have also engaged in profit-taking**,** leading to increased selling pressure. Despite the decline, on March 3, JCI rebounded strongly, surging 3.97% to 6,519.86. This recovery suggests that after two days of heavy selling, bargain hunters entered the market, taking advantage of lower stock prices. The sharp rebound also implies that while short-term uncertainty persisted, investors started seeing potential long-term stability and benefits from Danantara. Overall, the first five days after Danantara’s launch were marked by heightened volatility. While the initial reaction was neutral to slightly positive, a wave of sell-offs on February 27-28 pushed the market down significantly. However, the strong recovery on March 3 indicates that investors remained cautiously optimistic, suggesting that market participants were still evaluating the broader impact of Danantara on Indonesia’s economy.

In the second five-day period after Danantara's launch (March 4 - March 11, 2025), the JCI began to show signs of recovery, albeit with moderate fluctuations. On March 4, the index dipped by 2.14% to 6,380.40, reflecting continued caution as investors processed the previous period’s volatility. However, the market quickly rebounded on March 5, rising by 2.37% to 6,531.40, indicating that investors were starting to see potential value at lower price levels. Over the following days, the upward trend gained momentum, with JCI climbing to 6,617.85 on March 6 (a 1.33% increase) and then to 6,636.00 on March 7 (a modest gain of 0.27%). This gradual improvement suggests a return of buying interest and a slowly stabilizing investor sentiment. However, by March 11, the index experienced a minor pullback of 1.46%, closing at 6,539.21. This slight decline indicates that while there was a general recovery, market participants remained cautious, likely waiting for clearer signals regarding the long-term impact of Danantara.

In the third five-day period following Danantara's launch (March 12 - March 17, 2025), the market exhibited mixed signals as investor sentiment appeared to waver. On March 12, the JCI showed a promising rebound, rising by 1.63% to reach 6,645.85, and continued with a small gain of 0.29% on March 13, indicating that some investors were regaining confidence and seizing opportunities in the recovering market. However, this upward momentum was short-lived. By March 14, the index experienced a slight dip of 0.26% to 6,647.42, followed by a more pronounced decline of 1.97% on March 15, when JCI fell to 6,516.63. The downward pressure continued into March 17, with the index dropping an additional 0.69% to close at 6,471.95. This sequence of events suggests that while there was an initial positive reaction during the early days of this period, underlying market uncertainties or lingering concerns about the long-term effects of Danantara led to renewed selling pressure. Overall, the fluctuations in this period underscore a cautious market environment, where gains are quickly offset by investor apprehension

Before Danantara’s launch, trading volume was highly volatile, with peaks of 25.07 billion on February 4 and 24.71 billion on February 5, then gradually dropping to 16.39 billion by February 21. This suggests that although investor activity was strong early in the month, uncertainty began to dampen trading as the launch approached. On the launch day, trading volume was 15.62 billion, showing no significant surge in activity. In the days following, volume fluctuated, rising briefly to 19.69 billion on February 28, before declining steadily to 12.63 billion by March 17, a 6.44% drop from February 3’s 13.5 billion. This trend suggests that Danantara’s launch did not trigger a sustained increase in investor participation. Instead, the market showed a mixed reaction, with a brief surge in trading activity at the end of February before settling into a downward trajectory. This aligns with market theories that indicate policy announcements may generate short-term volatility, but sustained investor confidence depends on clearer execution and market fundamentals. Volume trading activity is presented in Figure 2.

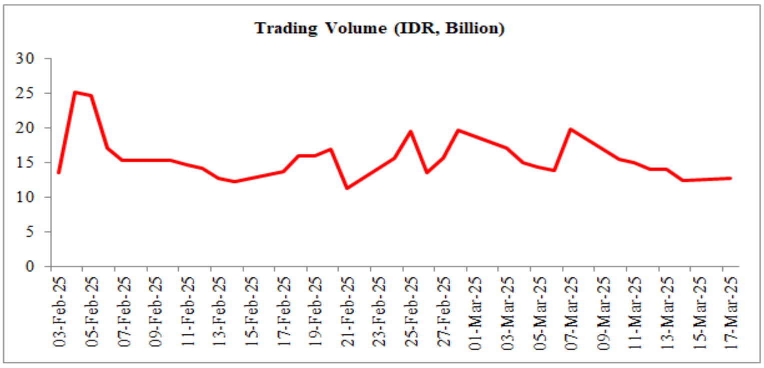

Figure 3. Trading Volume

Next, for a more detailed analysis, the study will examine trading volume activity over three distinct periods following Danantara's launch, namely the first five days, the second five days, and the third five days. This segmentation will help us capture how market liquidity and investor engagement evolved over time in response to the new policy. Trading volume activity during these 3 time periods is presented in Table 2.

Table 2. Trading Volume Activity After the Launch of Danantara

Period	Date	TVA (IDR, Billion)	Trend
First 5 Days	Feb 25, 2025	19.42	fluctuated
(Feb 25 - Mar 3, 2025)	Feb 26, 2025	13.52	

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Period	Date	TVA (IDR, Billion)	Trend
	Feb 27, 2025	15.65	
	Feb 28, 2025	19.69	
	Mar 3, 2025	17,08	
Second 5 Days (Mar 4 - Mar 11, 2025)	Mar 4, 2025	14.91	tended to be stable
	Mar 5, 2025	14.35	
	Mar 6, 2025	13.89	
	Mar7, 2025	15.84	
	Mar 10, 2025	15.36	
Third 5 Days (Mar 12 - Mar 17, 2025)	Mar 11, 2025	15.00	decreased
	Mar 12, 2025	13.97	
	Mar 13, 2025	13.99	
	Mar 14, 2025	12.30	
	Mar 17, 2025	12.62	

In the immediate aftermath of Danantara's launch, trading volume showed mixed signals. On February 25, the volume stood at IDR 15.64 billion, indicating a cautious but still active market. The following day, February 26, volume surged to IDR 19.83 billion, suggesting a brief wave of heightened investor interest possibly as traders adjusted their portfolios in response to the new policy. However, this momentum tapered off over the next few sessions, with the volume dropping to IDR 14.96 billion on February 27, then to IDR 14.29 billion on February 28, and finally settling at IDR 13.87 billion by March 3. This pattern points to an initial burst of activity followed by a gradual pullback, reflecting uncertainty in the market's assessment of Danantara's immediate impact.

During the second five-day window, trading volume showed a slight recovery, suggesting that investors were regaining confidence. On March 4, volume inched up to IDR 13.96 billion, and over the subsequent sessions, it climbed to IDR 14.95 billion on March 5, IDR 15.29 billion on March 6, and IDR 15.02 billion on March 7. By March 11, the volume stood at IDR 14.88 billion, indicating that while trading activity was relatively stable, investors remained watchful, likely awaiting further clarity on Danantara's long-term implications.

In the final five-day period, trading volume began to edge downward once more. On March 12, it was recorded at IDR 13.79 billion, dipping slightly to IDR 14.14 billion on March 13 before declining further to IDR 13.56 billion on March 14. By March 15, the volume slipped to IDR 13.24 billion, and it continued this downward trend, closing at IDR 12.63 billion on March 17. This decline suggests that investors became more cautious again, possibly reflecting a lack of strong catalysts or lingering concerns about the market's overall direction after the initial excitement around Danantara had subsided.

3.2. Hypothesis Testing

A paired-sample t-test was used to evaluate the differences in average JCI returns and trading volume, with the results presented in Table 3.

Table 3. Result of Paired-Sample t-Test

Pair	Information	t	df	P value
Set 1	JCI_Return_Before_Launching_Danantara & JCI_Return_After_Launching_Danantara	0.365	14	0.720
Set 2	TVA_Before_Launching_Danantara & TVA_After_Launching_Dantarara	0.198	14	0.846

The paired-sample t-test comparing return of JCI before and after launching Danantara yielded a p-value of 0.720 > 0.05, hence the H1 is rejected. This indicates no statistically significant difference in returns at the 5% significance level. In practical terms, this suggests that the launch of Danantara did not produce a marked shift in the Jakarta Composite Index (JCI) returns over the examined short-term window. From the perspective of the Efficient Market Hypothesis (EMH) by (Fama, 1970), such a result implies that any information about Danantara was either already priced into the market or did not materially alter investor expectations in the immediate aftermath. Furthermore, these findings are consistent with studies indicating that Indonesia capital market response to the Russia and Ukraine conflict is very small. In other words, it can be said that the conflict not necessarily prompt significant market reactions when clarity or immediate impact is lacking (Soraya, 2023).

Similarly, the paired-sample t-test for TVA before and after launching Danantara resulted in a p-value of 0.846, well above the 0.05 threshold. This indicates that the average trading volume did not experience a significant change before and after Danantara's launch. According to behavioral finance theories, large-scale policy shifts can sometimes trigger increased trading activity if investors react emotionally or perceive higher risks and opportunities. However, in this study, the lack of a statistically significant difference in trading volume suggests that market participants may have remained on the sidelines, awaiting more concrete signals about Danantara's practical implications. This finding aligns with prior research showing that, in the absence of clear policy details or immediate tangible outcomes, trading

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volumes may remain relatively stable (Bortolotti & Fotak, 2020). Overall, the subdued change in volume points to a market still evaluating Danantara's longer-term effects rather than rushing to adjust portfolios in the short run.

This study underlines that Danantara is viewed as a transformative economic initiative in the long term that investors believe will generate benefits over time rather than short-term market returns. Many investors take a cautious stance, realizing that the true value of the sovereign wealth fund may only be seen as it matures and integrates into the broader economic framework.

Investors generally expect an economic framework that is transparent, stable, and focused on long-term growth when it comes to the launch of Danantara. Specifically, they look for clear policy guidelines and robust governance mechanisms that ensure the proper management of state assets. This includes commitments to professional asset management, accountability, and transparency in decision-making. Investors also hope that Danantara will contribute to macroeconomic stability, foster sustainable fiscal policies, and support structural reforms that boost overall economic competitiveness. In essence, they expect a framework that not only secures the effective deployment of national wealth but also enhances investor confidence by driving long-term economic resilience and market efficiency.

4. CONCLUSION

The core findings of this study indicate that neither the Jakarta Composite Index (JCI) returns nor trading volume experienced a statistically significant change before and after the launch of Danantara. The paired-sample t-tests yielded p-values of 0.720 for JCI returns and 0.846 for trading volume, both exceeding the 0.05 threshold. This suggests that, in the short term, Danantara's launch did not substantially alter investor behavior or market sentiment, possibly due to pre-existing market expectations or a lack of immediate clarity regarding the fund's implementation. These findings have several implications. First, the absence of a significant shift may reflect a cautious investor stance, wherein participants await clearer signals about Danantara's long-term impact before adjusting their portfolios. Second, the study's reliance on short-term data limits its ability to capture delayed market reactions, which might emerge once more detailed information on Danantara's structure, governance, and investment strategies becomes available. Additionally, the analysis did not account for broader macroeconomic or global market factors that could also influence market behavior. Based on these considerations, future research should extend the observation window to assess whether Danantara's effects become more pronounced over time. Including qualitative methods, such as investor interviews or sentiment surveys, could offer deeper insights into why the market remained relatively unchanged in the immediate aftermath of Danantara's launch. Moreover, examining additional market variables, along with comparisons to other policy initiatives or SWFs in emerging economies, could enrich our understanding of how major economic developments influence market dynamics in the long run.

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