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The Covid-19 Pandemic's Impact on Financial Performance and Market Performance in Nine Indonesian Business Sectors

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ABSTRACT: This study compared trading volume activity before and after the COVID-19 pandemic, the first large-scale social restrictions, the New Normal, and the second large-scale social restrictions at LQ Companies. It also examined differences in stock prices, stock returns, the Composite Stock Price Index, market returns, and trading prices. -45. Data analysis compares stock prices, stock returns, the Composite Stock Price Index, market returns, and stock trading volumes before and during the Covid-19 epidemic as part of this research's event study methodology. Despite the variations in test results for each event, it is clear that the pandemic has affected stock portfolio performance on the Indonesian Capital Market. The first appearance of Covid-19 in Indonesia significantly impacted how the capital market there performed. The findings indicated that the pandemic hurt the market. Before the COVID-19 pandemic, the average stock return was higher than during the pandemic. A pandemic tends to cause changes in it. The findings suggest that while waiting for the capital market to become favorable during a pandemic, investors should be more discriminating when investing in the capital market, particularly in conservative products like mutual funds.

KEYWORDS: stock returns, market returns, capital market, stock trading, covid-19

I. INTRODUCTION

The Covid-19 epidemic is an unforeseen occurrence that has alarmed participants in the capital markets. It affects market sentiment negatively by causing price volatility and volatility in stock trading. The unfavourable investment environment brought on by the drop in stock prices and the JCI is also psychologically affected. Several industries are directly and indirectly impacted by banking, tourism, transportation, manufacturing, innovation, and consumption. These sectors become weaker as a result of the drop in consumption. The speed with which market players may gather information when deciding whether to buy or sell shares indicates the efficiency of the capital market, according to the efficient-market theory. Prices may fluctuate in response to information-rich events, but they will swiftly return to equilibrium in an efficient market. It is demonstrated by the Composite Stock Price Index, which on Monday (26/8) was corrected by 0.66% to 6,214.51 but increased by 0.32%.

The effectiveness of the capital market during a pandemic has been examined in several earlier research. When Liu et al. (2020) looked at the Chinese and Asian stock markets, they discovered negative abnormal returns (CAR) during the pandemic. Asia has fewer abnormal returns than other continents. Khoiriah et al. (2020) used a paired T-test to compare the aberrant returns and trading volume activity before and after the epidemic. It demonstrates that before and during the pandemic, the variable average abnormal return (AAR) has a substantial impact, whereas the moderate trading volume activity (ATVA) indicates a significantly favourable result. The epidemic hurt the capital markets around the world. A worldwide decline in stock prices affects the value of companies and the loss of investor wealth (Senal and Zeren, 2020; Baker et al., 2020; Khantavit, 2020; Al-Awadhi et al., 2020; King He et al., 2020; Gormsen and Koijen, 2020; Osagie et al., 2020, Nguyen et al. 2021, AL-Qudah and Houcine 2021, Amin et al. 202, Elhini 2021, Harjoto and Rossi 2021, Liu et al. 2021, Takyi 2020, Saharma 2021, Ashraf 2021, Bannigidadmath et al. 2021, Chen et al. 2021, Rahmad 2020, Young and Laing 2020). Additionally, it has raised stock return volatility in developed and emerging nations (Insaido 2021, Rakshit 2021, Hasan et al. 2021, Yousfi et al. 2021, Baek 2020, Abdullahi 2021). Efficiency is a crucial area that businesses need to improve to combat the effects of the Covid 19 epidemic (Neukirchen 2021). The goal of this study was to compare stock prices, stock returns, JCI, market returns, and Trading Volume

Activity before and after the pandemic, specifically during the Large-Scale Social Restrictions (PSBB), the New Normal, and the second PSBB at the LQ-45 company.

II. LITERATURE REVIEW

Three types of capital market efficiency were discovered by Fama (2016): weak, semi-strong, and strong. The first one indicates that the prices of securities accurately represent historical pricing data. The second one suggests that prices reflect all published information, including the information in the issuer's financial statements. Last, strong form efficiency indicates that security prices represent all accessible information, even private information.

All released information, including financial reports and news releases, will be reflected in the price of securities in a semi-strong capital market. Investors cannot outperform the market; hence extraordinary gains are impossible. Consequently, incidents deemed significant enough to draw public attention and reported by the media will not generate market volatility during periods when the news is released in a relatively robust market.

This research is an examination of 2020 events. This study typically focuses on the rate at which new market information is reflected in stock prices. If the announcement provides information, it is anticipated that the market will respond upon receipt. The market's reaction is reflected in the price changes of the relevant securities, which can be measured using returns as the value of price changes or abnormal returns. It is possible to assert that an announcement containing information will result in abnormal market returns (Hartono, 2010).

PREVIOUS STUDIES

Chiah and Zhong (2020) discovered that Covid-19 caused significant volume spikes in 37 worldwide equities marketplaces. It was found to be tied to each country's national culture and institutional setting. Investors prefer to trade more in communities characterized by high levels of trust, increased individualism, and low levels of uncertainty avoidance.

Before and after the epidemic, Machmuddah et al. (2020) found a substantial difference in daily closing stock prices and trading volumes. Diansari (2020) demonstrated significant changes in transportation company shares' returns and trading volumes before and after the epidemic.

According to Liu et al. (2020), Chinese and Asian stock markets have seen significant drops with negative cumulative abnormal returns (CAR) across all event periods. This study also analyzes the response of other industry indices to the pandemic, finding that the pharmaceutical, software, and IT service manufacturing sectors have a cheerful CAR during the event window. Still, the transportation, hotel, and catering industries have a negative CAR.

The research (Parven et al. 2021, Naeem 2021, Yu et al., and Shorotryia and Kalra 2021) focuses on the psychology or behaviour of investors as it relates to the Covid-19 epidemic. The data indicate that the surge of Covid-19-related difficulties and rumours has triggered investor worry, anxiety, and mistrust. It stimulates impulsive purchasing and harms investors' capital market decisions.

Scherf and Routbi's research focuses on the stock market's response to various government actions. According to Scherf's (2021) study, government measures that impose restrictions in the form of lockdowns in OECD and BRICS nations generally negatively impact the index. Moreover, according to Routbi's (2021) research in 66 nations, vaccination delivery programs can stabilize global markets. Immunization influences moderating stock market volatility in wealthy countries more substantially than underdeveloped nations.

Ozkan (2021) examined the effect of the Covid 19 outbreak on capital market efficiency in six developed nations, including the United Kingdom, the United States, Spain, Italy, France, and Germany. The results demonstrate that all markets undergo aberrations in their capital market efficiency during the pandemic. The US and UK financial markets exhibit inefficiencies in capital market efficiency.

Rahmat and Mamun (2020) studied the pandemic's effect on the response of the Australian stock market. It creates unpredictability and diminishes investor trust. The outcomes demonstrated that the Covid 19 epidemic negatively affected the capital market. During the pandemic, small businesses with little profitability will suffer the most. Regarding this, the Australian government launched several policy stimulus packages to mitigate its adverse effects.

HYPOTHESIS DEVELOPMENT

Differences in Stock Prices Before and During the Covid-19 Pandemic

According to the theory of the efficient-market hypothesis, the pandemic phenomenon is consistent with the efficient-market hypothesis. It is supported by Carter et al.'s (2021) findings in the aviation, hotel, and tourism industries. He discovered that the

pandemic reduced demand, resulting in a decline in company profits and stock prices. In the meantime, other industrial groups experienced increased demand, increasing company profits and stock prices. Benefiting industries include telecommunications, staple foods, information technology, and health care. Based on these findings, the following hypotheses can be formulated:
H1: There is a difference in stock prices before and during the covid-19 pandemic.

Differences in Stock Returns Before and During the Covid-19 Pandemic

Due to the economic crisis and government initiatives that prevented economic activity from spreading the virus, most business sectors witnessed a considerable fall in sales. The reduction in sales decreased the company's profitability and liquidity. As a result, abnormal returns during the pandemic were lower than in the past. According to research conducted by Al-Qudah and Houcine (2021) in six WHO regions, the pandemic had a negative impact following its release. Compared to the other areas, countries in the Western Pacific are the most negatively affected by abnormal returns. According to the findings of Nguyen et al. (2021), the epidemic had a negative impact, specifically a fall in returns on the majority of business sector shares. The COVID-19 pandemic had the most significant harmful effects compared to past pandemics. Based on the findings of these studies, the following hypotheses can be formulated:
H2: Stock returns differed before and during the covid-19 epidemic.

Differences in the JCI before and during the Covid-19 Pandemic

Amin et al. found in 2021 that the pandemic decreased the capital market index. Harjoto and Rossi found in 2021 that the outbreak hurt stock price indexes in emerging markets, which backs this up. Elhini and Hammam's research from 2021 shows that the pandemic has decreased the Standard & Poor's 500 Index. Most business sectors were hurt, except those dealing with communication, health, technology, and basic consumer needs. Baker's research from 2021 found that COVID-19 has caused the index to go down and stock prices worldwide to be more volatile. From what was said above, we can come up with the following theory:
H3: The JCI is distinct before and during the covid-19 pandemic.

Variations in Market Return before and throughout the Covid-19 Pandemic

The pandemic generally hurts market returns, particularly at the announcement's onset. The LQ-45 stock price index reached 1014.47 in December 2019; following the disclosure in March 2020, it dropped precipitously to 691.13. (Mujib and Candraningrat 2021). Indeed, the reduction in the index follows the fall in stock prices, which will lower returns. Senon and Zeren (2020) discovered that the epidemic triggered a fall in returns on global capital markets. Eleftheriou (2020) researched 45 global capital markets and found that the pandemic negatively influenced capital market performance directly and indirectly. A similar analysis was carried out by Rakshit and Neog (2021). They discovered that the COVID-19 epidemic negatively affected market results in Brazil (BOVESPA). Based on the findings of this research, the following hypothesis might be formulated:
H4: Market returns before and during the pandemic varied in nine business categories.

Trading Volume Activity before and during the Pandemic

Due to the pandemic, the current capital market circumstances are volatile and unclear. It is prevalent in most capital markets in every region of the globe. Due to future uncertainties, market players panicked. This circumstance causes transaction volatility, particularly in the selling market. According to Mujib and Candraningrat's (2020) study, the Average Trading Volume Activity (ATVA) variable substantially benefited LQ45 stocks before and during the pandemic.
Before and after the covid 19 pandemic, Dewi and Masithoh (2020) discovered a significant change in the trading volume of stocks on the JCI. The trading volume of stocks increased following Covid 19. The rise was primarily attributable to sales trading. Following the preceding explanation, we may formulate the following hypothesis:
H5: Nine industries show fluctuation in trading volume before and after the COVID-19 pandemic.

RESEARCH METHOD

This study focused on companies indexed at LQ 45. The researchers used comparative analysis to compare stock prices, stock returns, JCI, market returns, and stock trading volumes before and during the pandemic. This study is based on an event study to investigate the information content of a public announcement, particularly for the daily period. It necessitates using liquid issuers with the highest capitalization so that the impact of an event can be measured quickly and reasonably accurately. The following are the sample criteria for the company's shares:

1. The sample contains exhaustive activity information.
2. Provide comprehensive financial statements for 2019 and 2020

3. No delistings throughout the study year
4. Corporations do not engage in other corporate actions during the event window, such as rights issues, bonus shares, or stock splits. There is concern that it will lead to skewed analysis results.
5. Provide stock price information before and during covid 19 for the IDX.

The causality test and the paired sample t-test are data analysis methods used to assess the hypothesis.

Table 1. Operational of Research Variables

Variable	Variable Concept	Indicator
Stock Price	The stock price is the price that occurs at a given time on the exchange. Stock values can rise or fall in a relatively short period.	Stock price on IDX
Stock Return	The profit earned by investors from their investments is referred to as a stock return.	$R_{it} = \frac{Pit - Pit-1}{Pit-1}$
Jakarta Composite Index	Index on IDX	The value JCI
Market Return	Average Stock Portfolio Profit	$R_m = \frac{Rt - Rt-1}{Rt-1}$
Stock Trading Volume	It is the level of demand and supply for a company's shares. Under typical circumstances, when stock returns rise, so will trading volume. Increased returns will make investing more appealing to investors.	$TVA_{it} = \frac{Number\ of\ shares\ traded}{Number\ of\ shares\ outstanding}$

RESULTS AND DISCUSSIONS

The sample criteria are the availability of data necessary for processing in the study, as well as the following criteria: (1) During the 20-day study period consisting of t-10 and t+10, the shares are listed on the Indonesia Stock Exchange (IDX) as issuers belonging to the LQ-45 group of firms. (2) Its shares were actively traded during the duration of the investigation. According to the above sample selection criteria, 45 companies have been sampled.

Descriptive Statistics

According to available statistics, the JCI, portfolio returns, stock prices, TVA, and stock returns changed between the announcement of covid and the enforcement of community activity restrictions.

Table 2. Average Research Variables

Variable	Covid Event		PSBB Event		PSBB Phase 2 Event		PSBB Transition Event		PPKM Event	
	N = 470		N = 470		N = 470		N = 470		N = 450	
	Before	After	Before	After	Before	After	Before	After	Before	After
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
JCI	937.89	836.60	699.38	683.96	687.60	686.60	711.22	756.51	851.36	850.83
Portfolio Return	-0.01	-0.02	0.01	-0.0049	-0.0015	-0.002	0.02	0.0000	-0.0013	0.0011
Stock Price	5.973.43	5.230.98	4.667.06	4.523.87	4.558.68	4.492.57	4.715.78	4.972.18	5.268.41	5.239.91
TVA	0.0014	0.0018	0.0031	0.0026	0.0026	0.0024	0.0044	0.0039	0.0021	0.0018
Return	-0.0088	-0.0229	0.0157	-0.0045	-0.0006	0.0059	0.0155	0.0004	0.0001	0.0001

The table above shows that:

1. The average (mean) value of the JCI variable before and after the presence of Covid-19 was 937.89 and 837.89, respectively.
2. The average (mean) portfolio return variables before and after the pandemic were -0.01 and -0.02, respectively.
3. The average (mean) stock price variables before and after the pandemic were 5,973.43 and 5,230.98, respectively.

4. The average (mean) value of the TVA variable before and after the presence of Covid-19 was 0.0014 and 0.0018, respectively.
5. The mean (average) stock return factors before and after the epidemic are -0.0088 and -0.0229, respectively.

Hypothesis Test

Researchers use SPSS 22 software to test hypotheses. Because the data compares the JCI, stock prices, trading volume activities, and stock returns of firms in LQ-45, tests were conducted using the Normality Test method, one sample t-test, and paired sample t-test.

Tabel 3. JCI Matched Sample T-Test with Various Test Outcomes

Source: Data retrieved in 2021

Variable	Covid Event		PSBB Event		PSBB Phase 2 Event		Transition PSBB Event		PPKM Event	
	N= 470		N= 470		N= 470		N= 470		47x0	
	T-Count	Sig.	T-Count	Sig.	T-Count	Sig.	T-Count	Sig.	T-Count	Sig.
JCI	7.375	0.000***	1.579	0.149	0.150	0.884	-3.753	0.005***	0.054	0.958
MR	0.751	0.472	0.757	0.468	-0.125	0.904	1.550	0.156	-0.142	0.890
Stock Price	3.832	0.000***	0.928	0.359	1.123	0.268	-3.508	0.001***	0.557	0.581
TVA	-3.871	0.000***	2.815	0.007***	1.106	0.275	1.467	0.149	1.253	0.217
Return	6.041	0.000***	6.817	0.000***	-2.792	0.008***	7.371	0.000***	-0.025	0.98

Note: *** Significant at 1% level, ** Significant at 5% level, and *Significant at 10% level

The results of hypothesis testing shown in the table above can be explained as follows:

1. Testing the JCI hypothesis on the Covid-19 event showed that the t-count value was 7,375 with a Sig value. (2-tailed) of 0.000. There is a significant difference in the JCI average before and after the announcement of Covid-19. Thus the first hypothesis (H1a) is accepted.
2. Testing the JCI hypothesis on the PSBB event showed that the t-count value was 1,579 with a Sig value. (2-tailed) of 0.149. There is no significant difference in the JCI average before and after the PSBB. Thus the first hypothesis (H1b) is rejected.
3. Testing the JCI hypothesis in Phase 2 PSBB event showed that the t-count value was 0.150 with a Sig value. (2-tailed) of 0.884. There is no significant difference in the JCI average before and after PSBB Phase 2. Thus, the first hypothesis (H1c) is rejected.
4. JCI hypothesis testing on the PSBB Transition event shows that the t-count is -3.753 with a Sig value. (2-tailed) of 0.005. There is a significant difference in the JCI average before and after the Transitional PSBB. Thus the first hypothesis (H1d) is accepted.
5. JCI hypothesis testing on the PPKM event shows that the t-count value is 0.054 with a Sig value. (2-tailed) of 0.958. There is no significant difference in the average JCI before and after PPKM. Thus the first hypothesis (H1e) is rejected.
6. Testing the Market Return hypothesis in the Covid-19 event shows that the t-count value is 0.751 with a Sig value. (2-tailed) of 0.472. There is no significant difference in the average market return before and after Covid-19. Thus the second hypothesis (H2a) is rejected.
7. Testing the Market Return hypothesis on the PSBB event shows that the t-count value is 0.757 with a Sig value. (2-tailed) of 0.468. There is no significant difference in the average market return before and after the PSBB. Thus the second hypothesis (H2b) is rejected.
8. Testing the Market Return hypothesis in the Phase 2 PSBB event shows that the t-count value is -0.125 with a Sig value. (2-tailed) of 0.904. There is no significant difference in the average market return before and after PSBB Phase 2. Thus, the second hypothesis (H2c) is rejected.
9. Testing the Market Return hypothesis in the PSBB Transition event shows that the t-count value is 1,550 with a Sig value. (2-tailed) of 0.156. There is no significant difference in the average market return before and after the Transitional PSBB. Thus the second hypothesis (H2d) is rejected.

10. Testing the Market Return hypothesis on the PPKM event shows that the t-count value is -0.142 with a Sig value. (2-tailed) of 0.890. There is no significant difference in the average market return before and after PPKM. Thus the second hypothesis (H2e) is rejected.
11. Testing the Stock Price hypothesis in the Covid-19 event shows that the t-count value is 3,832 with a value of Sig. (2-tailed) of 0.000. There is a significant difference in the average share price before and after Covid-19. Thus the third hypothesis (H3a) is accepted.
12. Testing the stock price hypothesis in the PSBB event shows that the t-count value is 0.928 with a Sig. (2-tailed) of 0.359. There is no significant difference in the average share price before and after the PSBB. Thus the third hypothesis (H3b) is rejected.
13. Testing the stock price hypothesis in the PSBB Phase 2 event shows that the t-count value is 1.123 with a Sig value. (2-tailed) of 0.268. There is no significant difference in the average share price before and after PSBB Phase 2. Thus, the third hypothesis (H3c) is rejected.
14. Testing the stock price hypothesis in the PSBB Transition event shows that the t-count is -3.508 with a Sig. (2-tailed) of 0.001. There is a significant difference in the average share price before and after the Transitional PSBB. Thus the third hypothesis (H3d) is accepted.
15. Testing the stock price hypothesis in the PPKM event shows that the t-count value is 0.557 with a value of Sig. (2-tailed) of 0.581. There is no significant difference in the average share price before and after PPKM. Thus the third hypothesis (H3e) is rejected.
16. Testing the TVA hypothesis in the Covid-19 event showed that the t-count value was -3,871 with a Sig value. (2-tailed) of 0.000. There is a significant difference in average TVA before and after Covid-19. Thus the fourth hypothesis (H4a) is accepted.
17. Testing the TVA hypothesis in the PSBB event shows that the t-count value is 2.815 with a Sig value. (2-tailed) of 0.007. There is a significant difference in average TVA before and after PSBB. Thus the fourth hypothesis (H4b) is accepted.
18. Testing the TVA hypothesis in Phase 2 PSBB event shows that the t-count value is 1.106 with a Sig value. (2-tailed) of 0.275. There is no significant difference in the TVA average before and after PSBB Phase 2. Thus the fourth hypothesis (H4c) is rejected.
19. Testing the TVA hypothesis on the PSBB Transition event shows that the t-count value is 1,467 with a Sig value. (2-tailed) of 0.149. There is no significant difference in average TVA before and after the Transitional PSBB. Thus the fourth hypothesis (H4d) is rejected.
20. Testing the Stock Return hypothesis in the Covid-19 event shows that the t-count value is 6,041 with a Sig value. (2-tailed) of 0.0000. There is a significant difference in average Stock returns before and after Covid-19. Thus the first hypothesis (H5a) is accepted.
21. Testing the Stock Return hypothesis on the PSBB event shows that the t-count value is 6,817 with a value of Sig. (2-tailed) of 0.000. There is a significant difference in the average Stock Return before and after the PSBB. Thus the first hypothesis (H5b) is accepted.
22. Testing the Stock Return hypothesis on the PSBB Phase 2 event shows that the t-count value is -2.792 with a Sig value. (2-tailed) of 0.008. There is a significant difference in average stock returns before and after PSBB Phase 2. Thus, the first hypothesis (H5c) is accepted.
23. Testing the Stock Return hypothesis on the PSBB Transition event shows that the t-count value is 7,371 with a Sig value. (2-tailed) of 0.000. There is a significant difference in average Stock Return before and after the Transitional PSBB. Thus the first hypothesis (H5d) is accepted.

DISCUSSION

The test findings for each event window vary, but the pandemic affects the performance of stock portfolios in the Indonesian Capital Market. The first event in which Covid-19 was present in Indonesia had the most effect on the performance of the Indonesian capital market. As soon as the government announced it for the first time at the beginning of March 2020, stock prices, the JCI, stock returns, market returns, and trading volume declined dramatically.

This empirical evidence supports the findings of previous studies that the pandemic had a detrimental impact on global stock markets. The worldwide decline in stock prices has affected the decline in company value and the loss of investor wealth (Senal and Zeren, 2020; Baker et al., 2020; Khantavit, 2020; Al-Awadhi et al., 2020; King He et al. l, 2020; Gormsen and Koijen, 2020; Osagie et al., 2020, Nguyen et al. 2021, AL-Qudah and Houcine 2021, Amin et al. 202, Elhini 2021, Harjoto and Rossi 2021, Liu et

al. 2021, Takyi 2020, Saharma 2021, Ashraf 2021, Bannigidadmath et al. 2021, Chen et al. 2021, Rahmad 2020, Young and Laing 2020). Additionally, Covid 19 has exacerbated the volatility of stock returns in developed and emerging nations (Insaido 2021, Rakshit 2021, Hasan et al. 2021, Yousfi et al. 2021, Baek 2020, Abdullahi 2021). For businesses to combat the effects of the pandemic, efficiency is a crucial issue (Neukirchen 2021).

Only trade volume activity and stock returns are impacted by PSBB 1 and 2 events. However, the transition affects the JCI, stock prices, and stock returns. The performance of the capital market was not considerably affected by the PPKM event since the market was relatively stable, and the reaction to the PPKM announcement did not hurt the market's response.

THEORETICAL AND PRACTICAL IMPLICATIONS

The substantial differences between JCI, market returns, stock prices, TVM and stock returns connected to the pandemic event, PSBB 1, PSBB 2, Transitional PSBB, and PPKM that were tested before and during the pandemic can be explained as follows:

a. The JCI differs significantly throughout the epidemic and during covid 19 in the pandemic and the transitional PSBB. For additional circumstances, namely when PSBB1, PSBB2, and PPKM yielded minor results. This research demonstrates that the pandemic significantly led to a performance reduction in nine economic sectors in Indonesia. The average JCI was higher before the pandemic than during the pandemic, which led the JCI to drop. The pandemic has caused a drop in economic activity due to the government's stringent measures to combat it. Several industrial sectors, including the transportation, tourism, hotel, and banking industries, are under intense pressure, resulting in a decline in their financial performance.

Before and during the pandemic, the transitional PSBB period illustrates a considerable difference. After the transitional PSBB, the average JCI was higher than before the pandemic. It demonstrates that investors and the business community have responded favourably to the loosening of limitations implemented when the pandemic is under control. It is shown by the rise in the JCI since the implementation of PSBB 1 and PSBB 2.

According to the findings of this study, the government must gradually and cautiously ease some restrictive laws that have prevented several industries from improving their financial performance. However, this relaxation must always be supported by applying stringent health procedures to halt the reduction of Covid 19. In this instance, the transportation, tourist, hospitality, and banking industries are given precedence.

b. The data indicated no significant variations between the market return before and after the COVID-19 pandemic, PSBB1, PSBB, Transitional PSBB, and PPKM PSBB occurrences. The findings of this study indicate that the pandemic event reported by WHO as a global pandemic does not yet contain sufficient market-influencing information. As a result, the market did not respond to the WHO's warning, and the announcement did not affect the Indonesian capital market. It transpired as a result of the fact that before the WHO's notification, numerous countries were aware of covid 19. These findings are corroborated by studies conducted by Muti'ah and Anwar in 2021 and Febriansyah and Ranidiah in 2021. Even though there is no significant difference between market returns before and after the pandemic, investors should be aware that the uncontrolled COVID-19 epidemic may play a role in the demise of the companies in which they have invested. Therefore, investors are urged to constantly base their investment decisions on macroeconomic conditions and the company's financial statements.
c. The data demonstrated significant stock price disparities under two conditions: the COVID-19 epidemic and the transitional PSBB. The testing of PSBB1, PSBB2, PSBB transmission, and PPKM did not reveal any differences in stock prices before and during the epidemic. This study's findings indicate that the pandemic has significantly impacted the performance of companies listed on the Indonesia Stock Exchange. The higher average stock prices demonstrate this before the epidemic than during it. Several industries saw a fall in sales and financial performance due to the enactment of regulations to restrict the mobility of individuals and prevent gatherings. Investors responded negatively to this scenario, resulting in a decrease in demand for the company's shares as investors sold their holdings. In light of these circumstances, the government must enact several regulations to help heavily impacted businesses survive and improve their financial performance. When the spread of COVID-19 begins to be halted, the authorities must start easing restrictions. Governments and agencies must balance the importance of maintaining health and economic growth.
d. Before and during the pandemic, Trading Volume Activity (TVA) test results demonstrated considerable variations. In contrast, there were no significant variations between the pre-pandemic and pandemic circumstances for PSBB 1, PSBB 2, transitional PSBB, and PPKM. The TVA average was higher before the epidemic than throughout the outbreak. It is due to investors limiting their buying and selling activity during a pandemic due to economic unpredictability. The fall in the financial performance of public corporations is also a factor that decreases investment interest. Therefore, the government

and related authorities must establish various measures to encourage investors to continue using the capital market as a location to invest.

e. The final test, which compared stock returns before and after a pandemic, indicated statistically significant differences across all four circumstances (pandemic occurrences, PSBB1, PSBB2, and transitional PSBB). Based on these outcomes, it appears that investors responded negatively to the pandemic on the market. Before the pandemic, the average stock return was higher than during the pandemic. During a pandemic, stock returns usually fluctuate.

This study implies that investors should be more selective when investing in the capital market, particularly in conservative products like mutual funds, until the capital market becomes more favourable. In the interim, the government and relevant agencies must take preventative measures to ensure that the pandemic does not negatively impact the performance of the Indonesian capital market and that it remains an attractive investment destination.

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