



# Comparative analysis of Abnormal Return and Trading Volume Activity Before and After the Announcement of the Covid 19 Pandemic-In financial companies listed on the Indonesia Stock Exchange (IDX)

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## Keywords:

*Abnormal Returns (AR); Trading Volume Activity (TVA); study event*

## Abstract

*The purpose of this study was to analyze the reaction of the Indonesian capital market to the first case of Covid-19 by using Abnormal Return (AR), and Trading Volume Activity (TVA) before and after the Covid announcement period in Indonesia. Observations began seven days before and seven days after the event. The population for this study uses financial sector data registered in February and March 2020 on the IDX. The sampling technique used was purposive sampling with a total of 30 financial companies that met the criteria. This study uses quantitative research and comparative research testing methods with the Wilcoxon Signes Rank Test. The results of this study show significant differences in AR before and after the announcement of the Covid-19 pandemic, where these differences are indicated by an increase in Abnormal Returns after the announcement, investors trust companies more before the announcement which already provides returns or profits rather than having to predict profits. what you get in the future. The results of the wilcoxon signed rank test showed that there was a significant difference in Trading Volume Activity before and after the announcement of covid .*

## 1. INTRODUCTION

Investment activities carried out by investors really need information on events that occur in the community, because stock prices are very sensitive to events that occur in the midst of society, so that in making investment decisions investors must collect as much information as possible so that the investment activities carried out can be profitable. for them. Activities arising from economic and non-economic activities are some of the fundamental activities that can have an impact on the capital market. The economic phenomena referred to include changes in interest rates, fiscal policy, monetary policy, dividend policy, and corporate strategic decisions or GMS.

One of the non-economic events that hit the world community today is the Covid-19 outbreak. This event first appeared in the Chinese city of Wuhan at the end of

2019. The transmission of this type of pandemic is increasingly widespread, and its spread occurs super fast among humans, as well as from one country to another. Indonesia itself announced its first case of Covid-19, namely on March 2, 2020. The Indonesian government has implemented a number of steps to stop the spread of Covid-19 cases, including the use of masks, PSBB, and physical distancing.

The impact of the Covid-19 outbreak has been felt in various areas of life, especially in the economic sector, including the stock market. In general, most businesses in Indonesia and around the world are suffering from the Covid-19 outbreak. Naturally, many businesses are reporting lower earnings than in other years due to the damage that will be caused during the Covid-19 epidemic. Investors tend to respond badly to this situation, which causes the entity's share price to



drop, as a result of the uncertainty and instability experienced by the company due to the pandemic. According to Sambuari et al. (2020), the higher the role of the capital market in economic activity, the more sensitive stocks will be to various events that occur in the surrounding environment, regardless of whether these are directly related to economic problems or not. Sectors that help the tourism industry, such as hotels and restaurants, have been badly hit and lost a lot of money due to the outbreak.

Most people postpone their travel plans because of government laws that impose different rules, such as social distancing to PSBB and flight restrictions in some countries. The pandemic will force the closure of 8,000 restaurants and more than 2,000 hotel units. With this closing step, it is likely that the large loss of income from January - April 2020 will be worth IDR 70 trillion, including the hotel industry IDR 30 trillion and the tourism industry IDR 40 trillion. In addition, the Covid-19 epidemic cost the hospitality and tourism industry \$4 billion in foreign currency lost between January 2020 and April 2020. (Sukamdani, 2020).

Based on the justification provided, non-economic events can have an impact on changes in the price of securities in the capital market. The announcement of the first Corona virus case in Indonesia allegedly has strong information that can distinguish between trading volume activity and abnormal returns. This research was conducted by measuring non-economic phenomena, namely an event where the Covid-19 outbreak was announced for the first time in Indonesia, namely on March 2 2020, is it true that this event has a relatively adequate amount of information (information) or vice versa can cause a reaction in capital market. In general, changes in stock prices and increases or decreases in stock trading volume are

indicators of how the capital market responds. Where according to (Habbe and Hartono 2001) price share is proxy from reaction market in measure performance accounting . So fluctuation price share is important thing \_ for investors because reflect performance company .

Whether or not there is a normal return (abnormal return) on a daily basis, as well as how the movement occurs, will be used in this study to measure changes in stock values. The market will respond positively if the abnormal returns (abnormal returns) on stocks show good results, but vice versa if the events are inversely proportional or the abnormal returns (abnormal returns) show negative results. In addition, after or before the release of the first sample (case) of Covid-19 in Indonesia, researchers also compared trading volume activity and the average abnormal return in this study. The difference between active trading volume and abnormal returns is quite large (Abnormal Return) after and before this case was published in several countries, according to previous research by Wicaksono & Adyaksana (2020) in the banking sector.

The issue of the first Covid-19 that occurred in Indonesia became the subject of a research cut-off event investigation conducted on March 2, 2020. Hartono (2017) explained that an event study is defined as a study that observes how a market reacts as a result of an event where information or news disseminated in the form of an announcement. The researcher chose an observation period of 10 days before (t-5) and 5 days after (t+5) the first Covid-19 announcement in Indonesia for this study (event study). Researchers believe that 10 exchange days is sufficient to evaluate changes in stock prices and stock trading activity, enabling them to concentrate on the consequences these events could have. In addition, it is



anticipated that if the timeframe is too long, other events unrelated to the announcement event will be mixed into the research data.

This study is expected to help issuers, investors and other stakeholders who want information about how the Covid-19 outbreak has affected stock prices. It also provides a summary of how the issuer should react to the underlying circumstances surrounding the company. In addition, this research is expected to provide investors with an overview of the Covid-19 pandemic data, as well as information about the pros and cons of making investment decisions during the Covid-19 pandemic. Based on some of the explanations or descriptions above, the researcher is interested in proving whether there was an influence caused by early notification of the Covid-19 case on the domestic capital market by using the type of event study method.

## 2. LITERATURE REVIEW

### 2.1 Capital market

The capital market is a place where various parties, especially companies, sell shares (stock) and bonds (bonds) with the aim that the proceeds from the sale will be used as additional funds or to strengthen the company's capital (Fahmi, 2012). According to Martono and Harjito (2010) the capital market is a market where long-term funds, both debt and equity, are traded. There are two types of securities traded on the capital market, namely those with a maturity of more than one year and those with no maturity. The capital market itself is divided into two types of markets, namely the primary market and the secondary market. The primary market is the market for securities that have just been issued or have just gone public, while the secondary market is the trading market for existing securities.

Meanwhile, according to Sutrisno (2012) the capital market is a place in a physical sense that organizes securities sales transactions or is referred to as a stock exchange. In general, it is the companies that offer securities and requests come from businessmen, the government, and the general public. In the capital market, there is a meeting between two parties, namely those who have excess funds and those who need funds. Securities buying and selling transactions occur on the stock exchange. Stock exchanges function to maintain market continuity and create reasonable securities prices through a supply and demand mechanism.

### 2.2 Share

According to Fahmi (2011: 81) Shares are proof of ownership of capital or funds in a company or shares are paper that clearly states the nominal value, company name, and is followed by rights and obligations explained to each shareholder. In simple terms, shares can be defined as a sign of participation or ownership of a person or entity in a company. The form of shares is a piece of paper that explains that the owner of the paper is the owner of the company and the issuer of the paper is the owner of the company that issued the paper.

### 2.3 Abnormal Returns

Sambuari et al. (2015) stated that abnormal return or realized return is the profit or difference from the actual return to the *expected return*. The occurrence of abnormal returns indicates that a phenomenon has information content which causes the market to react (Hafidz, 2020). After that, *the cumulative abnormal return* (CAR) for the t- 5 and t+ 5 periods is calculated to compare the increase or decrease in the securities studied.

$$AR_{it} = R_{it} - R_{mt} \dots \dots \dots (1)$$



### 2.3.1 Trading Volume Activity

According to Suryawijaya & Setiawan (1998), trading volume activity is an instrument used to assess the response of the capital market to an event containing news by using a benchmark of stock trading volume activity in the capital market.

$$TVA = \frac{\sum \text{saham perusahaan} - i \text{ yang ditransaksikan pada hari ke } - t \dots x^2}{\sum \text{saham perusahaan} - i \text{ yang beredar pada hari ke } - t}$$

### 2.4 Relations between Variables

Zubaidah (2016) states that stock returns are the gain from investment activities. Abnormal return is the variable used in this event study research. There is an abnormal return indicating if a phenomenon has a certain news content that triggers a reaction in the capital market, therefore abnormal returns are relevant when used. According to Aditha & Adiputra (2020), the market's response to news can be reflected in the emergence of abnormal returns. Abnormal return is one of the parameters that is able to reflect that a phenomenon is news-laden for investors, and vice versa, abnormal returns do not occur if an event that occurs does not contain information for investors.

According to Hafidz (2020), there is a difference in the average abnormal return reflecting the market's reaction to an event because it has information content, so signaling theory indicates that the information contained can be properly reviewed by investors. Daisy & Debakshi (2020) stated that Covid-19 had a significant impact on stock returns on the Indian capital market. The existence of a significant dissimilarity in abnormal returns before and after the initial cases of Covid-19 patients appeared in Indonesia was shown in Febriyanti's research (2020) which showed a significant difference in abnormal returns before and after the initial news of Covid-19 appeared. These results signal that investors are getting bad news, causing the LQ-45 stock price to tend to fall.

Research by Wicaksono & Adyaksana (2020) states that there is a significant negative effect of Covid-19 on stock returns in the banking sector. AlAwadhi et al (2020) also stated that Covid-19 had a significant negative effect on stock returns. However, research conducted by Sambuari et al. (2020) stated that there was no difference between abnormal returns before and after the initial patient reports of the Covid-19 case in Indonesia

#### **H1: There is a difference in Abnormal Return between before and after the announcement of the first Covid - 19 in Indonesia's Financial sector.**

Wenno (2020) states that trading volume activity is the total shares traded per certain period. The amount of *trading volume activity* explains investors' interest in stocks. The value of a large trading volume activity does not necessarily reflect a large stock price either. According to Aditha & Adiputra (2020), a news signal contained in an incident can trigger a market reaction through the volume of stock trading, which can increase or decrease following the signals contained in the news. Chiah & Zhong (2020) stated that *trading volume activity* tends to increase after the Covid-19 pandemic. According to Hafidz (2020), if the increase in *trading volume activity* is due to an increase in demand, the information contained in an event is good news, and if the increase in trading volume activity is due to high sales, the information contained in an event is bad news. news).

Several previous studies used trading volume activity as a variable that could reflect market conditions such as research conducted by Dewi & Masithoh (2020) which said that there was no difference in trading volume activity before and after the incident reporting the initial case of Covid-19 patients in Indonesia. A different thing was shown by Nurmasari (2020) who said that there was a difference in trading



volume activity before and after the incident which showed an increase in the volume of stock transactions after Covid-19 even though on the other hand the stock price had decreased.

**H2: There is a difference in Trading Volume Activity before and after the announcement of the first Covid - 19 in the Indonesian Sector Finance.**

**3. RESEARCH METHODS**

Study This is study quantitative manifold *study event* . Where is the *event window* used in study This is 11 days ie 5 days before the event day occurrence of the event and 5 days after events occur . Reason specifying the event window addressed For avoid influence from capable information \_ influence *Abnormal Return* and *Trading Volume Activity* at related issuers . \_ If the specified event window too long worried will appear capable events \_ influence results from study (Sari and Dewi 2021 ; Setiawan and Kurniasih 2021).

**3.1 Population and Research Sample**

In this study the population used was all financial companies listed on the Indonesia Stock Exchange (IDX) at the time of the Covid announcements in February and March 2020. The samples taken in this study as many as 30 companies namely finance that meet the criteria as following:

- a. Included in the Financial Sector in Bei;
- b. Actively traded during the study period; And
- c. Have complete data needed for research such as share prices, company name, JCI, trading volume and number of outstanding shares.

**3.2 Data Collection Sources and Methods**

The source of data used in this study comes from secondary data obtained from published documents, notes, financial reports and annual reports. Methods of data

collection using the method of documentation by downloading financial reports and annual reports on companies on the Indonesian Stock Exchange as well as studies literature by reviewing various literature such as journals , archives, books and other literary sources.

**3.3 Data Analysis Techniques**

Following analysis used \_ in study this :

**a. Calculating Abnormal Returns**

Refer in Hartono (2017) below steps measure abnormal returns

- 1) Determine the Actual Return of each stock :

$$R_{it} = \frac{P_t - P_{t-1}}{P_{t-1}}, \dots\dots\dots (1)$$

Description :

- $R_{it}$  = Actual returns share on day to -t
- $P_t$  = Price share on day to -t
- $P_{t-1}$  = Price share on day to t-1

- 2) Determining Market Returns

$$R_{mt} = \frac{IHSG_t - IHSG_{t-1}}{IHSG_{t-1}}, \dots\dots\dots (2)$$

Description :

- $R_{mt}$  Market returns on day to -t;
- $IHSG_t$  = daily JCI daily on day to -t
- $IHSG_{t-1}$  = daily JCI on day to t-1

- 3) Determine Abnormal Returns

$$AR_{it} = R_{it} - R_{mt}, \dots\dots\dots (3)$$

- $AR_{it}$  = Abnormal stock returns on day to -t
- $R_{it}$  = Actual stock returns on day to -t
- $R_{mt}$  = Market returns on day to -t

**b. Count Trading Volume Activity**

Suganda (2018:17) *Trading Volume Activity* can be measured with :

$$TVA = \frac{\sum \text{ Saham i ditransaksikan pada waktu t}}{\sum \text{ Saham i beredar pada waktu t}}, \dots\dots\dots (4)$$

- 1) Do analysis statistics descriptive For calculating the average (mean), value maximum , and variable minimum value *Trading Volume Activity* and *Abnormal Return*



- 2) Do test assumption classic , as precondition before data analysis , required test normality with use *Kolmogrov -Smirnov test of Normality* . Where base taking decision if more sig value large 0.05, then the data is stated normally distributed , otherwise if sig is less than 0.05 then the data is not normally distributed (Mangindaan and Manossoh 2020) .
- 3) Do test different on Abnormal Return and Trading Volume Activity. Junaidi, Siregar, and Anan (2021) Data analysis

techniques were carried out with the analysis technique *Paired sample t-test* and *Wilcoxon Signed Rank* . Test different done with use *Paired Sample t-test* if the data is normally distributed and the *Wilcoxon Signed Rank Test* when the data is distributed not normal (Sari and Dewi 2021).

#### 4. RESULTS AND DISCUSSION

##### 4.1 Research result

##### a. Descriptive Analysis

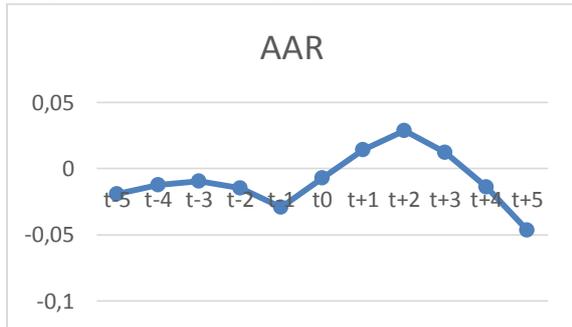
##### 1) Abnormal Returns

**Table 1**  
**Descriptive Statistics Analysis Abnormal Returns**

Descriptive Statistics					
	N	Minimum	Maximum	Means	std. Deviation
T-5	30	-0.06	0.03	-0.019667	0.019384198
T-4	30	-0.13	0.02	-0.012333	0.027876988
T-3	30	-0.06	0.06	-0.009667	0.023705569
T-2	30	-0.08	0.09	-0.015	0.037115848
T-1	30	-0.13	0.04	-0.029333	0.041600177
T0	30	-0.2	0.22	-0.007	0.059315056
T1	30	-0.11	0.24	0.0143333	0.061961241
T2	30	-0.07	0.17	0.0286667	0.04083046
T3	30	-0.05	0.25	0.0116667	0.060860685
T4	30	-0.23	0.04	-0.013667	0.046792523
T5	30	-0.14	0.02	-0.045333	0.042078198
AARSeb	30	-0.057452	0.006851	-0.016928	0.014693307
AARSes	30	-0.041089	0.049744	-0.001055	0.017701814
Valid N (listwise)	30				

Source : processed data (2022)

The descriptive statistics in the table above can be illustrated by the average AR graph in the following figure:



Source : processed data (2022)

**Figure 1**

**Chart Average Abnormal Returns**

The average AR before the announcement shows a negative result worth -0.016928, if the average AR value is negative it indicates that the return obtained by investors is lower than the expected return. The highest AR gain before

the announcement was 0.006851 and the lowest was -0.057452. The standard deviation before the announcement showed a value of 0.014693, meaning that there was a data deviation of 0.014693 from the average AR.

The average AR after the announcement is -0.001055 which means it indicates that the returns obtained by investors are lower than their expected returns. The highest average AR gain is 0.049744 and the lowest is 0.041089 with a standard deviation after the announcement showing a value of 0.01770, this indicates that there is a data deviation of 0.01770 from the average AR.

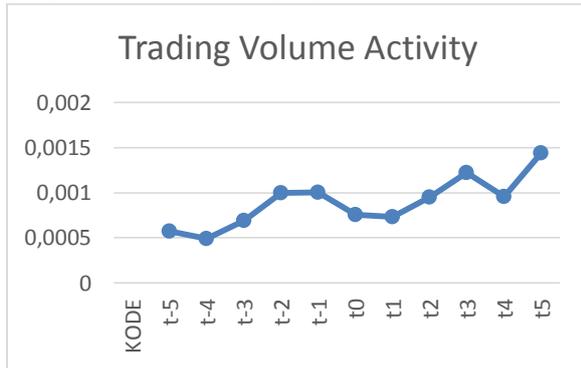
**2) Trading Volume Activity**

**Table 2**  
**Descriptive Statistics Analysis Trading Volume Activity**

	N	Minimum	Maximum	Means	std. Deviation
tmin5	30	0.000000	.003479	.00057332	.000864878
Tim4	30	0.000000	.003542	.00048770	.000838109
Tim3	30	0.000000	.005162	.00069056	.001216728
Tim2	30	0.000000	.011829	.00099992	.002310180
Tim1	30	0.000000	.006963	.00100064	.001612194
T0	30	0.000000	.005935	.00075584	.001402114
T1	30	0.000000	.004698	.00072944	.001188355
T2	30	0.000000	.007967	.00095083	.001724820
T3	30	0.000000	.012862	.00122108	.002538966
T4	30	0.000000	.007554	.00095823	.001837472
T5	30	0.000000	.021286	.00143766	.003952149
TVASeb	30	.000002	.000827	.00055736	.000285120
TVASes	30	.000001	.001544	.00094730	.000496161
Valid N (listwise)	30				

Source : processed data (2022)

The descriptive statistics in the table above can be illustrated by the average TVA graph in the following figure:



Source : processed data (2022)

**Figure 2**

**Chart Trading Volume Activity**

Before the announcement, the average *Trade Volume Activity (TVA)* showed a positive value of 0.000557. The highest TVA gain before the announcement was 0.001544 and the lowest was 0.000002. The standard deviation before the announcement resulted in a value of

0.0002851 from the average TVA. The average TVA after the announcement showed a positive result, namely 0.00094730 . The highest gain of *trade volume activity* after the announcement was .001544 and the lowest was 0 .000001 . The standard deviation after the announcement produces a value of 0.000496161 , with this data deviation of 0.000496161 from the average TVA.

**b. Normality test**

Before carrying out the *Paired Sample T-test*, a normality test is carried out first which aims to find out whether the data used is normally distributed, which is assumed to be feasible and good for use in testing. The statistical test used is the *Kolmogorov-Smirnov Statistical Test* with an alpha level set at 5% .

**1) Abnormal Returns**

**Table 3**

**Test Normality Abnormal Returns**

One-Sample Kolmogorov-Smirnov Test			
		AARSeb	AARSeS
N		30	30
Normal Parameters <sup>a,b</sup>	Means	-.01692817	-.00105465
	std. Deviation	.014693307	.017701814
Most Extreme Differences	absolute	.100	.154
	Positive	.062	.154
	Negative	-.100	-.138
Test Statistics		.100	.154
asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>	.068 <sup>c</sup>

Source : processed data (2022)

*Kolmogorov-Smirnov* output above, it can be seen that the *Asymp. Sig (2-tailed)* in the variable AAR Before and After respectively 0.200 and 0.068 has a value greater (>) than the specified alpha level of 5%. So it can be *concluded that* the data is normally distributed.



## 2) Trading Volume Activity

**Table 4**  
**Test Normality Trading Volume Activity**

One-Sample Kolmogorov-Smirnov Test			
		TVASeb	TVASes
N		30	30
Normal Parameters <sup>a,b</sup>	Means	.00055736	.00094730
	std. Deviation	.000285120	.000496161
Most Extreme Differences	absolute	.325	.350
	Positive	.172	.170
	Negative	-.325	-.350
Test Statistics		.325	.350
asymp. Sig. (2-tailed)		.000 <sup>c</sup>	.000 <sup>c</sup>

Source : processed data (2022)

*Average Trade Volume Activity* shows a value of 0,000 for before and after the announcement of the Covid 19 pandemic, this value indicates that the value is significant in the variable  $<$  from sig. 0.05. So the data studied is not normally distributed. Even though the test results show that the data are not normally distributed, this research can still be continued using an alternative different test, namely the *Wilcoxon signed rank test*. (Sari and Dewi 2021)

### c. Hypothesis test

The next step is to perform statistical analysis using the *Paired sample t-test*. If the data is normally distributed, the degree of confidence is 95% and the level  $\alpha$  is 5%. If the significant value  $<$  0.05 then the hypothesis is accepted, but vice versa if the significant value is  $>$  0.05 then the hypothesis is rejected. In testing the first hypothesis, *the Paired sample t-test is used*. Namely distributing *Abnormal Return* and *Trading Volume Activity* values before and after the event.

#### 1) Abnormal Returns

**Table 5**  
**Paired Sample T-Test**

Paired Samples Statistics					
		Means	N	std. Deviation	std. Error Means
Pair 1	AARSeb	-.01692817	30	.014693307	.002682619
	AARSes	-.00105465	30	.017701814	.003231894

Source : processed data (2022)

From the table above it is found that the average value of *Abnormal Return* before the announcement of covid-19 was -0.01692, while the average *Abnormal Return* after -0.00105 so it can be concluded that the average *Abnormal Return* before and after the announcement of covid-19 indicated an increase.

The *paired sample t-test* above shows a value  $t_{value}$  of -3.829 with a significance of 0.001. This means that there is a significant negative difference in *Abnormal Return* before and after the announcement of Covid-19.



## 2) Trading Volume Activity

**Table 7**  
**Wilcoxon Signed Rank Test**

Test Statistics <sup>a</sup>	
	TVASes - TVASeb
Z	-4,371b -
asympt. Sig. (2-tailed)	.000
a. Wilcoxon Signed Ranks Test	

Source : processed data (2022)

In accordance with opinion Sari and Dewi (2021) Because test normality No

fulfilled so data analysis used done test *Wilcoxon signed rank test*. *Wilcoxon signed rank test* results on average *Trading Volume Activity* shows a Significance of  $0.000 < 0.05$ , meaning that there is a significant negative difference in the average *Trading Volume Activity* before and after the announcement of Covid-19 was announced on March 2 2020. So the results of this study state that  $H_0$  is rejected and  $H_a$  is accepted.

**Table 8**  
**Ranks**

		N	MeanRanking	Sum of Ranks
TVASes - TVASeb	Negative Ranks	5 <sup>a</sup>	4.00	20.00
	Positive Ranks	25 <sup>b</sup>	17.80	445.00
	ties	0 <sup>c</sup>		
	Total	30		
a. TVASes < TVASeb				
b. TVASes > TVASeb				
c. TVASes = TVASeb				

Source : processed data (2022)

From the table above, the *positive rank value* shows the number 25 out of a total of 30 data. This means that after the announcement of the Covid-19 pandemic there was an increase in *Average Trade Volume Activity (TVA)* when compared to before the announcement. The difference between TVA explained to investors that the announcement of the Covid-19 pandemic on March 2 2020 elicited a positive market reaction.

### 4.2 Discussion

Based on the *Paired sample t-test*, it can be concluded that there is a significant negative difference in the *Abnormal Return variable* before and after the announcement of Covid-19, thus  $H_a$  is accepted. With the issuance of the announcement, it turned out that the market reaction was in response to significant negative changes. This shows

that after a deeper analysis of the information on the Covid-19 pandemic, investors responded that this announcement had not provided better and more profitable expectations and that losses might even occur if the realization did not go smoothly.

For the *Trading Volume Activity variable* using the *Wilcoxon signed rank test*, it shows that there is a significant negative difference in the *Trading Volume Activity variable* before and after the announcement of Covid-19. This research is supported by signaling theory which provides a requirement for information owners who try to provide relevant information, this can be utilized by investors as the recipient (Indriani, 2015). If the information is in the form of a good signal, it will have an effect on increasing the volume of stock trading, because good prospects in the future are



due to good signals for the company (Putri et al, 2018).

The increase in *Trading Volume Activity* after the announcement of the covid was due to the large number of investors who carried out the activity of buying and selling shares in financial sector companies. Unfortunately, this increase was not followed by an increase in stock prices, this reflects that there was *panic selling* among investors. Many investors are selling their shares because they are worried that they will bear losses due to the pandemic announcement.

## 5. CLOSING

### 5.1 Conclusion

Based on the analysis of *Abnormal Return* and *Trading Volume Activity* before and after the announcement of the Covid-19 Pandemic, the following conclusions can be drawn:

- a. Significant difference in AR before and after the announcement of the Covid-19 pandemic, where the difference is indicated by an increase in *Abnormal Return* after the announcement, investors trust companies more before issuing the announcement which has already provided returns or profits rather than having to predict the profits that will be obtained in the future. Investors respond that this announcement has not provided better and profitable expectations and even losses may occur if the realization does not go smoothly.
- b. The results of the *Wilcoxon signed rank test* showed that there was a significant difference in *Trading Volume Activity* before and after the announcement of covid. The increase in *Trading Volume Activity* was due to the large number of investors who carried out the activity of buying and selling shares in financial sector companies. Unfortunately, this increase was not followed by an increase

in stock prices, this reflects that there was *panic selling* among investors. Many investors are selling their shares because they are worried that they will bear losses due to the pandemic announcement.

### 5.2 Suggestion

Based on the research that has been done, it is realized that there are still many limitations. So suggestions for reducing these limitations include:

- a. Future research is expected to be able to add a number of other variables that may experience an impact from the Covid-19 pandemic event;
- b. Future studies are expected to be able to vary the objects of observation and observation periods that have not been included in this study.

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