The Impact of COVID-19 on Stocks Prices Change and Transaction Volume at Companies in Indonesia (Case Study at PT. Ramayana Lestari Sentosa, Tbk)

[1*)]Desi Astuti

[1)]Faculty of Social Science, Universitas Pembangunan Panca Budi, Indonesia

Abstract: The first COVID-19 case in Indonesia was announced on March 2, 2020. This study aims to determine whether there is a significant difference in stocks prices and stocks transaction volume due to the COVID-19 pandemic (case study at PT. Ramayana Lestari Sentosa, Tbk). This research data was taken 31 days before and 31 days after the announcement of the first case of COVID-19 in Indonesia. The data was processed using a paired sample t-test. From the results of the data processing, it was shown that there was a significant difference in stocks prices before and after the announcement of the first case of COVID-19 in Indonesia. This is indicated by a significance value of $0.00 < 0.05$. Where stocks prices have decreased compared to before the Covid-19 case. Meanwhile, the volume of stocks transactions also shows a significant difference. Where the significance value is $0.01 < 0.05$. The volume of stocks transactions after the announcement showed an increasing value.

Keywords: Shares prices, transaction volume, coronavirus disease.

I. Introduction

The first case of COVID-19 appeared in Wuhan, China, at the end of 2019. The spread of this virus pandemic was so fast from human to human, from one country to another, that it spread throughout the world, including Indonesia. The entry of cases of the COVID-19 outbreak into Indonesia, announced on March 2, 2020. Efforts made by the government to prevent the spread of this COVID-19 outbreak, include physical distancing, wearing masks, closing schools, working from home, and so on.

The rapid spread of the COVID-19 outbreak has certainly had an impact on the Indonesian economy. Indonesia has imposed restrictions on going out of the house, so that many certain economic sectors have been negatively affected by the virus. There are several companies that carry out Termination of Employment, for example, which is carried out by Ramayana in the Depok area. There are 87 Ramayana employees at City Plaza Depok, affected by termination of employment.

According to Camelia (2020), "To Liputan6.com, City Plaza Depok Store Manager, M Nukmal Amdar said, the company decided to no longer operate since April 6, 2020. This decision was taken because sales turnover decreased by 80 percent. As a result, the company is no longer able to bear all operational costs."

The condition of a company can be seen from the turnover received, it can also be seen from the company's stock price. The stock price shows how much supply and demand there is for the stock. When the demand for these shares increases, the share price also increases. Meanwhile, if the demand for these shares decreases, the share price will also fall. In addition to the stock price, the condition of the company can also be seen from the number of shares traded in the company. The number of stock transactions shows the interest of investors both to buy and to sell the company's shares. The value of the number of share transactions can be seen in the transaction volume of the company's shares.

According to Hidayat in Ifa Nurmasari (2018), "Shares are a sign of participation, share or ownership of a person or institution in a company (Hidayat, 2010: 96)". There are two types of shares, namely preferred shares or special shares and ordinary shares. The two shares have differences in the rights and obligations of investors or shareholders. When investors own shares, investors will benefit, namely in the form of stock returns. The rate of return/stock return is the amount of profit/return that investors will get. There are two kinds of stock returns, namely dividends and capital gains. The profit earned by investors, which is caused by the purchase value of the stock being smaller than the selling value, is referred to as capital gain. Meanwhile, dividend is defined as the net profit earned by the company, which is given to the owners of the company.

In addition to the positive side, namely getting a profit, stock investment also has risks. The risks of this stock investment include the risk of liquidation and capital loss. Capital loss is a loss obtained by investors because the value of the sale of shares is smaller than the value of the purchase. Capital loss is the opposite of capital gains. Meanwhile, the risk of liquidation, according to Ifa Nurmasari (2017), "is a risk that occurs because our company shares are declared bankrupt by the Court, or the company is dissolved". When the company goes bankrupt, shareholders will get their rights in the last order, namely after the company has paid off all its debt obligations. If all of the company's debts have been paid off and there are still remaining assets, it will be distributed to all shareholders. But if the assets owned by the company have been exhausted, the shareholders will lose the money they have invested.

Stock transaction volume is the number of shares traded in a certain period. The volume of stock transactions shows how much investors are interested in making transactions, both buying and selling shares of a company. A high transaction volume value does not necessarily indicate a high stock price. The value of this transaction volume can change due to events that occur both within itself and other events that occur outside the company.

On this occasion, research will be conducted on the impact of the COVID-19 pandemic on the company PT. Ramayana Lestari Sentosa, Tbk. Where the researcher will use stock price data and also the volume of stock transactions before the national announcement of the first case of the corona virus in Indonesia and also after the announcement.The hypothesis is a temporary answer to the research problem formulation, where the research problem formulation has been stated in the form of a question sentence (Sugiyono, 2016:64). Hypothesis is a provisional answer based on existing theory. In this study there are two hypotheses. First, it is suspected that there was a significant difference in stock prices before the announcement of the first case of COVID-19 in Indonesia at PT. Ramayana Lestari Sentosa, Tbk with after the announcement. And the second is that it is suspected that there is a significant difference in the volume of stock transactions before and after the announcement of the first case of covid-19 in Indonesia at PT. Ramayana Lestari Sentosa, Tbk.

II. Methodology

In this study used secondary data, namely stock price data and transaction volume from PT. Ramayana Lestari Sentosa, Tbk taken from the internet. The data taken was 31 days before and 31 days after the announcement of the first case of COVID-19, which was on March 2, 2020. In this study using data obtained from the yahoo finance website. The stock price used is at the time of closing or commonly called the closing price. The closing price data used is daily data. Meanwhile, the transaction volume data is taken from the daily stock transaction volume of PT. Ramayana Lestari Sentosa, Tbk.

In this study, the paired sample t-test was used. This test is used to measure how much difference the stock price and transaction volume of PT. Ramayana Lestari Sentosa, Tbk, before the announcement of the first Covid-19 case in Indonesia and after the announcement. In this study, the variables used are:

1. Data before the national announcement of COVID-19 cases in Indonesia for the first time (X1). Data before the national announcement of COVID-19 cases in Indonesia for the first time includes data on stock prices and transaction volume at PT. Ramayana Lestari Sentosa, Tbk. In this study, the data taken before the first case of the corona virus were 31.
2. Data after the national announcement of the covid-19 case in Indonesia for the first time (X2) Data after the national announcement of the covid-19 case in Indonesia for the first time includes data on stock prices and transaction volume at PT. Ramayana Lestari Sentosa, Tbk. In this study, the data taken after the first case of COVID-19 were 31.

3. The first national announcement of COVID-19 cases in Indonesia for the first time. The first case of COVID-19 in Indonesia started on March 2, 2020, when the government announced that there were Indonesians who had been infected with COVID-19.

III. Results

The results of the descriptive statistical calculation of stock prices before the announcement of the first COVID-19 case in Indonesia and after, can be read in table 1. The stock price before the announcement of the first Covid-19 case had an average value of Rp. 1,052.72 and the stock price after the announcement of the first case of covid-19 had an average value of Rp. 628,48. The data taken are 31 data before and 31 data after the announcement of the first case of covid-19. If we look at the average values in table 1, there is a decline in stock prices after the announcement of the first COVID-19 case in Indonesia.

Table 1. Stock Prices(Descriptive Statistics)

		Mean	N	Standard Deviasi	Standard Error Mean
Pair 1	X1	1052.74	31	80.092	14.385
	X2	628.48 3	31	168.013	30.176

Sources : Data processed, 2021

Table 2 shows the results of data processing from the paired sample t-Test of stock prices operated with SPSS version 20. In table 2, it can be seen that the significance value is 0.00. The significance result is smaller than 0.05. This value indicates that Ha1 is accepted and H01 is rejected, which means that there is a significant difference between the stock prices of PT. Ramayana Lestari Sentosa, Tbk. before and after the announcement of the first case of covid-19 in Indonesia. Table 2 also shows the difference in the average value of stock prices at PT. Ramayana Lestari Sentosa, Tbk. before and after the announcement of the first case of COVID-19 in Indonesia was 424,258. The magnitude of this value is positive, indicating that the stock price before the announcement has an average value greater than the average value of the stock price after the announcement. This indicates a decrease in the average share price at PT. Ramayana Lestari Sentosa, Tbk. caused by the Covid-19 case.

Table 2. Stock Prices (Paired Sample t - Test)

		Paired Differences					t	df	Sig. (2- tailed)
		Mean	Standard Deviasi	Standard Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	X1-X2	424.258	120.171	21.583	380.179	468.337	19.657	30	.000

Sources : Data processed, 2021

At PT. Ramayana Lestari Sentosa, Tbk. experienced a significant decline in stock prices due to the Covid-19 case that occurred in Indonesia. To prevent the spread of COVID-19, the government asks people to always stay at home. Of course this causes people to reduce their purchases of goods at the Ramayana, and causes a decrease in turnover at the Ramayana. This decrease in income has even caused some employees to be laid off. For investors, of course this is a disadvantage, because investors have a great chance of not getting dividends and can experience capital loss.

The results of descriptive statistical calculations of transaction volume before and after the announcement of the first COVID-19 case in Indonesia are shown in table 3. the average value of transaction volume after the announcement of the first case of covid-19 was 16,060,709.68. The data taken are 31 data before and 31 data after the announcement of the first Covid-19 case in Indonesia. If we look at the average values in table 3, there is an increase in the volume of share transactions being traded after the announcement of the first COVID-19 case in Indonesia.

Table 3. Transaction Volume (Descriptive Statistics)

		Mean	N	Standard Deviasi	Standard Error Mean
Pair 1	X1	5454712.90	31	3771616.768	677402.369
	X2	16060709.68	31	15711460.100	2821861.537

Sources : Data processed, 2021

Table 4. Transaction Volume(Paired Sample t - Test)

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Standard Deviasi	Standard Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	X1-X2	- 10605996.774	16878955.196	3031549.846	- 16797247.524	- 4414746. 024	-3.499	30	.001

Sources : Data processed, 2021

To see the difference in transaction volume before and before the announcement of the first COVID-19 case in Indonesia, it was carried out using the paired sample t-Test, which can be seen in table 4. In the table, it can be seen that the significance value is 0.01, which is smaller than 0. ,05. Based on the significance value, then H01 is rejected and Ha1 is accepted. From the test results, it means that there is a significant difference between the volume of transactions at PT. Ramayana Lestari Sentosa, Tbk. before and the announcement of the first case of covid-19 in Indonesia. Table 4 also shows the difference in the average value of transaction volume at PT. Ramayana Lestari Sentosa, Tbk. before and the announcement of the first case of COVID-19 in Indonesia of -10,605,996.774. This value is negative, which means that before the announcement of the first COVID-19 case in Indonesia, the average value was smaller than the average volume value before the announcement. This value indicates an increase in the average volume of share transactions at the Ramayana company caused by the COVID-19 case.

At PT. This Ramayana, experienced a significant increase in the volume of stock transactions due to cases caused by COVID-19. The increase in the volume of share transactions occurred due to the increased activity of buying and selling shares at PT. Ramayana Lestari Sentosa, Tbk. This increase in share transaction volume was not followed by an increase in share prices. This event shows that many investors are selling their shares, due to concerns that investors will suffer losses caused by the impact of the COVID-19 pandemic.

IV. Conclusion

The conclusion obtained from this study is the paired sample t-test, from the stock price of PT. Ramayana Lestari Sentosa, Tbk. before and after the announcement of the first case of covid-19 in Indonesia showed a significant difference. This is indicated by a significance value of 0.00 < 0.05. Likewise for the transaction volume of shares of PT. Ramayana Lestari Sentosa, Tbk. there is a significant difference from before the announcement of the first case of covid-19 in Indonesia and after the announcement. This is indicated by a significance value of 0.01 < 0.05.

With the Covid-19 case, share prices have decreased, while transaction volume has increased. Therefore, the company should change its sales strategy, by more aggressively selling online, so that the turnover obtained can increase. Increased income will be able to attract investors to buy shares of the company. So the stock price can rise again.

References

[1.] Bash, A. (2020). International evidence of COVID-19 and stock market returns: an event study analysis. International Journal of Economics and Financial Issues, 10(4), 34–38. https://doi.org/10.32479/ijefi.9941

[2.] Brown, S. J., & Warner, J. B. (1985). Using daily stock returns. The case of event studies. Journal of Financial Economics, 14(1), 3–31. https://doi.org/10.1016/0304- 405X(85)90042-X

[3.] Camelia (2020, April 9). Tangis Pilu Puluhan Karyawan Ramayana Depok Terkena PHK Akibat Corona. Dibaca April, 18, 2020, dari https://www.liputan6.com/citizen6/read/4222812/tangis-pilu-puluhan-karyawanramayana-depok-terkena-phk-akibat-corona.

[4.] Dodd, P., & Warner, J. B. (1983). On corporate governance. A study of proxy contests. Journal of Financial Economics, 11(1-4), 401–438. https://doi.org/10.1016/0304- 405X(83)90018-1

[5.] Fitria, T. A., Afifudin, A., & Junaidi, J. (2019). "Analisis Dampak Reverse Stock Split Terhadap Harga Saham Dan Volume Perdagangan Saham (Studi Kasus Perusahaan Manufaktur di Bursa Efek Indonesia Periode 2010-2018)". Jurnal Ilmiah Riset Akuntansi, 8(01).

[6.] Hartono, J. 2018. "Studi Peristiwa Menguji Reaksi Pasar Modal Akibat Suatu Peristiwa". BPFE- Yogyakarta.

[7.] He, P., Sun, Y., Zhang, Y., & Li, T. (2020). COVID–19's Impact on Stock Prices Across Different Sectors—An Event Study Based on the Chinese Stock Market. Emerging Markets Finance and Trade, 56(10), 2198–2212. https://doi.org/10.1080/1540496X.2020.1785865

[8.] Hezee, E. Analisis Teknikal : Volume Naik, Harga Turun. Diakses pada Mei, 5, 2020, dari http://www.sahamgain.com/2019/08/analisis-teknikal-volume-naik-harga.html.

[9.] Huo, X., & Qiu, Z. (2020). How does China's stock market react to the announcement of the COVID-19 pandemic lockdown?. Economic and Political Studies, 1–26. https://doi.org/10.1080/20954816.2020.1780695

[10.] Islami, L. N., & Sarwoko, E. (2012). Reaksi pasar modal Indonesia terhadap pergantian Menteri Keuangan (event study saham yang terdaftar di BEI). Modernisasi, 8(1), 44– 67. Retrieved from

[11.] Islami, L. N., & Sarwoko, E. (2012). Reaksi pasar modal Indonesia terhadap pergantian Menteri Keuangan (event study saham yang terdaftar di BEI). Modernisasi, 8(1), 44– 67. Retrieved from

[12.] Kadim, A., & Sunardi, N. (2018). Pengaruh analisa kesahatan dan kebangkrutan dengan pendekatan altman z-score terhadap harga saham Industri Konstruksi di indonesia yang listing di BEI periode 2013-2017. Jurnal SEKURITAS (Saham, Ekonomi, Keuangan dan Investasi), 1(4).

[13.] Liu, H., Manzoor, A., Wang, C., Zhang, L., & Manzoor, Z. (2020). The COVID-19 outbreak and affected countries stock markets response. International Journal of Environmental Research and Public Health, 17(8), 1–19. https://doi.org/10.3390/ijerph17082800

[14.] Luhur, S. (2010). Reaksi pasar modal Indonesia seputar pemilihan umum 8 juli 2009 pada saham LQ-45. Jurnal Keuangan dan Perbankan, 14(2), 249–262. Retrieved from http://jurnal.unmer.ac.id/index.php/jkdp/article/view/971

[15.] Nanda, R., & Saryadi, S. (2017). Reaksi pasar modal Indonesia terhadap kebijakan tax amnesty Indonesia pada saham LQ45 tahun 2016-2017. Jurnal Ilmu Administrasi Bisnis, 6(4), 144-156. Retrieved from https://ejournal3.undip.ac.id/index.php/jiab/article/view/17606

[16.] Narjoko, D. (2020). COVID-19 and Southeast and East Asian Economic Integration : Understanding the Consequences for the Future. Economic Research Institute for ASEAN and East Asia, 1–7. Retrieved from https://www.eria.org/uploads/media/policy-brief/COVID-19-and-Southeast-andEast-Asian-Economic-Integration.pdf

[17.] Nasution, D. A. D., Erlina, E., & Muda, I. (2020). Dampak pandemi Covid-19 terhadap perekonomian Indonesia. *Jurnal Benefita*, *5*(2), 212-224.

[18.] Nasution, D. A. D., & Ramadhan, P. R. (2020). Faktor-Faktor Yang Mempengaruhi Kebijakan Deviden Pada Perusahaan LQ 45. *Bisnis-Net Jurnal Ekonomi dan Bisnis*, *3*(1), 6-17.

[19.] Ningsih, E. R., & Cahyaningdyah, D. (2014). Reaksi pasar modal Indonesia terhadap pengumuman kenaikan harga BBM 22 Juni 2013. Management Analysis Journal, 3(1), 1- 5. Retrieved from https://journal.unnes.ac.id/sju/index.php/maj/article/view/3352

[20.] Nurmasari, I. (2017). "Analisis Current Ratio, Return On Equity, Debt to Equity Ratio dan Pertumbuhan Pendapatan Berpengaruh Terhadap Return Saham Pada Perusahaan Pertambangan Di Bursa Efek Indonesia 2010-2014". Jurnal Kreatif, 5(1), 112-131.

[21.] Nurmasari, I. (2018). "Pengaruh Rasio Keuangan dan Pertumbuhan Pendapatan Terhadap Return Saham Pada Perusahaan Perkebunan Di Bursa Efek Indonesia 2010-2017". Jurnal SEKURITAS (Saham, Ekonomi, Keuangan dan Investasi), 2(1).

[22.] Pratama, I. G. B., Sinarwati, N. K., & Dharmawan, N. A. S. (2015). Reaksi pasar modal indonesia terhadap peristiwa politik (event study pada peristiwa pelantikan Joko Widodo sebagai Presiden Republik Indonesia ke-7). Jurnal Ilmiah Mahasiswa Akutansi Undiksha, 3(13), 1–11. http://dx.doi.org/10.23887/jimat.v3i1.4754

[23.] Pratomo, M. N. (2020, October 1). Prospek pasar saham: cermati sektor tahan banting. Available at Bisnis Indonesia. Retrieved from https://koran.bisnis.com/m/read/20201001/441/1298915/prospek-pasar-sahamcermati-sektor-tahan-banting

[24.] Ramadhan, P. R., & Nasution, D. A. D. (2020). Analisis Determinan Harga Saham Perusahaan Sektor Agriculture Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Riset Akuntansi dan Bisnis*, *20*(2), 162-171.

[25.] Ruiz Estrada, M. A., & Lee, M. (2020). How COVID-19 can Affect the Worldwide Stock Markets?. SSRN Electronic Journal. Retrieved from https://doi.org/10.2139/ssrn.3591698

[26.] Sari, S. T. (2007). Pengaruh kondisi keamanan dalam negeri terhadap harga saham di Bursa Efek Jakarta (event study peristiwa bom Kuningan). Undergraduate Thesis. Retrieved from http://eprints.ums.ac.id/id/eprint/11343

[27.] Suganda, T. R. (2018). Event study, teori dan pembahasan reaksi pasar modal Indonesia. Malang: Seribu Bintang.

[28.] Suryawijaya, M. A., & Setiawan, F. A. (1998). Reaksi pasar modal Indonesia terhadap peristiwa politik dalam negeri (event study pada peristiwa 27 Juli 1996). Jurnal Kelola, 7(18), 137–153. Retrieved from http://ilib.ugm.ac.id/jurnal/detail.php?dataId=8272

[29.] Sugiyono. 2016. "Metode Penelitian Kombinasi. Penerbit Alfabeta". Bandung.

[30.] Sunardi, N. (2018). Kinerja Perusahan Pendekatan Du Pont System Terhadap Harga Dan Return Saham (Perusahaan yang tergabung dalam Industri Real Estate dan Properti yang terdaftar di Bursa Efek Indonesia Tahun 2011-2017). JIMF (Jurnal Ilmiah Manajemen Forkamma), 1(3).

[31.] Sunardi, N. (2019). Profitabilitas, Likuiditas, Dan Multiplier Equity Pengaruhnya Terhadap Harga Serta Return Saham Pada Industri Manufaktur Tahun 2012- 2017. INOVASI, 6(1), 58-73.

[32.] Sunardi, N., & Ula, L. N. R. (2017). Pengaruh BI Rate, Inflasi Dan Kurs Terhadap Indeks Harga Saham Gabungan (IHSG). Jurnal Sekuritas: Saham, Ekonomi, Keuangan dan Investasi, 1(2), 27-41.