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Analysis of Trading Volume Activity Before and After The Announcement of Covid-19

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ABSTRACT

This study aims to determine the effect of stock trading volume due to the impact before and after the Covid-19 event through an official announcement by the president. The population and sample in this study were the company PT Indosat Tbk. This study uses purposive sampling. The data source used is secondary data. Based on the analysis of the paired sample T-test using the SPSS 24.0 program, it was found that stock trading volume had a significant effect before and before the announcement.

Keywords: Trading volume activity, Covid-19

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INTRODUCTION

The year 2019 has become the most unforgettable event for people around the world because of the news of the emergence of a dangerous new type of infectious disease, namely the coronavirus (covid-19Initially this disease was thought to have originated in China, Wuhan (Yuliana, 2020). The coronavirus quickly infects and spreads across regions in China and results in many patients requiring special treatment. The early emergence of 19-nCoV has attracted the attention of the international community. COVID-19 was reported by WHO on January 30 as a category of serious health disease and has become a special concern on an international scale (Dong et al., 2020) COVID-19 affects economic developments throughout the world, it is known that in early March 2020 world economic growth fell to 2.8%, this figure is a negative trend considering the distance from the previous period reached 6%. (Arianto, 2021).

A capital market is a meeting place for investors and companies to conduct transactions on shares. Capital market conditions can change rapidly and have a significant impact on investors' investment decisions. In deciding to buy or sell shares, investors are very careful. Investors in the capital market are more inclined to choose business entities that issue shares with positive opportunities so that they will get the highest profits. Investors will ensure carefully the potential risks that will be accepted before deciding to determine the business entity or company that will be invited to cooperate by collecting as much information as possible. Reports of stock trading volumes and stock prices are information that will be used as benchmarks in making investment decisions. Activity in the capital market can be measured by looking at the information on the trading volume of its shares, the volume of stock trading has become a mandatory variable for investors in making decisions because stock trading volume describes the conditions and influences on buying and selling shares in the capital market. The greater the value of the recorded trading volume of shares, the greater the interest of investors in investing. (Priana & Rm, 2017).

PT Indosat Tbk is one of many giant companies that operate in the telecommunications sector. The company transparently provides financial statement data so that outsiders and investors can easily and rationally find out the data. PT Indosat Tbk continues to improve performance and resources to be able to continue to compete competitively and healthily in realizing the company's goals to achieve success. The telecommunications sector is a very promising business but has many business competitors among the telecommunications sector (Manitik, 2020).

The entry of COVID-19 at the end of 2019 led the government of the Republic of Indonesia to issue a large-scale social restriction (PSBB) policy in several parts of Indonesia. These conditions affect economic activities, including the shares of PT Indosat. With the issuance of the government's recommendation to stay at home (PSBB), more and more people are working, studying, and accessing entertainment through online information technology. After the announcement of COVID-19, the JCI trend continued to fall below the 4000 level. Investors began to be sensitive and considered the Indonesian government at that time to be unresponsive in dealing with Covid-19 so when the health crisis occurred, investors withdrew their capital and began to have an impact on rising goods prices. and falling stock prices in the capital market. Reporting from Instagram @idx_channel, at the opening of the trading session I (March 2), the JCI index fell 0.7%,

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or 38.8 points to 5,413.8 points. Statistical data from the official website of PT. The Indonesia Stock Exchange (IDX) shows the JCI fell 13.44% from early January to the end of February 2020 (to date). PT Indosat itself also noted that the JCI during the PSBB period increased by 0.83% or 37.77 points to 4,567.32 with the infrastructure market share increasing by 3.71% and every day the JCI moves in a range from the lowest of 4,523.96 to the highest in 4568.6 (Warta Ekonomi.co.id, 2020).

PT Indosat Tbk (Indosat ooredoo) performed very well during COVID-19 in 2020. Indosat Ooredoo recorded a total profit of Rs 27.9 billion. This figure has a positive trend of 6.9%/year (YearonYear/YoY). Meanwhile, according to the financial report as of December 31, 2020, the company's profit increased 11.6% (year-on-year) to Rp23.1 trillion. Profit before interest tax amortization (EBITDA) grew 16% year on year (year over year), reaching Rp 11. trillion. This impressive growth is inseparable from the seriousness of the company's management in optimizing the company's performance efficiently. Meanwhile, the company's EBITDA Margin was 0.9%, up 3.2 basis points (bps) year-on-year, representing a 1.7% increase in overall consumer mobile phone users (YoY) from 60.3 million consumers at the end of 2020. Revenues Average per customer (ARPU) also increased by Rp. 31,900 from Rp. 27,900 previously. This is influenced by the sharp increase in data traffic reaching 52.8% (y/y) (Kompas.com, 2021).

Based on research conducted by (Jao & Jimmiawan, 2018) argues that before and after the announcement of the corporate image award from 2015 to 2017, there is no significant difference between profitability and extraordinary business results. Among the companies that won 2015 to 2017 corporate image award, there was also no difference between the volume of stock market transactions during the event period 5 days after the announcement and 5 days before the announcement of the disclosure of information. Based on the phenomenon and previous research, the researcher is interested in duplicating research from his research (Jao & Jimmiawan, 2018).

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Hypothesis Development

Signaling theory explains the actions or signs taken by the company in providing views to the public or users of financial statements. This signal is in the form of news for report users and the public regarding the company's management activities. (Barigham, 2018).

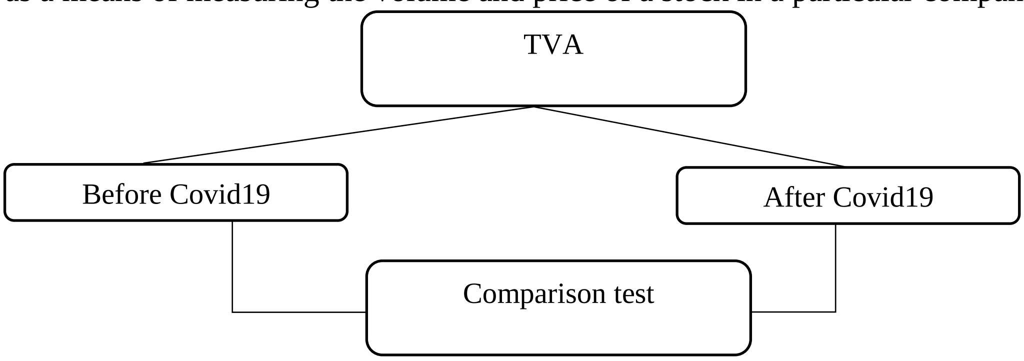
Efficiency Market Theory

The theory of market efficiency describes the value or a share price that is described for all the information presented. This theory describes how the information obtained with these securities relates, the data obtained will be very helpful in analyzing information about the number of outstanding shares and shares being traded in the capital market. In other terms, if the investor has decided to invest then it is the entirety of the information obtained. Covid19 can be classified as one of the events that contain or even influence the decisions that investors will make through the information obtained by this incident. (Diantriasih et al., 2018).

Trading Volume Activity

Stock trading volume is the total number of shares traded on a given day. Trading volume is an indicator of the liquidity of stock in capital market information. .trading volume is a recognized analytical factor.

Trading volume is the difference between outstanding share transactions in a certain period for certain types of shares on the stock exchange. Trading volume is a factor that affects the mobility of shares in the stock market. Investors use stock trading volume, as a means of measuring the volume and price of a stock in a particular company.



METHOD

The research variable is something that has value and can be measured both tangible and intangible and the operational definition explains the measured or calculated variable. This study uses the Stock trading volume variable.

According to (Jogiyanto, 2017) trading volume activity is the total number of shares traded and traded in one day. Trading volume is an indication of the liquidity of a particular stock in the capital market. Volume is a recognized part of technical analysis.

The sample in this research is PT Indosat Tbk. With an observation period of 60 days or using the Efficient Market Hypothesis Theory type Semi-Strong, the observation period starts from December 3, 2019, to June 4, 2020, or 30 days before the announcement of covid-19 and 30 days after the announcement of covid-19.

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In the following survey, secondary data is used, namely, the JCI report of telecommunications companies and daily trading volumes listed on the Indonesia Stock Exchange and published on the website www.IDX.co.id. The search period is 60 days, 30 days before the president announced covid19 and 30 days after the president announced covid19. From the report, the researcher processed and reviewed the data needed for this research.

This study applies quantitative research. The type of search in this research is a study event search, the event study in this test is the daily price and volume recorded in the capital market and has the potential to experience certain events or events that can affect the daily share price and volume. Data on the daily share volume of companies during the study period in the telecommunications service sector index that has been listed on the Indonesia Stock Exchange Data (JCI), on Yahoo finance News of COVID-19 events in Indonesia.

The technique or method used in writing this study is to use the library research method. A literature study or research library is an analysis used in finding information about various documents such as magazines, regulations, newspapers, books, and other important information documents (Mirzaqon & Purwoko, 2017). The data in the study were reviewed directly through the IDX.co.id website, Yahoo finance, and other sources.

The data analysis method is a research activity to manage data that is ready to be analyzed. The difference test and paired t-test sample analysis is an analysis technique in this study on the data of the period before and after the event with the help of IBM SSPS Statistics 24 software

RESULTS AND DISCUSSION

Descriptive statistics

Descriptive statistical analysis is used as a determinant of the standard deviation of the stock trading volume variable and as a determinant of the lowest value (minimum), the highest value (maximum), and the average value (mean) of the data obtained.

Table 1. Descriptive statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Before	60	.08	1.44	.3343	.26064
After	60	.01	1.42	.4703	.31608
Valid (listwise)	N60				

Source: Processed data, 2022

The table above shows that the value of N is 60 which means that the total days studied in this study amounted to 60 days of observation starting from the pre-event period or before the observation period to the national announcement as many as 30 days which obtained an average value, 3343 and standard deviation .26064. In addition, the event period or observation after the national announcement has an average value of 4703 and a standard deviation of .31608.

Sample Test T-test

The t-test uses the t-distribution of the significant difference between two samples that are not related to the value of the attached information.

Table 1. T-test

		Paired Differences					t	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference Lower	Upper		
Pair 1	Before After	-.13601	.40829	.05271	-.24148	-.03053	-2.580	.012

From the table above, the test results on the average stock trading volume as a result of COVID-19 both before the announcement and after the announcement show the results of Sig. (2- tailed) of 0.012 is smaller than 0.5. These results show that there is a difference between the averages between events before and after COVID-19 which was announced to contain significant information.

Normality test

A normality test is a test that is often used to test whether each independent variable (independent) and dependent variable (dependent) or for both run normally or are not normally distributed using the regression method.

Table 3. Normality test

	Kolmogorov-Smirnova			
	Statisic	N	Sig.	
TVA before	,184	60	,000	Abnormal
TVA after	,150	60	,000	Abnormal

Source: Processed data, 2022

The table above proves that the total data or N is 60 or 60 days of observation divided by 30 days before the announcement of covid19 and 30 days after the announcement of covid19. From these tests, it can be seen that the normality test results of the Kolmogorov Smirnov test are known to have a significant value of 0.000 < 0.05 so it can be said that the distribution value is not normal, but research can continue research through trial research using a different test alternative, namely the Wilcoxon signed-rank.

The non-parametric test or the Wilcoxon Signed Test is one of the tests used in proving the hypothesis. In this test, we want to prove that there are differences caused by Covid-19 both before and after the official notification by the President regarding the report on the volume of stock trading in the capital market.

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Table 4. Wilconson Signed Test

Test Statistics	
	Before-After
Z	-2.223b
Asymp. Sig. (2-tailed)	.026
a. Wilcoxon Signed Ranks Test	
b. Based on negative ranks.	

The table above proves that the significance value in the Wilcoxon Signed Rank Test is known to have a Z value of -2.223 with a significance value of 0.026 indicating that the value is greater than (0.05). This test proves if the hypothesis is accepted. Indirectly, this test has confirmed that there is a difference in trading volume activity before and after the inauguration of the first case of covid19 which fell on March 2, 2020. It is known that this difference can lead to either a negative or a positive direction according to the results of the ranking test.

Table 5. results of the ranking test.

Ranks				
		N	Mean Rank	Sum of Ranks
After - Before	Negative Ranks	22a	27.86	613.00
	Positive Ranks	38b	32.03	1217.00
	Ties	0c		
	Total	60		
a. After < Before				
b. After = Before				
After = Before				

The table above shows the negative ranks or the difference (negative) between the different test values for the stock trading volume is 22, with an N value of 22, and has an average value or Mean of Ranks of 27.86 and a total rank or Sum of Ranks of 613.00. the value of 22 here indicates a decrease (reduction) in the value of the volume of shares in the pre-event and post-event. While in the positive ranks or the difference (positive) between the different tests the value of the stock trading volume is 38, with an N value of 38, and has an average value or Mean of Ranks 32.02 and a total ranking or Sum of Ranks of 1217.00 a value of 38 here shows an increase (addition) in the value of the volume of shares in the pre-event and post-event. Ties value is the similarity of pre-event and post-event values, here the value of the ties is 0, so it can be said that there is no equal value between before the national announcement and after the national announcement. it can be concluded that the "hypothesis is accepted" means that there is a difference between the

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level of circulation of shares traded before the national announcement of covid-19 (pre-event) and after the national announcement of covid-19 (post-event), so it can also be concluded that "there is a difference significant impact on trading volume activity before and after the COVID-19 event"

Discussion

The test results of the difference in average stock trading volume before and after covid19 using the Wilcoxon Signed Rank Test in table 4.4 show a Z value of 2.223 and a significance value (2-tailed) of 0.026 which is greater than 0.05. Because the significance value is > 0.05, the hypothesis proposed in this study is accepted. This indicates that there is a significant difference between the trading volume of shares before and after the announcement of COVID-19 on March 2 at PT Indosat Tbk.

The results of the Wilcoxon Signed Rank Test in table 4.5 prove that in the period before and after the announcement, the average Trade Volume Activity (TVA) is positive. This is indicated by a positive N value of 38 with an average value of 27.86 more than a negative N value of 22 with an average value of 32.03. This means that the announcement of the first case by the President on March 2, 2020, contains information and affects the stock market reaction resulting in changes in stock trading volume activity. This was due to the increasing activity of buying and selling shares in PT Indosat Tbk. This event shows that many investors are selling their shares because investors are worried that investors will suffer losses caused by the impact of the COVID-19 pandemic.

CONCLUSION

Based on the results of different test studies on events before and after the COVID-19 pandemic in Indonesia (Study on Indosat Tbk) the following conclusions can be drawn: The average stock trading volume before and after the announcement of the first. case by the President on March 2, 2020, experienced a significant change in a positive direction (increasing). This is stated based on the results of a significance of 0.026 > 0.05. So it can be concluded that there are significant differences in Trade Volume Activity (TVA) before and after the COVID-19 pandemic in Indonesia. This research is limited to the event observation period, which only takes h-30 and h+30 from the event date so that the reaction shown by the market does not look so real and the results are less accurate.

For future research, it is recommended to expand the scope of the year data and what factors can cause going concerns to the company. This is intended to be able to add more and more complete empirical evidence related to factors that can affect going concern audit opinions.

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