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Analysis of Blue-Chip Stock Price Movement Before and During the Pandemic Covid-19

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Abstract--*This study analyzes the impact of Covid-19 on the movement of Blue-Chip stock prices in Indonesia. This study uses daily data on stock price movements of 8 companies that are included in the Blue-Chip category on the IDX from September 2019 to September 2020 which represent 3 sectors, namely finance, manufacturing, and telecommunications. The data analysis technique in this research is using dummy variables in stationary autoregressions. The results of the analysis show that the company which has been severely affected by COVID-19 is the Gudang Garam company (GGRM). Meanwhile, the stock price of Unilever (UNVR) was not affected by Covid-19. In addition, the regression results also show that Covid-19 has a positive effect on Mayora's stock price (MYR). During the 6 months, Covid-19 was proven to be able to increase Mayora's stock price even it was small. This study proves that stock price movements in food and telecommunications manufacturers can survive during economic fluctuations due to the pandemic. This is because both provide basic daily needs. Meanwhile, the financial sector and companies which produce additional needs, such as cigarettes, were severely affected by the COVID-19 pandemic.*

Keywords: *Covid-19, blue chip, stock.*

I. INTRODUCTION

The spread of COVID-19 in Indonesia is so fast that it affects the economy as a whole. The number of patients from March 2 to May 4 2020 amounts to 11,192 positive cases and 8,452 deaths. The panic occurred among the government, society, and the business world. Prevention efforts have been carried out by the government, namely by closing schools, working from home, especially formal sector workers, delaying and canceling various government and private events, stopping several modes of public transportation, banning going home on holidays, and implementing PSBB in various regions that cause the economy to suffer. slow down. Even so, the trend of increasing COVID-19 positive patients from March to September (for 6 months) still looks quite high. Here is the trend of increasing cases of positive COVID-19 patients for 6 months,

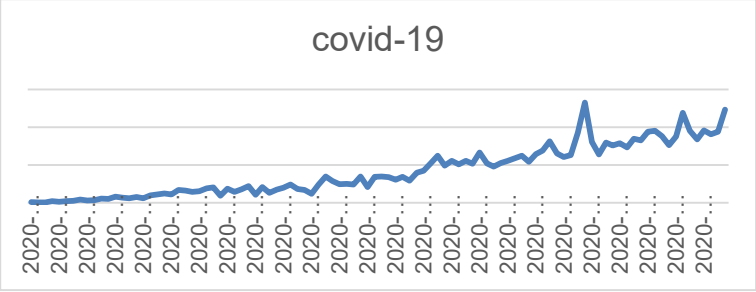

Figure 1
Additional Patient Positive COVID-19
Source: Data Processed from Kompas, 2020.

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Wuryandani (2020) explained that several countries in the world have experienced an economic recession due to the Covid-19 pandemic. This happened after economic growth in the first and second quarters of 2020 became minus. Several countries experiencing economic recession include Singapore, South Korea, Germany, Japan, France, Hong Kong, and the United States. Indonesia will experience an economic recession if economic growth in the third quarter is also negative. The Central Statistics Agency (BPS) recorded a decline in Indonesia's economic growth in Quarter II-2020 to negative (-5.32%). Previously, Indonesia's economic growth in the first quarter of 2020 was recorded at 2.97% or began to show a slowdown. This condition requires the Indonesian government to move quickly to accelerate the national economic recovery.

The panic caused by Covid-19 has also hit Indonesia's financial markets. During covid 19 period, on January 13th April 2020, there was a capitals outflow which amount Rp. 159.3 trillion. These capitals outflows were from Government Securities (SBN) Rp. 143.5 trillion (91%), shares Rp. 11.8 trillion (7.4%), SBI Rp. 3.3 trillion (2.1%), and corporate bonds Rp. 0.6 trillion (0.4%). Capitals outflow from foreign investors always causes high volatility, both in the movement of IDR or US$ exchange rate and the movement of the stock index during a crisis, (Haryanto, 2020). The movement of the Rupiah exchange rate to USD during the pandemic is shown in the following figure,

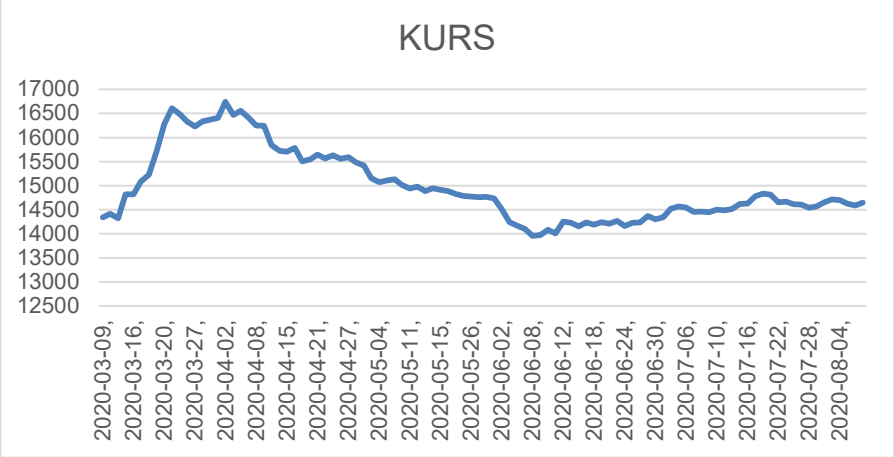

Figure 2
Rupiah exchange rate fluctuation against USD
Sumber: Data Processed from Bank Indonesia.

The movement of the rupiah exchange rate to USD had shown a very high decline in value at the beginning of the pandemic. The rupiah depreciated lower on March 23 to Rp 16,608.00 and depreciated one more again on April 2 to Rp 16,741.00. However, the subsequent fluctuating trend indicates a continuous strengthening. On June 18, the rupiah was appreciated by Rp. 14,186.00 and strengthened again on June 24 to Rp. 14,160.00. But overall it can be concluded that throughout the pandemic period (June to August) the value of the rupiah was quite stable at around Rp. 14,506.00. The exchange rate of rupiah to USD, which moves quite stable during the pandemic, is influenced by the low and controlled inflation factor. The low demand has reduced pressure on inflation. The government policy to prevent the spread of COVID-19 such as reducing community mobility and PSBB, affect people's expectations to demand goods and services. Demand has decreased, especially during Ramadan. This causes the rupiah exchange rate to USD to become stable. The increasing cases of positive COVID-19 patients were followed by a stable rupiah exchange rate trend.

Low and controlled inflation has an impact on global stock markets. The state-owned shares of South Korea (Kospi) and Hong Kong (Hang Seng) decline, while the Indonesian Composite Stock Price Index (JCI) on the stock exchange, like a roller coaster, entered the red zone twice, declined 0.11 percent. This happened because investors were faced with pressure from the increasing number of Covid-19 cases, which caused concern and

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hampered the world's economic recovery. In Indonesia, the value of investment transactions is only 2.68 trillion rupiahs, which was previously expected to be 3.29 trillion rupiahs. There were around 201 stocks corrected, of which 180 stocks increased and the others did not move (Nainggolan, 2020:7). In addition, the decline in demand for goods and services prompted pessimism from the communities and investors about the company's performance. This causes a decrease in the stock price of the majority of companies in the Indonesia Stock Exchange (IDX). In this case, the researcher is interested in examining the impact of the pandemic on stock prices from selected companies that have been chosen by many investors. These selected companies are taken from the blue-chip category in the stock market. The framework of this research is as follows,

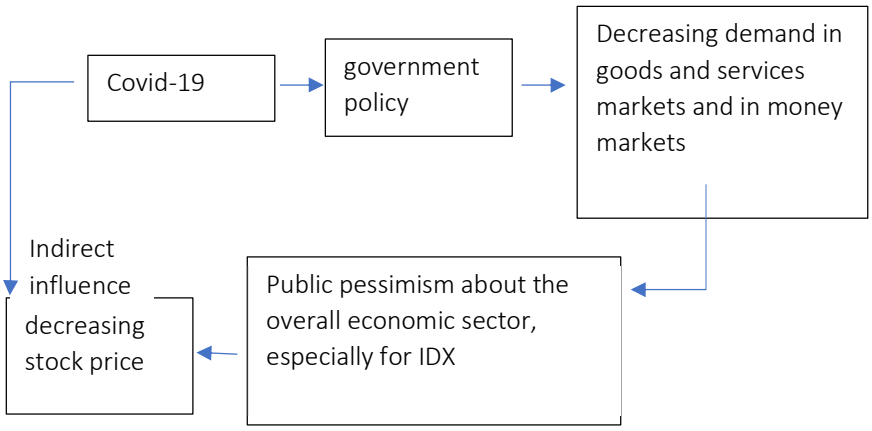

Figure 3
Research Framework

The researcher formulates 2 problems, (1) how are the conditions of 8 companies that are included in the blue-chip category on BEI before pandemic the Covid-19; and (2) how is the effect of the previous period's stock price on the current period's stock price of blue-chip companies before and during the Covid-19 pandemic.

II. LITERATURE REVIEW

Several similar studies to this research are Andreinna (2020) had found that the comparison of the JCI from before to the time of the pandemic was very different where the JCI looked very low during the Covid-19. Nurmasari (2020), which examines the condition of the stock price of PT Ramayana Lestari Sentosa. The results of his research show that there is a significant difference in stock prices before and after the announcement of the first case of COVID-19 in Indonesia. Saputra (2021) explained that there is a difference in abnormal returns between before and during the COVID-19 pandemic which is proven by the purposive sampling method. Rifa'i (2020) also proved with the same method as the Saputra method and the results showed that there were differences in the composition of the Stock Price Index (ISHG) between before and after the covid-19 pandemic. Khoiri (2020) had proven that the rupiah exchange rate has a strong correlation with the addition of Covid-19 cases, meaning that when the Covid-19 case increases, the rupiah will depreciate even more. This weakening of the rupiah also occurred due to slowing economic growth. This slowing economic growth is partly due to the existence of large-scale social restrictions that reduce investor interest, thereby diverting investment to safe-haven investment. Haryanto (2020) also explained the results of his research that Covid-19 harmed the IHSG in Indonesia. Nurhaliza (2020) explained her results that the number of COVID-19 cases in Indonesia, rupiah exchange rate, Shanghai Composite Index or SSE (SSEC), New York Composite Index or NYSE (NYA) influence the IHSG both simultaneously and partially. Minewhile, Martaliah (2020) explained her research that the COVID-19 pandemic greatly affected the movement of stock indices, including Syariah stocks in Indonesia. This problem affects the interest of the investor to both domestic and foreign to their funds in the Indonesian stock market because they are considered to be in an unstable condition.

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If this research is compared with previous research, there is a unique thing. This research use many samples of companies that represent 3 sectors, namely finance, manufacturing, and telecommunications. In addition, this study also uses different data processing techniques.

The Factors Affecting Stock Prices

In general, there are two approaches in the assessment, namely: a fundamental approach and a technical approach. The first approach focuses on its intrinsic value, namely the company's future capabilities seen from the state of assets, production, marketing, income, all of which describe the company's prospects. Based on a technical approach often on a security price chart, so-called charities that is predicting the future and short-term timeframe analysis. The information needed is psychological investors who are involved in the behavior of stock prices, trading volume, and capital gains (Subiyantoro, 2003). While Fuller & Farrell (1987:205) explain that many factors influence stock prices, both fundamental and technical. However, in simple terms, the variability of stock prices depends on how the income and dividends of a company are.

A fairly volatile stock market is showing the wrong signs about the economic future. However, the relation between the stock market and the economy should not be ignored. Stock market changes often reflect changes in real Gross Domestic Product (GDP). When the stock market experiences a downturn, there is a possibility that a recession will happen

The reason for stock market fluctuations and economic activity that tends to move together can be explained by Tobin's q theory with the aggregate demand and supply model. Tobin's q theory was coined by James Tobin which states that the company's decision to invest is influenced by Tobin's q ratio, where;

$$q = \frac{nilai\ pasar\ modal\ terpasang}{biaya\ penggantian\ modal\ terpasang}$$

If the stock price decreases, it is usually associated with a decrease in the value of Tobin's q. The fall in Tobin's q reflects investor pessimism about current and future returns on capital. This means that the investment function shifts to the left, the investment becomes lower at any given interest rate. As a result, aggregate demand for goods and services contracted and caused a decline in output and employment.

There are two other reasons for the relation between stock prices and the economy. First, because stocks are part of household wealth, declining stock prices increases poverty and reduces public consumption, and reduces aggregate demand. Second, falling stock prices can reflect bad news about technological progress and long-term economic growth. This means that the natural level of output and aggregate supply will expand more slowly in the future than previously expected (Mankiw, 2006:485).

The relation of the stock market with the economy is important for policymakers, especially central banks because the stock market affects changes in real GDP. Stock market data is available faster than GDP, so the stock market is an economic indicator that needs to be watched closely.

One of the debates among economists. Some economists adhere to the market efficiency hypothesis which states that the market price of a company's stock is a rational assessment of the value of the company by looking at the current prospects of the company's business. This hypothesis rests on two reasons,

1. Every company listed on the stock exchange is carefully monitored by professional investment managers, where the company will buy the stock when the price is below the real value and sell it back when the price is above the real value.
2. The stock price is determined by the balance of supply and demand. At market price, the number of shares offered is equal to the quantity demanded. That is, at the market price, the number of people who think the stock price is overvalued is the same as the number of people who think the stock is undervalued. With this valuation, shares should be valued fairly (Mankiw, 2006:486).

According to this theory, stocks are efficient information. The stock market represents available information about the value of assets. Stock prices change when information changes. When good news about a company's prospects is made available to the public, the company's value and share price will rise. When the company's prospects decline, the value of the company and its share price will fall. The stock price is the best rational estimate of the company's value based on available information.

One of the implications of the market hypothesis is that market prices must follow a random walk pattern, which means that changes in stock prices cannot be predicted based on available information. If based on publicly

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available information one can predict tomorrow's stock price will rise by 10%, then the stock market has failed to include that information today. According to this theory, the only thing that can move stock prices is the unexpected news that changes the market's perception of a company's value. For the same reason, changes in stock prices must also be unpredictable.

Although the market efficiency hypothesis has many supporters, some economists are not very convinced that the stock market is very rational. They state that stock market movements cannot be related to the news. When buying and selling, investors focus less on the company's fundamentals and more on their expectations of what other investors will pay.

Keynes explained that stock investors will gradually sell their shares to other parties, they are more interested in the other party's assessment of the company than the true value of the company. The best investors according to Keynes are those who can correctly guess the psychology of society. Keynes believes that stock price movements often represent waves of optimism and pessimism which he calls the animal spirit of investors. Based on Keynes's opinion, the stock market often fluctuates for no apparent reason, and because the stock market affects the aggregate demand for goods and services, these fluctuations are a source of short-term economic fluctuations (Mankiw, 2006:487).

Banks have a role in allocating financial resources that act as intermediaries between people who want to save and people who have profitable investment projects and need funds. When banks are not able to carry out this function, some investors are forced to leave profitable investment projects. Companies as investors in this condition face funding limitations, namely the funds that companies can obtain from the money market are limited. This increase in the funding limit is called the credit crunch.

The impact of the credit crunch is interpreted using the IS-LM curve. When investors do not get credit, the demand for investment goods falls at each interest rate. As a result, there is a shift in the IS curve which causes a decrease in aggregate demand, production, and employment. The long-term impact of the credit crunch can be explained by the growth theory. When the credit crunch prevents some companies from investing, the money market fails to allocate national savings to their best use and reduces the potential of the economy to produce goods and services (Mankiw, 2006:489).

Blue Chip Stocks on the Stock Market

Blue-chip stocks are the best stock types from the best-performing companies on the market and have consistent track records over a long period. Types of stocks that are included in the blue-chip category are preferred stocks on the stock exchange (Rio, 2019). Some characteristics of blue-chip stocks, namely (Amelya, 2020):

1. The company is recognized both nationally and globally
2. Large and highly liquid market capitalization
3. The debt to asset ratio is stable
4. Consistently pay dividends
5. Solid business performance

III. DATA AND RESEARCH METHODS

The data used in this study is secondary data, namely daily stock price data of 8 blue-chip companies representing 3 sectors, namely finance, manufacturing, and telecommunications. Daily stock price data is taken from March to August 2020 from the Indonesia Stock Exchange (IDX). Processing of the data is carried out using the Eviews 6.0 program. The estimation technique is used as *dummy variables in stationary autoregressions*.

Dummy Variable Regression Modeling

Regression with dummy variables is also known as binary variables, indicator variables, dichotomous variables, qualitative variables, or categorical variables. Models that contain only dummy variables as independent variables are called models of analysis of variance or ANOVA (Ajija, 2011:45). The special things related to the dummy variable regression model are:

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1. A dummy variable is sufficient to distinguish the two categories. The general rule applies if a qualitative variable has n categories, then only (n-1) dummy variables are needed. If this rule is not followed then the estimation is not possible (the problem arises "dummy variable trap."
2. In this study, the author uses 0 = before the pandemic, and 1 = during the covid pandemic. The value of 0 and 1 is arbitrary (at the discretion of the researcher)
3. The category given 0 is often called the basic category or control category, in this study the dummy variable data before the pandemic had a value of 0, and during the pandemic, the value was 1.

Autoregressive Vector Regression Modeling (VAR)

The VAR model is often used in dynamic and stochastic macroeconomic policy analysis. Siregar and Irawan (in Ajija, 2011:164) explain that VAR is a system of equations that shows each variable as a linear function of the constant and the past lag value of the variable itself and the lag value of other variables in the system. The explanatory variables in the system include the lag values of all dependent variables in the VAR system that require the identification of constraints to reach the equation through equation interpretation.

VAR with order p and n independent variables in period t can be modeled as follows:

$Y_t = A_0 + A_1Y_{t-1} + A_2Y_{t-2}\ldots.+A_pY_{t-p}+\varepsilon_t$

Which means,
Y = The dependent variable vector
A_0 = intercept vector
A_t = Matrik parameter nx1
ε = residual vector ($\sum_1$, $\sum_2$, $\sum_3$) nx1
The assumption that must be followed in the VAR analysis is that all dependent variables are stationary. The stationarity test of the data can be done by testing the presence or absence of a unit root in the variable with the Augmented Dickey-Fuller (ADF) test. In this study, all independent variables have gone through the ADF test where all dependent variables are stationary, (Ajija, 2011:163-165).

Research Model

The author regresses dummy variables from 8 company data that are included in the Blue Chip category on the Indonesia Stock Exchange for the 2019-2020 period, which are Gudang Garam (GGRM), Mayora (MYOR), Indofood (ICBP and INDF), Unilever (UNVR), BBRI, BBCA, and Telkomsel (TLKM). Researchers built 8 design models in this study, namely as follows,

$GGRM_t = \beta_0-\beta_1DCovid+ \beta_2GGRM_{t-1}+ u_t$
$MYOR_t = \beta_0-\beta_1DCovid+ \beta_2MYR_{t-1} + u_t$
$ICBP_t = \beta_0-\beta_1DCovid+ \beta_2ICBP_{t-1} + u_t$
$INDF_t = \beta_0-\beta_1DCovid+ \beta_2INDF_{t-1} + u_t$
$UNVR_t = \beta_0-\beta_1DCovid+ \beta_2UNVR_{t-1} + u_t$
$BBCA_t = \beta_0-\beta_1DCovid+ \beta_2GBBCA_{t-1} + u_t$
$BBRI_t = \beta_0-\beta_1DCovid+ \beta_2BBRI_{t-1} + u_t$
$TLKM_t = \beta_0-\beta_1DCovid+ \beta_2TLKM_{t-1} + u_t$

Which means,
Covid : dummy variable, before Covid-19 was detected in Indonesia (September 2019 - February 2020) and during Covid-19 detected in Indonesia (March - September 2020)
GGRM : Gudang Garam stock price
MYOR : Mayora stock price
ICBP : Indofood stock price (food and beverage unit)
INDF : Indofood stock price
UNVR : Unilever stock price
BBCA : BCA stock price

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BBRI : BRI stock price
TLKM : Telkom stock price
t : running time period
t-1 : previous period

The hypotheses built in this study after reviewing some of the literature, are:

H0: There is a significant effect between the stock price of the previous period on the current period's stock price on blue-chip companies before and during the Covid-19 pandemic

H1: There is no significant effect between the previous period's stock price on the current period's stock price on blue-chip companies before and during the Covid-19 pandemic

IV. FINDING AND DISCUSSION

Conditions of 8 Blue Chip Companies in the Indonesia Stock Exchange Before the Pandemic

The following are the conditions of 8 companies that were included in the blue-chip category on the IDX before the Covid-19 pandemic in March 2020 occurred,

Tabel 1
Blue Chip Companies in BEI for The Period 2019-2020

No	Company name	Subsector Classification	Founding date / Founder	Stock volume in 2019	Dividend Distribution in 2019
1	PT Gudang Garam	Manufacturing Company (cigarettes)	26 June 1958 by Suryo Wonowidjojo	778,700 shares	IDR 5 trillion
2	PT Mayora	Food Manufacturing company	17 February 1977	1.212.400 shares	IDR 648,60 billion
3	PT Indofood Sukses Makmur (INDF)	Company with 3 business units, food & beverage; agribusiness; packaging, shipping, and distribution	14 August 1990 by Sudono Salim	3.454.800 shares	IDR 2,27 trillion
4	PT Indofood Sukses Makmur (ICBP)	Food and beverage manufacturing company	14 August 1990 by Sudono Salim	6.405.900 shares	IDR 1,5 trillion
5	Unilever Indonesia	Manufacturing company	5 Desember 1933	795.700 shares	IDR 5,9 trillion
6	BCA	Bank	21 February 1957 by Sudono Salim	11.378.100 shares	IDR 8,3 trillion
7	BRI	Bank	16 Desember 1895 by Raden Bei Aria Wirjaatmadja	93.849.800 shares	IDR 16,1 trillion

8	Telkom	Telecommunication	28 September 1994 (BUMN)	34.082.000 shares	IDR 16,2 trillion

Source: Andirerei, 2017; Septyadi, 2020; Nurlisdiana, 2020.

The data above shows the condition of the company in 2019. The shares of these companies are great and demanded by investors because of their good performance which has a consistent track record over a long period.

The Effect of the Covid-19 Pandemic on Blue Chip Stock Prices

The results of the dummy *variables in stationary autoregressions* are as follows,

Tabel 2
Hasil Regresi Variabel Dummy

Variable		Coefficient
Dependent Variable: GGRM		
C		**4549.908
COVID		**-684.8539
$GGRM_{t-1}$		**0.915375
R^2	0.9285	
Dependent Variable: MYR		
C		*59.96287
COVID		*10.54917
MYR_{t-1}		**0.969377
R^2	0.9457	
Dependent Variable: ICBP		
C		**1160.593
COVID		**-173.0157
$ICBP_{t-1}$		**0.897365
R^2	0.9517	
Dependent Variable: INDF		
C		**500.8668
COVID		*-62.316
$INDF_{t-1}$		**0.934
R^2	0.9381	
Dependent Variable: UNLV (simultaneous regression)		
C		**395.39
COVID		-4.89
$UNLV_{t-1}$		**0.9503
R^2	0.9221	
Dependent Variable: UNLV (partial regression)		
C		**380
$UNLV_{t-1}$		**0.95
R^2	0.922	
Dependent Variable: BCA		
C		**1688
COVID		**-225.78

BCA_{t-1}		**0.9479
R^2	0.95	
Dependent Variable: BRI		
C		**315.08
COVID		**-94.67
BRI_{t-1}		**0.9262
R^2	0.9785	
Dependent Variable: TLKM		
C		**400.888
COVID		**-93.12
$TLKM_{t-1}$		**0.8975
R^2	0.9764	

Description: significance on ** α=0,05; * α=0,1

Source: data processed.

The regression results from table 2, if entered into the model that has been built are as follows,

$GGRM_t = 4549{,}9 - 685\ DCovid + 0{,}915\ GGRM_{t-1}$

$MYOR_t = 59{,}96 + 10{,}55\ DCovid + 0{,}969\ MYR_{t-1}$

$ICBP_t = 1160 - 173\ DCovid + 0{,}897\ ICBP_{t-1}$

$INDF_t = 500.87 - 62\ DCovid + 0{,}934\ INDF_{t-1}$

$UNVR_t = 380 + 0{,}95\ UNVR_{t-1}$ (partial regression)

$BBCA_t = 1688 - 226\ DCovid + 0{,}95\ GBBCA_{t-1}$

$BBRI_t = 315 - 94{,}67\ DCovid + 0{,}93\ BBRI_{t-1}$

$TLKM_t = 400{,}9 - 93{,}12\ DCovid + 0{,}8975\ TLKM_{t-1}$

The regression results conclude that of the 7 blue-chip companies on the IDX the most affected by the COVID-19 pandemic is PT Gudang Garam as a cigarette company, although Gudang Garam (in Wikipedia, 2019) is the first-ranked company in the manufacture of kretek cigarettes. The issuer's dividend payout ratio (SOI, 2019) for GGRM shares in 2018 is also very high, namely 64.18% of 2018 net profit. However, the regression results prove that during the 6 months of the COVID-19 pandemic, Gudang Garam's stock price has decreased. The following are stock price fluctuations during the pandemic,

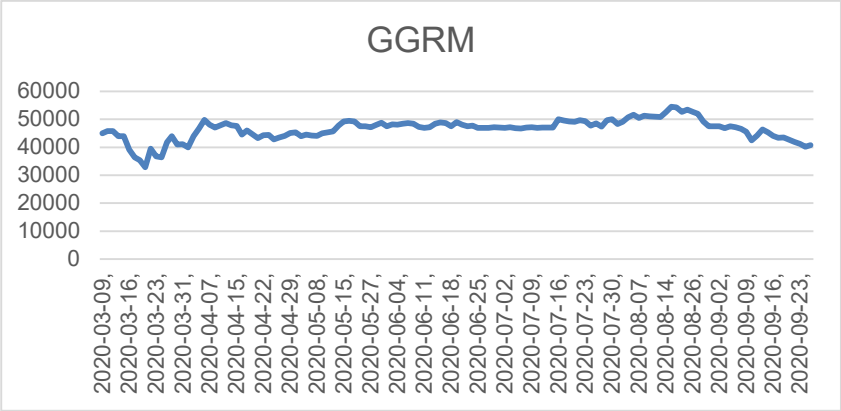

Figure 4

Gudang Garam's Stock Price Fluctuations During the Pandemic

Source: Data Processed from BEI, 2020.

This explains that public awareness to do not consume cigarettes has increased. The panic during the Covid-19 pandemic prompted public perceptions of the adverse effects of smoking, so that perception could affect

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Gudang Garam's stock price. Figure 4 shows the most concern that occurred at the beginning of the pandemic, namely on March 19, 2020. Gudang Garam's stock price at the time fell to only IDR 32,900.00. The trend of fluctuations in GGRM's stock price also seems to have decreased throughout the pandemic. If you look at the volume of GGRM's shares on the stock market, the amount of increase during the pandemic is relatively small, where the volume of 778,700 occurred in September 2019 and slightly increased to 911,100 in October 2020. Volume and stock prices move in opposite directions, namely, prices fall but volume increases. Indotraderpedia (2015) describes this condition as fear among traders about the GGRM stock. If the price moves down with an increase in volume, in addition to changes in the emotions of traders, it also means that there are many sellers but few buyers. In addition, the decline in people's income due to layoffs and government policies; as staying at home, work and studying at home, has encouraged pessimistic perceptions from the public and investors to all companies, especially Gudang Garam.

Meanwhile, the company that was not affected by the pandemic was the Unilever Indonesia company with its blue-chip shares, UNVR. The regression results show that covid-19 has no significant effect on UNVR's stock price. When viewed from the average daily price throughout the study period, INVR's stock price is around IDR 7,807.00. This price is not much different from the price in September 2019 (before covid-19 entered Indonesia), which is in the range of an average of IDR 8,305.00 per share.

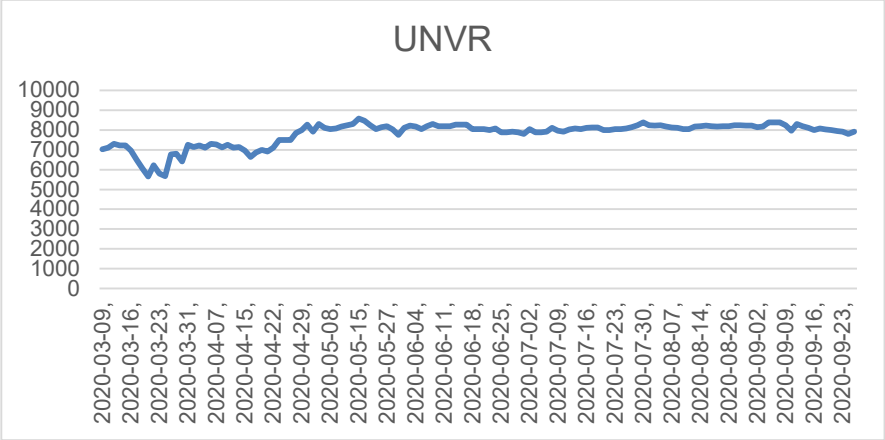

Figure 5
Unilever's Stock Price Fluctuations During the Pandemic
Source: Data Processed from BEI, 2020.

However, Figure 5 shows that at the beginning of the 19 March 2020 pandemic, Unilever's share price had dropped to only IDR 5,650.00. This condition is the same as that experienced by Gudang Garam. One of the triggers is the decline in prices that occurred in the previous period. Declining Unilever's stock price in the previous period effect to decline of the current period's stock price by about 95%. The regression result also shows that if there is no influence from past stock prices, INVR's stock price is IDR 380 per share.

This Unilever Company is a subsidiary of a Multinational Company based in the Netherlands. In 1981 Unilever Indonesia officially released 15% of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange. Almost all products for daily needs are Unilever's products. This indicates that the community's dependence on Unilever products is very high so that the public's perception of this company is still good despite the pandemic. This is what makes Unilever unaffected by the emergence of the COVID-19 pandemic.

Something is interesting about the regression results where Mayora's stock price is different from other stocks. Mayora (Warman, 2019) is a company engaged in the manufacture of food, biscuits, and sweets. Mayora's revenue and profit growth in 2018 was higher than targeted (Fernandes, 2019). The regression results show that the 2020 pandemic had a positive impact on this company so that when a pandemic occurred, Mayora's stock price increased. This increase indicates that the pandemic has had a good impact on Mayora's business conditions.

The new policy during the pandemic has increased the opportunity for people to gather with their families, where children have to leave school and the majority of people do work and stay at home. This increase in the opportunity to stay at home encourages an increase in the demand for snacks or snacks. Mayora is one of the well-known brands with various food products that are known and liked by many people, especially children. The existence of the Covid-19 pandemic triggered an increase in Mayora's stock price.

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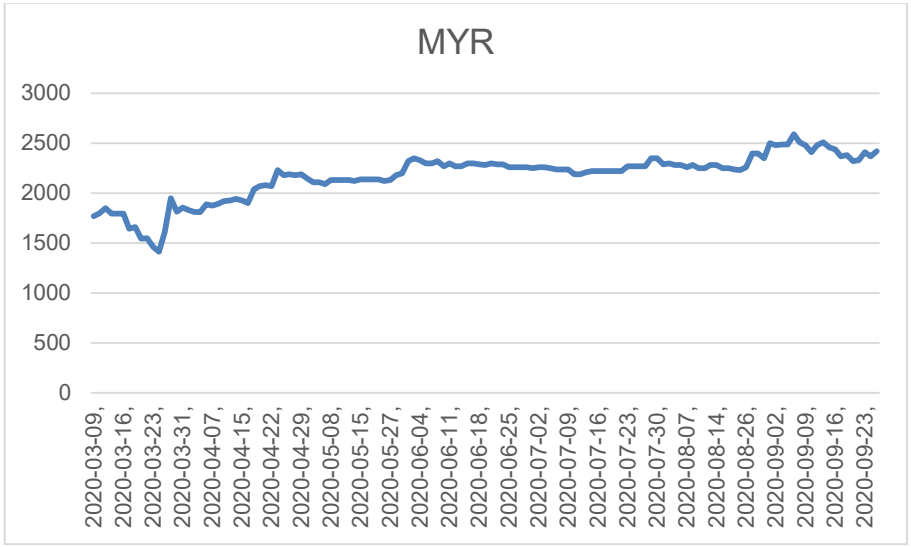

Figure 6
Mayora's Stock Price Fluctuations During the Pandemic
Source: Data Processed from BEI, 2020.

The regression results prove that the pandemic can increase Mayora's stock price so that the average daily price is around IDR 2,710.00. This price has increased compared to before Covid-19 entered Indonesia, which in September 2019 was in the range of an average of IDR 2,065.00 per share. The worst concern shown in Figure 6 occurred at the beginning of the pandemic, namely on March 24, 2020, at which time Mayora's share price had dropped to only IDR 1,415,00. However, after that, the trend of Mayora's stock price fluctuations seemed to increase throughout the pandemic. If you look at the volume of MYOR shares in September 2019 it was 1,212,400 and increased in October 2020 to 3,078,700. This simultaneous increase in share volume and price indicates that during the pandemic the number of requests for MYOR shares has increased.

Meanwhile, if looked at Mayora's competitor (a fellow food producer), namely Indofood, it turns out that the conditions in the 6 months of the pandemic are different. The Indofood Sukses Makmur company registered itself as one of the blue-chip shareholding companies in a relatively short time. Now Indofood has also become a total food solutions company whose products can be found in all corners of Indonesia. Even Indofood products have been exported to Australia, Asia, and Europe.

The regression results prove that the pandemic has a negative effect on ICBP's stock price. The average daily price for 6 months during the pandemic is around Rp. 9,681.00. Whereas in September 2019, ICBP's share price was in the range of an average of Rp 11,339.00 per share. ICBP is one of the shares of the parent-subsidiary PT Indofood Sukses Makmur (INDF) which is engaged in the food & beverage sector. Both share prices have been negatively affected by the Covid-19 pandemic. However, INDF as a parent is still much better than ICBP. This proves that the performance of a food manufacturing company, Mayora is more being able to survive in a pandemic than to Indofood.

Turning to the financial sector, BCA and BRI, both stock prices were equally affected by COVID-19. The declining BBCA's stock price was greater than BBR's because BBCA's stock price was indeed much larger than BBRI's. The stock price fluctuations can be seen in Figure 7 below.

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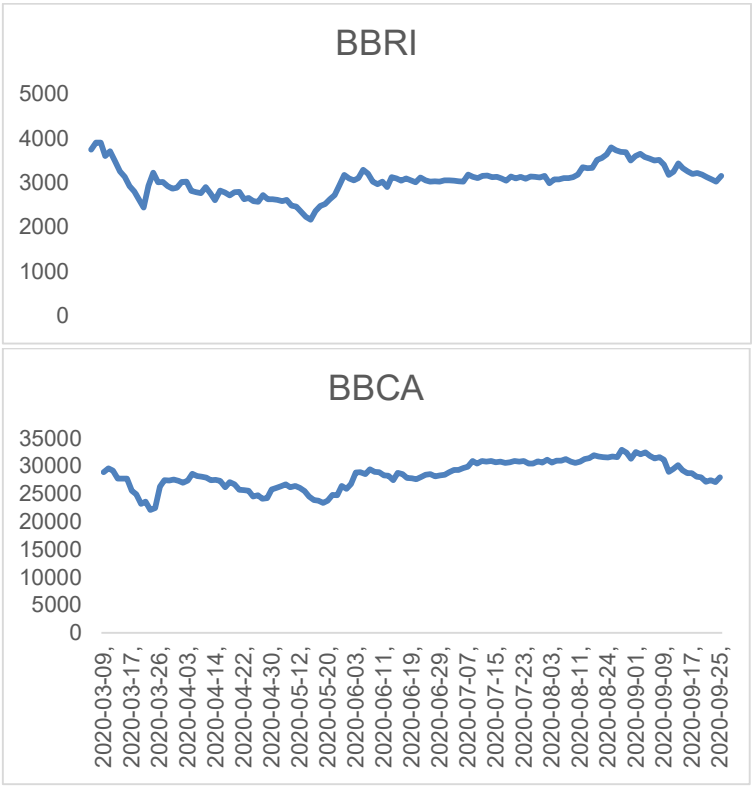

Figure 7
Comparison between BRI and BCA Stock Price Fluctuations During the Pandemic
Source: Data Processed from BEI, 2020.

The declining people's incomes cause the public ability to buy investment goods to decrease. This will certainly have an impact on creating a bad perception of bank liquidity. People also think that the ability of banks to provide micro-credit products for MSMEs (Micro, Small, Medium Enterprises) is also reduced. The decline in public confidence in banks has finally pushed the price of banking shares down, so it can be said that banks are quite affected by this pandemic.

Where for the telecommunications company, namely Telkom as the only BUMN discussed in this study, TLKM shares are one of the most liquid state-owned blue-chip stocks on the IDX (Nurlisdiana, 2020). As a state-owned company, approximately 52.09% of Telkom's shares are owned by the Indonesian government, and the remaining 47.91% are owned by the public. The regression results prove that the pandemic has a negative effect on TLKM's stock price. The average daily price of TLKM during the pandemic is around 3,073. Although the average price of TLKM has fallen, the decline is not far from the pre-covid-19 price range, namely in September 2019 it was in the average price range of 3,959 per share. The decline in TLKM's stock price is still quite low compared to the blue-chip stock prices of GGRM and BBCA. Telkomsel products, which are the basic needs of many people, are the main reason why this company is not heavily affected by the COVID pandemic.

The policies that can be recommended to reduce public and investor pessimism towards companies in the capital market are:

1. Provide income tax deductions for companies whose shares have been severely affected by COVID-19, such as Gudang Garam Company. This needs to be done to improve the company's liquidity conditions. This health-contradictory kretek-producing company will experience a decline in trust during the outbreak. This bad perception of cigarettes will last throughout the pandemic, which cannot be predicted with certainty when it will end. Withholding income tax is one of the fastest ways to improve company conditions for the better.
2. Providing loose credit to improve the business climate and setting low-interest rates to increase consumption of capital goods. This is done to create jobs (especially manufacturing companies), to encourage an increase

in people's income, improve public perceptions of the financial sector and manufacturing companies, so that later it is expected to be able to increase the share price of companies in these sectors.

V. CONCLUSION

The results of the analysis show that the company that has been severely affected by COVID-19 is the Gudang Garam company (GGRM). Meanwhile, the share price of Unilever (UNVR) was not affected by Covid-19. In addition, the regression results also show that Covid-19 has a positive effect on Mayora's share price (MYR). During the six-month periods, Covid-19 was proven to be able to increase Mayora's stock price even though it was small. This study proves that stock price movements of manufacturing companies in the sub-sector of necessities such as food and basic daily necessities are more surviving amid economic fluctuations due to the epidemic than to companies in the financial sub-sector and additional necessities such as cigarettes.

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