

Which Stock Market Index Performed Positively During The Covid-19 Outbreak?: From Economic Perspective With Differential Test Analysis

Girang Permata Gusti¹, Rudi Triadi Yulianto², Novira Kusri³

Sekolah Tinggi Ilmu Ekonomi Boedi Oetomo, Indonesia^{1,2}

Jl. Ampera No.GG 1-2, Sungai Bangkong, Kota Pontianak, Kalimantan Barat –
Indonesia 78116

Universitas Tanjungpura, Indonesia³

Jl. Prof. Dr. H. Hadari Nawawi, BansirLaut, Kota Pontianak, Kalimantan Barat –
Indonesia 78124

Correspondence Email: b3081201001@student.untan.ac.id

ORCID ID: <https://orcid.org/0000-0001-5720-7289>

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The purpose of this study is to research the world's major stock indexes that have performed positively during the COVID-19 outbreak. This study uses a quantitative method using different test analyses, by comparing the typical stock market index prices from January to August 2019, 2020, and 2021. The research sample used is 45 major world stock indices, with the source of compiling and collecting data on the investing.com website. The results showed that the stock indexes of US NASDAQ Composite (IXIC), Denmark (OMX Copenhagen 25), New Zealand (Dow Jones New Zealand), Russia (MOEX), Taiwan (Taiwan Weighted), and Turkey BIST 100 (XU100) had a positive impact and significantly during the COVID-19 outbreak. Countries that have a quick response in dealing with Covid-19, will have better preparations to prevent deaths and economic downturn, than countries that underestimate this outbreak.

Keywords: COVID-19, Economic Perspective, Positive Performance, Stock Index

JEL Classification: G15, G41, R53

INTRODUCTION

The COVID-19 pandemic seems to be the foremost important phenomenon observed since March 2020 in most countries within the world, having important to stop the spread of COVID-19 and keep the health care system efficient leading to restrictions on economic activity (Buszko, Orzeszko, & Stawarz, 2021; Dunford et al., 2020; Who, 2020). Logically, COVID-19 will have a negative influence on the movement of the world's major stock prices (Cantore et al., 2020). this is often because of the very limited or maybe cessation of each activity administered by the community physically, like the land, sea, and air transport which is temporarily suspended, the closure of faculties, tourist attractions, shopping places, and offices also are closed to avoid the spread of the COVID-19 virus. Until now, drugs and vaccines for prevention are still being researched. Many developed and developing countries have reported economic processes within the negative zone (Aljazeera, 2020; Economist, 2020; Sapir, 2020). At this stage, the author wants to seek out whether there are still countries with positive and significant performance records, as measured by the movement of their stock market index. During this study, the stock market index was chosen as a measure of the country's economic process, because it's used as an indicator of stock price movements during a country, which represents all the movements of companies that have listed their shares on the stock market.

People who have good financial literacy will logically be able to survive the Covid-19 outbreak. With the right understanding of financial literacy (Astiti, Warmana, & Hidayah, 2019), it will provide a large 'free cash flow' for the residents themselves (Purnawarman, Handayati, & Firmansyah, 2020). When Covid-19 occurs, assistance and support from the government is very important, support in financial incentives and subsidies will create a good harmonization of relations between citizens and the government (AlNoumani, AlMutairi, & Machado, 2019), so that there is no neglect of the various rules that are applied. The increase in the stock index during the Covid-19 outbreak is an early reflection of the ability of the community who are aware of the importance of learning financial literacy, an understanding of 'free cash flow' in their savings will increasingly provide ways and solutions when activities are only carried out from home. The rise in the stock index during Covid-19 provided initial evidence of the ability of the people's purchasing power and the government's full support to help and prosper its citizens.

LITERATURE REVIEW

COVID-19 developed into a really serious pandemic within the middle of 2020. This has caused huge negative impacts like the worldwide market crash (Chan, Wang, Kong, & Lin, 2021). The impact of this outbreak is going to be reflected through the volatility of stock prices, where stock markets around the world have shown varying degrees of volatility. Uddin, Chowdhury, Anderson, and Chaudhuri (2021) have examined the effect of this pandemic on stock exchange volatility and whether economic strength, as measured by a specific set of country-level economic characteristics and factors like economic resilience, capitalism intensity, level of corporate governance, financial development, level of monetary policy and quality health systems, could potentially reduce the possible adverse effects of the worldwide pandemic on stock exchange volatility. Using data from 34 stock markets in both developed and developing countries, this research finds that economic characteristics and factors help reduce the volatility caused by the virus pandemic.

Other study on the analysis of the connection between the spread of COVID-19 and shocks to grease price volatility, stock exchange, geopolitical risk, and policy

uncertainty within the US within the working time-frequency frame (Sharif, Aloui, & Yarovaya, 2020), a study using the wavelet method of coherence and Granger causality test, this research found that the effect of COVID-19 on geopolitical risk is far above that folk's economic uncertainty, where COVID-19 risk is perceived differently within the short and lasting and should first be viewed as a depression. An extra study on the impact of the COVID-19 outbreak on the volatility of the US stock exchange, research (Baek, Mohanty, & Mina, 2020) shows that volatility is influenced by certain economic indicators and is sensitive to news from the COVID-19 outbreak, where negative news has more impact, to the stock exchange. Then, the effect of the official announcement regarding the COVID-19 outbreak on financial market volatility within us (Albulescu, 2020), concludes that the coronavirus pandemic is a crucial source of monetary volatility that poses challenges to risk management activities.

RESEARCH METHOD

The author wants to understand whether the COVID-19 outbreak that was discovered at the top of 2019, within the city of Wuhan, influenced price movements on the world's major stock indexes. The author wants to live the initial price before the COVID-19 period on each stock market index, then provide a comparison with the ultimate price within the selected period. This study uses secondary data, taken from, Major World Market Indices, on the investing website, at the address: www.investing.com/indices/major-indices, the choice of investing sites is because of the completeness and simple data collection, for statistical analysis. 45 major stock indices within the world are analyzed and measured for or her movement performance.

RESULTS

The results showed that the stock indexes of the US NASDAQ Composite (IXIC), Denmark (OMX Copenhagen 25), New Zealand (Dow Jones New Zealand), Russia (MOEX), Taiwan (Taiwan Weighted), and Turkey BIST 100 (XU100) had a positive impact and significantly during the COVID-19 outbreak.

DISCUSSION

United States (NASDAQ COMPOSITE)

From the economic side (Agustiyanti, 2020), the responsiveness of the American government to quickly disburse aid funds folks \$ 1 trillion, around March 2020, for all citizens within the sort of a stimulus package folks \$ 1000-3000 per person, the govt also will allow companies and individuals to defer tax payments for 90 days. Where this stimulus aims as a mixture of providing direct funds to citizens of us and creating liquidity for little businesses. And various other advanced aid package programs to support the economy.

Denmark (OMX COPENHAGEN 25)

From an economic perspective (Permana, 2020) the Danish government has helped several companies suffering from Covid-19 to pay their employees' salaries. Denmark is one of the countries in Europe that's helping companies suffering from Corona to pay the wages of their employees. To encourage companies to not abandoning of their employees, the govt compensates companies for 75 percent of wages. Its value reaches 4,000 euros per month (\$ 4,347). For those that are under temporary contracts, the state can pay 90 percent. Denmark is gradually easing its regional lockdown from April 15. About 20,000 companies have signed up for this compensation program. The plan is that this program will remain in effect until June 9. this is often the

primary time Denmark has introduced policy measures like this to make sure employees stay the work.

Russia (IMOEX)

From an economic point of view, the Russian government has prepared an economic stimulus worth US\$72 billion (Indonesia, 2020), the stimulus was given to assist economic recovery during the Covid-19 pandemic, stimulus funds were prepared to revive the Russian economy which was in disarray during the lockdown. The funds are intended to extend employment, income, and economic process. In April 2020, Russian President Putin warned his citizens about the crisis, which can be faced because of the Covid-19 pandemic, this was because of the rising price which prompted the president to mention this. He even reminded residents of "complicated and extraordinary" scenarios (Arbar, 2020).

New Zealand (NZDOW)

From an economic perspective, in mid-March 2020, New Zealand announced that it might disburse a funding package of NZ\$12.1 billion or US\$7.31 billion to support its economy, which is predicted to experience a pointy slowdown as a result of Covid-19) (Sebayang, 2020), his minister of finance Grant Robertson said that "We do not know what the whole impact (of the coronavirus outbreak) are going to be on the New Zealand economy, however, we do realize it will hurt our jobs and have a big impact on the business".

Taiwan Weighted (TWII)

From an economic point of view, Taiwan (Sinaga, 2020) has disbursed one trillion Taiwan dollars, or about US\$33 billion, to assist Taiwan's export-dependent economy. This stimulus package was issued by the Taiwanese government within the youth of the spread of Covid-19 as a fast response to overcoming various problems faced.

Turkey (XU100)

From an economic perspective, in March 2020, the Turkish government launched an economic stimulus package worth 100 billion lira or around US\$ 15.4 billion (Haliem, 2020), the worth of the economic package like around Rp 250 trillion to beat the economic impact of Covid -19, the stimulus includes debt repayment delays and tax cuts in various sectors. Then, Value Added Tax (VAT) for domestic flights is cut from 18% to fifteen over subsequent three months, accommodation tax also will not be enforced until November 2020. additionally, Social Security premiums and VAT reductions in various sectors, including retail, malls, steel, and iron, automotive, logistics, and textiles, are suspended for 6 months. to take care of the extent of capacity utilization, the govt added support for shares for exporters. Turkey also doubled the credit guarantee fund limit to 50 billion lira (US\$ 7.70 billion) from 25 billion lira (US\$ 3.35 billion).

CONCLUSION

The author tries to supply a spiritual perspective, which refers to the Holy Qur'an, which emphasizes that a pacesetter does well to all or any members of the community he leads, in a fair, honest, and transparent manner. With the implementation of leadership behavior like this, the authors believe, trust within the government will increase, and citizens will easily accept any direction given by the govt because it's indeed useful for common goals and security.

Al-Qur'an Surah Al-Anbiya Verse 73. "And We made them as leaders who guided by Our command and that we revealed to them to try to good, pray and pay zakat, and

only to Us they worship". Al-Qur'an Surah Al-An'am Verse 160. "Whoever does good gets a gift ten times his deeds. And whoever does crime is recompensed together with his crime. they're going to not be harmed within the slightest (oppressed)". Al-Qur'an Surah At-Tahrim Verse 6. "Believers! Protect yourself and your family from hell....". We must benefit ourselves and our parents, especially our fathers and mothers. We must help to undertake to assist, provide convenience from the economic impact of Covid-19, have faith and believe, that by helping ourselves and our families, Allah will help us and strengthen our position on this earth (Al-Qur'an Surah Muhammad verse 7).

With the implementation of the design patterns that the authors have described previously, the authors believe that the economic recession gap is going to be avoided, the rise in hospital patients are often reduced, the supply of food and health supplies are often anticipated and therefore the increase within the amount of state debt is often managed properly and measurably, the most condition is that there's intensive communication between the govt and everyone citizens. With the eye given by the govt, the citizens of the community are going to be happy to obey any directions and rules given, because it aims for the common interest.

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DECLARATION OF CONFLICTING INTERESTS

I declare that there are no issues and no conflicts of interest associated with this research paper and I declare responsibility if it occurs.

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