

# Performance of Index JII and Index LQ45 during the Covid-19 Pandemic in Indonesia

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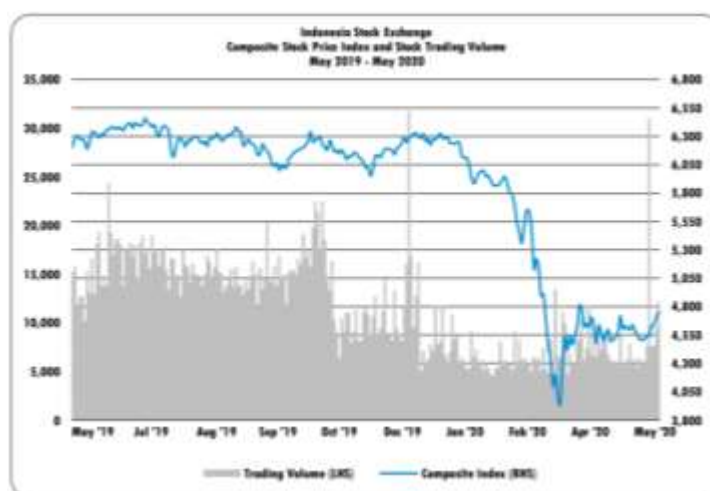
**ABSTRACT :** This study aims to analyze the comparison of the JII Index and the LQ45 Index during the Covid-19 pandemic for the period October 2020 to October 2021 which are traded on the Indonesia Stock Exchange. This research is descriptive research. Methods of data collection using the method of documentation. While the data analysis tool uses Chartnexus. The results of this study indicate that during the Covid-19 pandemic in Indonesia throughout October 2020 to October 2021, the shares belonging to LQ45 experienced fluctuations and on average increased by 1.67%. Then sharia shares incorporated in JII also experienced fluctuations and on average increased by 0.48%. Thus, it can be concluded that on average, conventional stock indices experience deep fluctuations and tend to be unstable compared to Islamic stocks. With the results of this study, it can provide a reference for investors to choose and invest in Islamic stocks, because the transaction strength of Islamic stocks is quite good. Where sharia stock transactions continue to increase and tend to experience stable fluctuations even though economic conditions in Indonesia have decreased during the Covid-19 pandemic.

**Keywords -** Covid19 Pandemic, JII Index, LQ45 Index.

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## 1. INTRODUCTION

Coronavirus Disease 2019 or Covid-19 has become a global epidemic that has hit almost all over the world. Covid-19 also occurred at the time of this study, during October 2020 until October 2021. Everything related to business activities and activities in various countries had to be stopped to prevent the spread of the virus. Various efforts have been made by the government, one of which is the implementation of a large-scale social restriction (PSBB) policy. The effects of the Covid-19 pandemic in Indonesia, apart from affecting public health conditions, are also suspected of affecting financial performance, including the capital market in Indonesia. The capital market in Indonesia before Covid-19 showed that the JCI tended to be stable before 2020. Based on Graph 1.1, the JCI underwent a correction in January 2020 and peaked in February-March 2020 in Indonesia starting to take positive victims of Covid-19, which has been increasing in number from time to time.



Source: idx.co.id, 2020

**Graph 1.1 Composite Stock Price Index (JCI/RHS) for the period May 2019-May 2020**

## 2. HEADINGS

While facing challenging conditions, both nationally and globally, which have generally experienced a decline, the Indonesian Islamic finance industry has achieved quite a proud achievement. Based on the report from the Financial Services Authority (OJK), in 2019 the sharia-based capital market in Indonesia recorded a positive performance. As stated that the International Global Islamic Finance Award (GIFA) gave an award to the Indonesia Stock Exchange (IDX) for the category of The Best Islamic Capital Market Award 2019. For the second time when the 2020 Covid-19 pandemic hit Indonesia, IDX again won the same award. This achievement can be assumed as international recognition that IDX can maintain its achievements and prioritize consistency.

In line with research from Venus kusuma (2021) research, sectoral index results on the stock exchange were also affected by Covid-19. The negative impact of the COVID-19 pandemic on the Sectoral Index on the IDX, since December 30, 2019 early the pandemic is endemic in Wuhan and before the epidemic entered Indonesia, stock prices and There has been a decline in the JCI, causing all sectoral indices to fall quite deeply hundreds of points and tens of percent.

With the various backgrounds that have been described, it is suspected that they can affect the movement of the index, on the one hand the Covid-19 pandemic has caused a decline in stock prices, but on the other hand it is expected to be an opportunity for investors. Investors are expected to choose stock indexes that can provide positive benefits during the Covid-19 period and avoid stock indexes that are less profitable during the Covid-19 pandemic to reduce the risk of losses. Based on the problems mentioned earlier, this research was conducted to analyze the stock movement between the JII Index and the LQ45 Index in order to get the most optimal index. So that can provide advice to investors to choose and invest in stock/s that are stable against the prolonged crisis. Such as the crisis due to the Covid-19 pandemic as has happened.

## 3. INDENTATIONS AND EQUATIONS

In this study using the LQ45 index and the JII index. A similar study was conducted by Henny Saraswati who used a sectoral index with the title "The Impact of a Pandemic".Covid-19 on the Stock Market in Indonesia", the results of the study show that there is a decline in prices shares in all industrial sectors.

**Table 1.1 Previous Similar Research**

Researcher's Name	Research purposes	Research methods	Research result
Kusumawardana Venus, 2021	Dampak Positif & Negatif Pandemi Covid-19 Terhadap Kinerja Indeks Sektoral Yang Terdaftar Di Bursa Efek Indonesia Desember 2019-Desember 2020	Method with quantitative analysis approach, descriptive exploratory, and using stock index history data sector with purposive sampling technique	The biggest positive and negative impact of the Covid-19 pandemic on the Sectoral Index on the IDX for the period 30 December 2019 to 30 December 2020
Henny Saraswati, 2020	The Impact of the Covid-19 Pandemic on the Stock Market in Indonesia	The method used in this study namely descriptive exploratory, the data collected in the form of secondary data from the IDX and Bappenas RI	The results of the study show that there is a decline in stock prices in all industrial sector
Nastiti Rizky Shiyammurti , Dwi Anggraeni Saputri , Euis Syafira, 2020	Impact Of The Covid-19 Pandemic At Pt. Indonesia Stock Exchange (Bei)	Using descriptive using a qualitative approach	The Covid-19 pandemic in Indonesia has brought down the Indonesian economy due to the decline in Composite Stock Price Index
Najeb M.H. Masoud, 2013	The Impact of Stock Market Performance upon Economic Growth	simple theoretical and empirical literature.	The findings show a positive relationship between efficient stock market and economic growth, both in the short and long term and there is evidence of indirect transmission mechanism through the influence of capital market developments on investment.

In the midst of economic shocks due to Covid-19 that hit Indonesia, the Islamic capital market experienced growth. This interesting thing was conveyed by the head of the IDX's Islamic capital market division, Irwan Abdalloh, on September 29, 2020 via metrotvnews youtube video broadcast. It was stated that in terms of the number of investors, the frequency of transactions and the volume of transactions carried out by Islamic investors actually increased. Although the performance of Islamic market returns has decreased, the performance of Islamic investors has actually increased, even if the volume and value of transactions are higher than in normal conditions in the same period in the previous year.



Source: ojk.go.id, December 2020

**Figure 1.1 Sharia Stock Development**

In accordance with the decision of the commissioner board of the financial services authority number KEP-63/D.04/2020 on November 23, 2020 that there was an increase in the list of sharia securities from late 2019 to early 2020 when the Covid-19 pandemic occurred in Indonesia. The Islamic capital market industry shows rapid development with the number of sharia shares up to October 2020 increasing by 90.3%, from 321 shares to 457 shares. This amount is equivalent to 63.6% of the total shares listed on the IDX as shown in figure 1.1. Based on market capitalization, Islamic stocks account for 51.4% of the total market capitalization. This means that the total market capitalization of sharia shares is IDR 3,061.6 trillion of the total market capitalization of IDR 5,956.7 trillion. The percentage of transaction value for sharia shares reached 53.7%, transaction volume for sharia shares was 56.9% and transaction frequency was 61.9% of the total stock transactions on the IDX.



Source: chartnexus, December 2021

**Graph 1.2 Composite Stock Price Index (JCI) October 2020-October 2021**

Based on Graph 1.2, IHSG experienced another correction in July-August 2021 in Indonesia. This happened because the number of positive Covid-19 victims began to increase from time to time accompanied by the imposition of restrictions on community activities for emergency PPKM level 4 in Java-Bali.

With various background conditions that have been described, this study aims to analyze the condition of the Islamic stock price index represented by the JII index and the conventional stock price index represented by the LQ45 index.

## RESEARCH METHODS

This research is descriptive research. The data used in this study is secondary data, based on historical data on changes and developments in the JII Index and the LQ45 Index from October 2020 to October 2021, which were analyzed using the Chartnexus analysis tool. Data is collected through internet browsing by visiting and downloading historical data from several popular data provider sites.

Procedures for analysing the data are:

1. Collecting data of closing prices JII & LQ45 Index.
2. Collecting data of change JII & LQ45 Index.
3. Analyzed fluctuating the data progress from October 2020-October 2021.
4. Drawing Conclusion.
5. Provide Advice to choose the best index.

Some of the sites used in this research are JII stock movement with the following link <https://www.idx.co.id/>, LQ45 stock movement with the following link <https://www.idx.co.id/>. The stock price index movement data will be observed and analyzed for changes and developments to find out which indexes are positively and negatively affected by the Covid-19 pandemic.

## 4. FIGURES AND TABLES

The Covid-19 event has become a global epidemic that affects various fields, including in the economic field where the capital market is in it. With the condition of the economic downturn in Indonesia during the Covid-19 pandemic, this study will analyze how the impact on Islamic stock transactions and conventional stocks in the capital market will be. The stock data used is the Islamic stock index which is incorporated in the Jakarta Islamic Index (JII) and conventional stock which is incorporated in Liquid 45 (LQ45).



Source: chartnexus, December 2021

**Graph 1.3 Liquid 45 Index (LQ45) October 2020-October 2021**

**Table 1.2 LQ45 Index Progress**

October 2020-October 2021

Date	Open	Hight	Low	Close	Value Rp Billion	Chg %	Chg +/- (point)
Oct 01, 2021	891	982	881	952	52,7 B	0,06846	65,1762
Sep 01, 2021	868	894	840	894	39,4 B	0,02995	26,7788
Aug 01, 2021	830	872	821	866	30,9 B	0,04337	37,5614
Jul 01, 2021	848	860	823	823	30,8 B	-0,0295	-24,263
Jun 01, 2021	902	919	835	844	37,5 B	-0,0643	-54,271
Mei 01, 2021	894	897	852	888	29,2 B	-0,0067	-5,9597
Apr 01, 2021	903	915	873	893	31,4 B	-0,0111	-9,8893
Mar 01, 2021	955	977	886	902	35 B	-0,0555	-50,059

Feb 01, 2021	910	972	885	944	41,5 B	0,03736	35,2703
Jan 01, 2021	939	1030	907	911	68,4 B	-0,0298	-27,165
Dec 01, 2020	890	977	879	934	65,1 B	0,04944	46,1753
Nov 01, 2020	784	926	777	883	68,6 B	0,12628	111,501
Oct 01, 2020	745	798	741	790	38,9 B	0,0604	47,7181

Source: yahoo finance, data processed



Source: chartnexus, December 2021

**Graph 1.4 Jakarta Islamic Index (JII) October 2020-October 2021**

**Table 1.3 JII Index Development**

October 2020-October 2021

Date	Open	Hight	Low	Close	Value Rp Billion	Chg %	Chg +/- (point)
Oct 01, 2021	551	590	542	567	33,8 B	0,02904	16,4646
Sep 01, 2021	542	552	526	552	24,8 B	0,01845	10,1845
Aug 01, 2021	535	547	523	540	20,3 B	0,00935	5,04673
Jul 01, 2021	547	557	531	532	21,2 B	-0,0274	-14,589
Jun 01, 2021	573	583	530	544	25,3 B	-0,0506	-27,532
Mei 01, 2021	585	585	541	567	18,8 B	-0,0308	-17,446
Apr 01, 2021	605	614	575	585	20,9 B	-0,0331	-19,339
Mar 01, 2021	634	635	593	605	23,9 B	-0,0457	-27,674
Feb 01, 2021	602	651	590	631	29,8 B	0,04817	30,397
Jan 01, 2021	633	679	598	601	51,7 B	-0,0506	-30,382
Dec 01, 2020	600	664	592	630	44,8 B	0,05	31,5
Nov 01, 2020	542	623	536	597	43,2 B	0,10148	60,5812
Oct 01, 2020	522	553	521	545	28 B	0,04406	24,0134

Source: yahoo finance, data processed

**Table 1.4 LQ45 and JII Stock Index Closing Prices**

October 2020-October 2021

Date	Oct 01, 2021	Sep 01, 2021	Aug 01, 2021	Jul 01, 2021	Jun 01, 2021	Mei 01, 2021	Apr 01, 2021	Mar 01, 2021	Feb 01, 2021	Jan 01, 2021	Dec 01, 2020	Nov 01, 2020	Oct 01, 2020
JII	567	552	540	532	544	567	585	605	631	601	630	597	545
LQ45	952	894	866	823	844	888	893	902	944	911	934	883	790

Source: yahoo finance, data processed

Table 1.3 is JII and LQ45 closing data from October 2020 to October 2021. The closing price of the stock each month indicates the magnitude of the stock price at the time the exchange closes. In Table 1.3 above it is known that the decline in the price of conventional shares incorporated in LQ45 with a closing price of 844 in June. When compared to the previous month, the closing of 888. While sharia shares are incorporated in JII, the price decline that occurred in June amounted to 544 where the previous month was estimated to close 567. That is, the decline in sharia stock prices is smaller when compared to the decline in conventional stock prices. In this case, sharia stock transactions can be said to be superior when compared to conventional stocks.

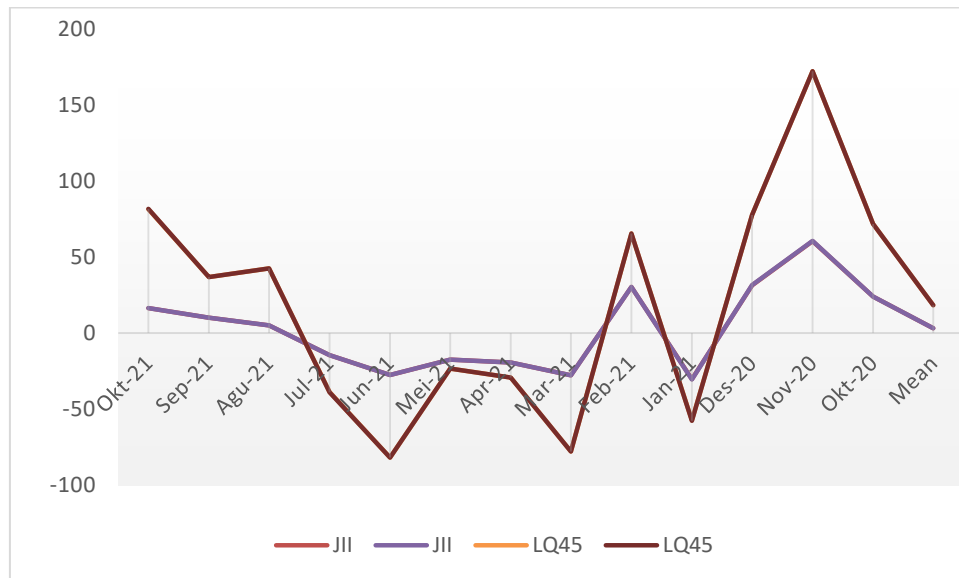
**Table 1.5 Changes in Sharia Stock Index and Conventional Stocks Index During the Covid-19 Pandemic in Indonesia**

October 2020-October 2021

Month	JII		LQ45	
	Change	%	Change	%
Okt-21	16,4	2,90%	65,1	6,84%
Sep-21	10,1	1,80%	26,7	2,99%
Agu-21	5,04	0,90%	37,5	4,33%
Jul-21	-14,5	-3%	-24,2	-2,95%
Jun-21	-27,5	-5,00%	-54,2	-6,43%
Mei-21	-17,4	-3,08%	-5,9	-0,67%
Apr-21	-19,3	-3,30%	-9,8	-1,11%
Mar-21	-27,6	-4,50%	-50,05	-5,55%
Feb-21	30,3	4,80%	35,2	3,73%
Jan-21	-30,3	-5,06%	-27,1	-2,98%
Des-20	31,5	5%	46,1	4,94%
Nov-20	60,5	10,10%	111,5	12,60%
Okt-20	24,01	4,40%	47,7	6,04%
Mean	3,17	0,48%	15,27	1,67%

Source: yahoo finance, data processed

To see how the trend of stock index changes observed, namely conventional stocks incorporated in LQ45 and Islamic stocks represented by stocks in JII, can be seen in the following image:



**Graph 1.5 Movement of Changes in Sharia Stock Index and Conventional Stocks Index During the Covid-19 Pandemic in Indonesia October 2020-October 2021.**

Based on the data contained in Graph 1.5, it can be seen that the LQ45 stock index decreased in June and July, but contrary to the JII stock index which experienced a decline that was not as deep as LQ45. Shariah shares incorporated in JII in June 2021 decreased by 5% and conventional shares incorporated in LQ45 in the same month experienced a deeper decline of 6.43%.

Thus it can be concluded that Shariah shares can be said to be superior when compared to conventional stocks during the Covid-19 pandemic in Indonesia. So that with statistical analysis can be concluded that conventional stock indices experience deep fluctuations and tend to be unstable compared to Islamic stocks.

## 5. CONCLUSION

Based on the analysis conducted in this study in the conditions of the Covid-19 pandemic and social distancing policies in Indonesia have an influence on capital market conditions. Throughout October 2020 to October 2021 the JII index and LQ45 index fluctuated. On average Shariah shares increased by 0.48% and conventional stocks also increased by 1.67%. But in June and July 2021 Shariah shares incorporated with JII decreased by 5% and conventional shares incorporated with LQ45 decreased by 6.43%. So that with statistical analysis can be concluded that conventional stock indices experience deep fluctuations and tend to be unstable compared to Islamic stocks. With the results of the study can provide advice to investors to choose and invest in Islamic stocks, because the strength of Sharia stock transactions is quite stable.

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**INFO**

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