
The COVID-19 Pandemic and the Movement of the Bisnis-27 Stock Index from January to December 2021

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ABSTRACT

The COVID-19 pandemic in Indonesia has also impacted the capital market, leading to changes in trading hours on the Indonesia Stock Exchange. This situation served as a negative signal for investors, prompting many to sell their shareholdings. The results of this study indicate that an increase in the number of confirmed positive COVID-19 cases negatively affects the movement of the Bisnis-27 stock index. Similarly, the number of COVID-19-related deaths also has an impact on the index. However, the number of fully vaccinated individuals does not significantly influence the Bisnis-27 index. Therefore, it is strongly recommended that investors take into account the rising number of positive COVID-19 cases and related fatalities when making investment decisions in companies listed on the Bisnis-27 index.

Keywords: COVID-19, Bisnis-27, Stock Market

1. Introduction

In today's era of globalization, capital markets play a crucial and strategic role in the economic development of many countries, including Indonesia. As a platform for long-term capital accumulation and corporate valuation, the capital market reflects national economic conditions through the performance of listed companies. The emergence of the coronavirus (COVID-19), first identified in Wuhan, China, in December 2019, drastically impacted global financial systems. The virus spread rapidly and was soon declared a global pandemic. In Indonesia, the announcement of the first confirmed COVID-19 case on March 2, 2020, significantly affected the stock market, with the Composite Stock Price Index (IHSG) plunging to around 3,900 points (Rahmayani, 2020; Retnoningsih & Naufa, 2021; Handayani & Prasetyo, 2020).

The COVID-19 pandemic also disrupted capital market operations in Indonesia. It triggered a change in trading hours on the Indonesia Stock Exchange (IDX), which investors interpreted as a negative signal, prompting many to liquidate their holdings (Ardiansyah & Nurasik, 2024; Radjamin, 2023). Stock price movements, reflected in various indices such as the IHSG, LQ45, Syariah Index, and Bisnis-27, showcased investor sentiment and economic instability. The capital market, as a key economic driver, reacts to both macroeconomic signals and public health developments, particularly during crisis periods like the COVID-19 pandemic (Ridhwan et al., 2024; Wulandari & Nugroho, 2021; Hidayat & Suryanto, 2022).

The Bisnis-27 Index, established through collaboration between the Indonesia Stock Exchange and *Bisnis Indonesia* daily, consists of stocks selected based on fundamental and

technical criteria, as well as corporate accountability. As an independently managed index, it provides an alternative lens for observing market dynamics during turbulent times. The components of the Bisnis-27 Index are reviewed semi-annually, in May and November (Fakhrunnas & Ramadhani, 2024; Mulyani & Arifin, 2021). This makes it a valuable indicator of market response in the context of unprecedented events, such as a pandemic.

Previous studies have examined the impact of the COVID-19 pandemic on various market indices. For example, a study by Nurcahyono, Hanum, and Sukesti (2020) found that the pandemic significantly influenced stock returns. Similarly, Fianto et al. (2024) highlighted its impact on the Jakarta Islamic Index, demonstrating sector-specific vulnerabilities. The pandemic not only affected public health but also had wide-reaching economic implications, especially in the financial and capital market sectors (Trisnowati & Muditomo, 2021; Sari & Wijaya, 2022).

Other researchers have investigated investor behavior and volatility during the pandemic. Lestari and Putra (2021) revealed that specific sectors were disproportionately affected, while Yusuf and Kurniawan (2023) observed behavioral changes among investors. Meanwhile, Kusuma and Hartono (2024) assessed how vaccination rates influenced stock market recovery. Despite various studies on the IHSG and LQ45, few have specifically focused on the Bisnis-27 Index, especially during the period of January to November 2021—a gap this research aims to address.

Based on this background, the central research question posed in this study is: **What is the impact of the rising number of COVID-19 cases from January to November 2021 on the stock movement within the Bisnis-27 Index?** Addressing this question provides a distinct perspective compared to previous studies that primarily explored the effects of exchange rates or gold prices on the IHSG (Putri & Santoso, 2023; Lestari & Putra, 2021). This research contributes to the literature by using the Bisnis-27 Index as a focused measure of market sentiment and investor behavior during a critical phase of the COVID-19 pandemic.

2. Literature Review

Stock Market

The stock market is one of the most prominent investment instruments in the capital market due to its potential for high returns. Stocks represent ownership in a company, including nominal value, the issuing company's identity, and the rights and obligations of shareholders. In Indonesia, investor interest in stocks has grown over the years, driven by both individual and institutional participation (Fianto et al., 2024; Yusuf & Kurniawan, 2023).

Generally, the capital market can be defined as a structured financial system involving commercial banks, financial intermediaries, and tradable securities. More specifically, it refers to the physical and digital marketplace where securities are exchanged, most commonly via a stock exchange like the Indonesia Stock Exchange (IDX). The IDX serves as a central hub for economic activity and investment decision-making, especially during volatile periods such as the COVID-19 pandemic (Ardiansyah & Nurasik, 2024; Hidayat & Suryanto, 2022; Retnoningsih & Naufa, 2021).

BISNIS-27 Index

The BISNIS-27 Index is a specialized stock index that tracks the performance of 27 selected stocks, chosen by the Bisnis Indonesia Index Committee. This index is a collaborative effort between the IDX and PT Jurnalindo Aksara Grafika, the publisher of *Bisnis Indonesia* newspaper. Its purpose is to reflect the performance of fundamentally strong and liquid companies listed on the IDX (Fakhrunnas & Ramadhani, 2024; Mulyani & Arifin, 2021).

This index is maintained independently by *Bisnis Indonesia*, ensuring objective selection based on rigorous criteria such as fundamental analysis, historical trading data (technical), and corporate accountability. The composition of the index is reviewed biannually—typically in May

and November—to ensure that it reflects the latest market dynamics and corporate performance (Radjamin, 2023; Lestari & Putra, 2021). This makes the BISNIS-27 Index a valuable benchmark for both domestic and foreign investors during periods of economic fluctuation.

COVID-19

Coronaviruses are a large family of viruses known to cause illnesses ranging from the common cold to more severe diseases such as MERS and SARS. COVID-19, caused by a novel strain of coronavirus, emerged in December 2019 in Wuhan, China, and spread globally at an unprecedented rate. It was soon classified as a pandemic due to its rapid transmission and broad societal impacts (Rahmayani, 2020; Handayani & Prasetyo, 2020).

The pandemic not only posed significant public health challenges but also brought about major economic disruptions worldwide. In Indonesia, the first confirmed case was announced on March 2, 2020, marking the beginning of a period of intense financial market volatility (Nurcahyono et al., 2020; Ridhwan et al., 2024). Panic selling and investor uncertainty led to sharp market corrections, further exacerbated by containment policies and shifts in consumer behavior.

COVID-19 Pandemic and Stock Market Trends

Multiple studies have demonstrated that COVID-19 significantly impacted the volatility and performance of stock markets, especially in emerging economies like Indonesia. For example, a meta-analysis by Ridhwan et al. (2024) found increased volatility across sectors, while Sari and Wijaya (2022) highlighted the heightened fluctuations in overall market returns. Furthermore, Trisnowati and Muditomo (2021) observed a sharp decline in stock prices following the initial outbreak announcement.

Sector-specific research, such as that by Lestari and Putra (2021), indicated that industries like tourism and transportation were particularly vulnerable, whereas healthcare and digital services saw improved performance. The banking sector, represented in the LQ45 Index, showed significantly different risk profiles before and during the pandemic (Wulandari & Nugroho, 2021; Fianto et al., 2024).

Research into macroeconomic variables revealed additional insights. Studies found that while gold prices and exchange rates collectively influenced the stock market, their individual effects on the IHSG were not always statistically significant (Putri & Santoso, 2023). Additionally, despite rising vaccination rates, Kusuma and Hartono (2024) found limited direct correlation with immediate stock recovery, suggesting that market sentiment may lag behind health data improvements.

3. Methodology

This study employs a qualitative research approach, utilizing a descriptive-exploratory method to observe and analyze the correlation between the impact of the COVID-19 pandemic and the Bisnis-27 stock index (Azmi et al., 2020). Secondary data were used, including Bisnis-27 Index figures obtained from the Indonesia Stock Exchange (IDX) for the period of January to December 2021. Data on confirmed positive COVID-19 cases in Indonesia were collected from official sources such as covid19.go.id and beritasatu.com.

By comparing the trends of COVID-19 case growth and the movement of the Bisnis-27 Index, this research explores the potential correlation between the two variables. These trends were described and analyzed to determine patterns and possible relationships. The findings were presented in a descriptive format to illustrate how fluctuations in COVID-19 cases may have influenced investor sentiment and stock index performance throughout the study period.

4. Results

Table 1. Active Covid-19 Cases, Deaths, Vaccination Rate, and Business Index-27 (Jan 1, 2020 – Dec 28, 2021)

Period	Active Covid-19 Cases	Covid-19 Deaths	Fully Vaccinated Population (%)	Business Index-27 (%)
January 2021	High	Low	Low	Baseline (0%)
July 2021	Spike/Increase	Increased	Medium	↓ Decreased by 11%
August – December 2021	Decreased	Decreased	High	↑ Increased by 14%
December 2021	↓ Decreased by 99%	↑ Increased by 570% (from Jan)	High	↑ Increased by 3%

Based on the graph above, it can be seen that the number of positive Covid-19 cases affects the movement of the Business Index-27. It is evident that whenever the number of positive Covid-19 cases decreases, the Business Index shows an increase in value. From January to December, Covid-19 cases dropped by 99% compared to the beginning of the year, while the Business Index-27 increased by 3%. In July, however, there was a significant spike in Covid-19 cases, which negatively impacted the Business Index-27, resulting in an 11% decline compared to the beginning of the year. Therefore, it can be concluded that the number of positive Covid-19 cases has a negative impact on the Business Index-27.

The graph also shows that the number of Covid-19-related deaths negatively influenced the movement of the Business Index-27 from January to December 2021. This is evident from the 570% increase in Covid-19 deaths compared to the beginning of the year, while the Business Index-27 dropped by 11%. From August to December, when Covid-19 deaths declined, the Business Index increased by 14%.

The percentage of the population that has been fully vaccinated does not show a significant impact on the Business Index-27. This can be seen from the continuous increase in vaccination rates from January to December 2021, while the Business Index-27 showed fluctuations.

5. Discussion

The analysis of Covid-19's impact on Indonesia's **Business Index-27** between January 2020 and December 2021 highlights a clear correlation between pandemic-related health indicators and market performance. The data shows that increases in active Covid-19 cases and death rates significantly suppressed stock market performance, while declines in both contributed to market recovery. These findings align with previous literature exploring similar dynamics in the Indonesian stock market.

During **July 2021**, when Covid-19 cases surged, the Business Index-27 declined by **11%**, reinforcing conclusions by Ardiansyah and Nurasik (2024), who observed that the pandemic sent shockwaves through the Indonesian capital market. Similarly, Radjamin (2023) found a sharp decline in the IDX Composite during periods of high infection, emphasizing the vulnerability of investor confidence during health crises.

The significant rise in **Covid-19-related deaths**—up by **570%** by the end of 2021—further negatively impacted the index, indicating that fatality rates may have influenced investor sentiment even more than case counts. This is in line with Handayani and Prasetyo (2020), who

found a strong negative correlation between death tolls and market performance. Fakhrunnas and Ramadhani (2024) also highlighted that certain sectors, particularly those tied to consumer behavior and public mobility, underperformed during death spikes.

From **August to December 2021**, a decline in both infection and death rates coincided with a **14% increase** in the index. These findings echo those of Fianto et al. (2024), who emphasized that reductions in pandemic intensity tended to boost investor optimism and improve performance in Islamic equity markets.

Interestingly, despite a steady increase in **vaccination rates**, no significant correlation was observed with the Business Index-27. While Kusuma and Hartono (2024) suggested that vaccination rollout is crucial for long-term recovery, their study also noted that short-term market behavior is more reactive to real-time health indicators like active cases and deaths rather than gradual improvements such as vaccination coverage.

Several studies support the idea that investor behavior during the pandemic was more sentiment-driven than data-driven. Yusuf and Kurniawan (2023) argued that irrational decision-making was common among retail investors, often amplifying the impact of negative news regardless of macro-level recovery trends. Similarly, Hidayat and Suryanto (2022) stressed the role of investor sentiment in shaping the market trajectory during uncertain periods.

Sectoral differences also played a role. According to Lestari and Putra (2021) and Mulyani and Arifin (2021), sectors such as transportation, hospitality, and energy were disproportionately affected, which may have pulled down broader indices like Business Index-27 during peak pandemic phases.

On the policy side, Retnoningsih and Naufa (2021) and Wulandari and Nugroho (2021) emphasized the importance of government intervention in stabilizing the market. During times of declining deaths and infection rates, combined with policy stimulus, the index rebounded—suggesting a compounded effect of health improvements and regulatory responses.

Lastly, the volatility observed throughout the period aligns with the conclusions of Ridhwan et al. (2024), who conducted a meta-analysis showing that Covid-19 significantly increased both return volatility and risk in emerging markets. Sari and Wijaya (2022) also highlighted heightened volatility as a key trait of the Indonesian market during the pandemic period.

5. Conclusion

Based on the research findings, it is concluded that an increase in the number of positive Covid-19 cases has a **negative impact** on the movement of the **Business Index-27**. Consistently, news related to Covid-19 deaths also shows a correlation with the index's performance.

However, the number of fully vaccinated individuals does **not** appear to correlate significantly with stock price movements within the Business Index-27. Therefore, it is highly recommended that investors take into account reports regarding **rising Covid-19 cases** and **Covid-19-related deaths** when making investment decisions involving companies listed in the Business Index-27.

Future studies are encouraged to explore the **sectoral sensitivity** within the Business Index-27 to pandemic-related news. Analyzing which sectors are more resilient versus vulnerable can help investors make more targeted decisions. Additionally, further research can investigate **long-term post-vaccination impacts** on investor sentiment and market recovery, incorporating variables such as government policy response, booster shot rollout, and international market trends. Utilizing **real-time sentiment analysis** from social media and news platforms could also offer a more dynamic understanding of investor behavior in response to public health crises.

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