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The Relationship Between Dividend Announcements And Ex-Dividend Dates On Stock Prices Before And During The Pandemic In The Indonesian Stock Market

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ABSTRACT

The ongoing discourse surrounding the ramifications of dividend announcements and ex-dividend dates on stock prices persists, particularly against the backdrop of the Covid-19 pandemic's significant upheaval on the Indonesian economy, including its stock market. Thus, this study endeavors to delve into the intricate dynamics of how dividend announcements and ex-dividend dates influence stock prices, coupled with an exploration of investor reactions amidst the pandemic. Focusing on companies listed on the IDX that dispensed dividends from 2018 to 2021, this research adopts a purposive sampling approach, yielding a robust dataset comprising 181 observations. Leveraging descriptive analysis and hypothesis testing via SPSS software, the study unravels compelling insights. Notably, it unveils a positive nexus between dividend announcements, the pandemic, and stock prices. Intriguingly, however, the ex-dividend date appears to exert negligible impact on stock prices, challenging conventional wisdom. By shedding light on these dynamics, this research contributes to a deeper understanding of market behavior amidst dividend-related events and the unprecedented disruptions posed by the Covid-19 pandemic, offering valuable insights for investors and policymakers.

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INTRODUCTION

Stocks represent evidence of a party's capital participation in a company. In stock investments, investors can realize two types of returns(Singh et al., 2016; Yuliana et al., 2021). The first type of return is capital gain, which refers to the profit generated from the difference between the selling price and the purchase price of a stock. The second type of return is dividends, which are portions of the company's earnings distributed to its shareholders. The number of dividends to be distributed by the company is announced on the Declaration Date. Investors are entitled to purchase shares and secure the right to receive dividends until the Cum Date. After this date, investors lose the right to receive dividends, marking what is known as the Ex-Dividend Date (Lavista, 2018; Marganing Sih et al., 2019; Mustikasari & Mukhlasin, 2021; Siaputra & Atmadja, 2006).

In the study by Andini et al., (2017) and Halife & Karroum (2023), it was found that investors tend to purchase more shares following the announcement of dividend distribution. This behavior is driven by the desire to obtain larger dividends, indicating that the dividend announcement event triggers a buying spree, which subsequently leads to an increase in stock prices. Conversely, the findings of Mujilan (2022) suggest that dividend announcements do not

influence stock price increases; instead, stock prices tend to decline. This implies that dividend announcements do not stimulate a buying frenzy among investors.

The study by (Amal et al., 2023; Marganing Sih et al., 2019; Siaputra & Atmadja, 2006) found significant changes in stock prices during the period before and after the ex-dividend date, with most stock prices experiencing a decline after the ex-dividend date. In contrast, the study by Nani et al. (2019) indicated that there was no change in stock prices before and after the ex-dividend date. In other words, the ex-dividend date does not affect the company's stock prices. The inconsistency in these research findings highlights the presence of a research gap, which forms the basis for the author's investigation.

However, the presence of these differences is not the sole factor motivating this research. The COVID-19 virus, which struck Indonesia in March 2020, had widespread effects on the business and industrial sectors. This is evident from the decline in Indonesia's economic growth rate from 5.02% in 2019 to just 2.97% in 2020 (Melati, 2023). The stock market was not immune to the pandemic's impact, with transaction volume dropping from 36,534,971,048 in 2019 to 27,495,947,445 in 2020 (Pratama, 2022). Additionally, the Composite Stock Price Index (IHSG) saw a 38% decline within two months, reaching its lowest point at 3,911 on March 23, 2020 (Melati, 2023).

These conditions have captured the author's attention: during the recession caused by the pandemic, do Indonesians still pursue profits from stocks, particularly dividends? Or has the state of the Indonesian economy dampened public interest in the stock market? This study aims to analyze the impact of dividend announcements and ex-dividend dates on stock prices, as well as the influence of investor responses on stock prices during dividend distribution before and during the pandemic. This research contributes to the body of literature on investor behavior regarding dividend distribution, particularly in the context of the pre-pandemic and pandemic periods.

This research is grounded in Signal Theory. According to Karewur (2016), Signal Theory focuses on the signals provided by the holders of information. Companies, as holders of information, possess more comprehensive insights into their operations and future prospects, which compels them to share this information with external parties to mitigate information asymmetry between the company and external stakeholders (Bergh et al., 2014). The recipients of this information then act based on their interpretation of the signals provided. Consequently, this theory serves as a reference for discussing price fluctuations and their impact on decision-making, where public reactions to both positive and negative signals influence market conditions (Mustikasari & Mukhlasin, 2021).

According to Hariyanto & Murhadi (2021), Mahat & Dandin (2024), and Sunarjanto & Adisastra (2008), the announcement of dividend distribution is crucial information for investors. This is because cash dividend distribution is viewed by investors as a positive signal, indicating that the company has favorable future prospects(Falavigna & Ippoliti, 2021; Wijaya, 2023). Through dividend announcements, investors gain insight into the company's earnings that will be distributed. Therefore, it can be said that dividend distribution reflects the profitability and financial health of a company (Jayanti, 2019). Thus, based on Signal Theory, the announcement of dividends is likely to increase investment interest, as it is perceived as a positive signal by investors, ultimately leading to an increase in stock prices(Hariyanto & Murhadi, 2021). Conversely, if investor interest in stock investment decreases, the company's value, reflected in its stock price, is also likely to decline.

Next, Abi (2016) stated that stocks represent proof of ownership by an individual or entity in a particular company. Profits in the stock market are derived from capital gains and dividends. Based on the research by Kustina et al. (2019), capital gains are profits generated from the difference between the current stock price and the price in a previous period. Meanwhile, according to Sunarto and Kartika (as cited in Sunarjanto & Adisastra, 2008),

dividends are portions of net income, after taxes and retained earnings, distributed by a company to its shareholders. There are various types of dividends, one of which is cash dividends. According to (Jayanti, 2019), cash dividends refer to the distribution of a company's profits in cash to its investors and are considered the most liquid form of dividends. Dividend distribution can occur multiple times a year, depending on the company's policies.

After a company decides to distribute dividends, information regarding the form and amount of the dividend will be officially announced by the company on the Declaration Date(Lestari & Permatasari, 2016). Subsequently, there is a Record Date, which is the date on which the company records its list of shareholders. This indicates that shareholders who sell their shares before the Record Date will not be listed as recipients of the dividend. The Record Date usually coincides with the Cum Date, which is the last date for investors to purchase shares and still receive dividend rights from the company. Shares purchased after the Cum Date, or on the Ex-Dividend Date, will not qualify for the dividend. The dividend promised by the company will then be paid on the Payment Date(Lestari & Permatasari, 2016).

According to Darmadji and Fakhrudin (as cited in Linanda & Afriyenis, 2018), stock prices are those established at a particular time in the stock market. Stock prices can fluctuate rapidly, influenced by supply and demand in the market. Oktavia & Genjar (2018) note that the fluctuating nature of stock prices can be affected by various factors, including company performance as reflected in financial statements. If the financial statements indicate stable growth, such as increasing company profits, investors are likely to be attracted, leading to higher demand for the stock and, consequently, an increase in the stock price.

Additionally, fundamental factors also influence stock prices. Fundamental factors can be categorized into internal and external factors. Internal factors include the issuer's condition, such as changes in strategy during general shareholder meetings, acquisitions, and dividend distributions. External factors encompass inflation and fluctuations in exchange rates, where a weakening of the rupiah can contribute to a decline in stock prices. Other external factors include interest rate policies set by Bank Indonesia and government policies, such as export-import regulations and investment policies (Oktavia & Genjar, 2018).

Furthermore, information asymmetry can also impact stock prices, as a lack of information regarding the issuer may reduce investor interest. Investors are likely to avoid investments perceived as less profitable due to insufficient information, leading to a decline in stock prices (Oktavia & Genjar, 2018). Additionally, economic events and other news can affect stock price fluctuations. For example, trade wars, corporate scandals, and financial crises can lead to decreases in stock prices.

The Pandemic and the Indonesian Economy

The pandemic, commonly known as Coronavirus Disease 2019 (COVID-19), originated from a pneumonia outbreak in Wuhan, China, in late December 2019. Within a matter of months, the virus had spread globally. On March 2, 2020, President Joko Widodo officially announced the first cases of COVID-19 transmission in Indonesia (Alam, 2021). The spread of this virus has had significant impacts on the Indonesian economy, affecting trade, investment, and tourism (Hanoatubun, 2020). According to the Indonesian Ministry of Finance, in the second quarter of 2020, the economic growth rate reached -5.3% Year on Year, with every sector experiencing negative growth (Ministry of Finance of the Republic of Indonesia, 2021). This situation has had widespread effects on the public, including loss of income, increased unemployment, and rising poverty rates. Corporations have also felt the impact, with disrupted economic activities leading to decreased business performance, layoffs, and even bankruptcies (Ministry of Finance of the Republic of Indonesia, 2021).

Furthermore, the emergence of COVID-19 has also affected the stock market in Indonesia. A decline in the performance of an issuer can lead to a decrease in the issuer's stock

price. According to Kusnandar and Bintari (as cited in Saraswati, 2019), the presence of COVID-19 has impacted the capital market and served as a negative signal for investors, resulting in a reduced interest in holding stocks. This is supported by (Pratama, 2022), who reported a decline in stock trading volume from 36,534,971,048 in 2019 to 27,495,947,445 in 2020. This economic situation prompted the government to implement policies aimed at accelerating the recovery of the Indonesian economy (Hariani, 2021). One such policy is the provision of tax exemptions on dividends to stimulate investment in the real sector and financial markets. This policy is outlined in Law Number 11 of 2020 concerning "Cipta Kerja", with requirements referring to Government Regulation Number 9 of 2021 on "Perlakuan Perpajakan untuk Mendukung Kemudahan Berusaha" and Minister of Finance Regulation Number 18/PMK.03/2021 on the Implementation of Law Number 11 of 2020 on "Cipta Kerja" in the Areas of Income Tax, Value-Added Tax, and Luxury Goods Sales Tax, as well as General Provisions and Tax Procedures.

This dividend tax exemption applies to dividends sourced from domestic entities received by domestic corporate taxpayers. It also applies to dividends from both domestic and foreign sources received by domestic individual taxpayers under specific conditions. These conditions include reinvesting at least 30% of the obtained dividends into investment instruments in Indonesia for a minimum of three fiscal years. According to Pande Putu Oka Kusumawardani, Head of the Center for State Revenue Policy at the Fiscal Policy Agency, these requirements are based on the primary objective of the tax exemption policy, which is to stimulate domestic investment funding (Hariani, 2021).

Mujilan (2022) compared stock prices one week before the Cum Date, on the Cum Date, on the Record Date, one week after the Record Date, and two weeks after the Record Date. In his research, Mujilan (2022) utilized the Efficient Market Hypothesis, which posits that new, relevant information related to an asset will be used to analyze and interpret the value of that asset, leading to shifts that form a new equilibrium price. Based on this theory, it can be stated that the announcement of new information about a company can affect its stock price. However, Mujilan (2022) found that stock prices did not increase from one week before the Cum Date until the Cum Date. Therefore, it can be concluded that the announcement of cash dividends did not trigger buying activity in the stock.

Subsequent research by Andini et al. (2017) examined the stock price reaction to cash dividend announcements moderated by free cash flow. The independent variable used was the dividend announcement, and stock price reaction was the dependent variable. Andini adopted the Bird in the Hand theory and the Efficient Market Hypothesis, and the findings indicated that cash dividend announcements have a positive effect on stock price increases.

Further, Nani et al. (2019) conducted a study adopting several theories, including the Bird in the Hand Theory, which states that investors prefer cash dividends over capital gains due to their certainty, and the Irrelevance Theory, which assumes that dividend policy does not affect the company because its value is determined by the earning power of its assets. The results of this study aligned with the Irrelevance Theory, as there was no significant difference in stock prices before and after the ex-dividend date.

Additionally, Siaputra & Atmadja (2006) conducted a study on the impact of the ex-dividend date on stock prices at the Jakarta Stock Exchange (BEJ), using data from 15 days before and 15 days after the ex-dividend date. Siaputra adopted the Efficient Market Hypothesis, which posits that stock prices reflect all available information. One such piece of information is the dividend announcement, which is assumed to influence investor desire for profits. The findings indicated that stock prices decline after the ex-dividend date.

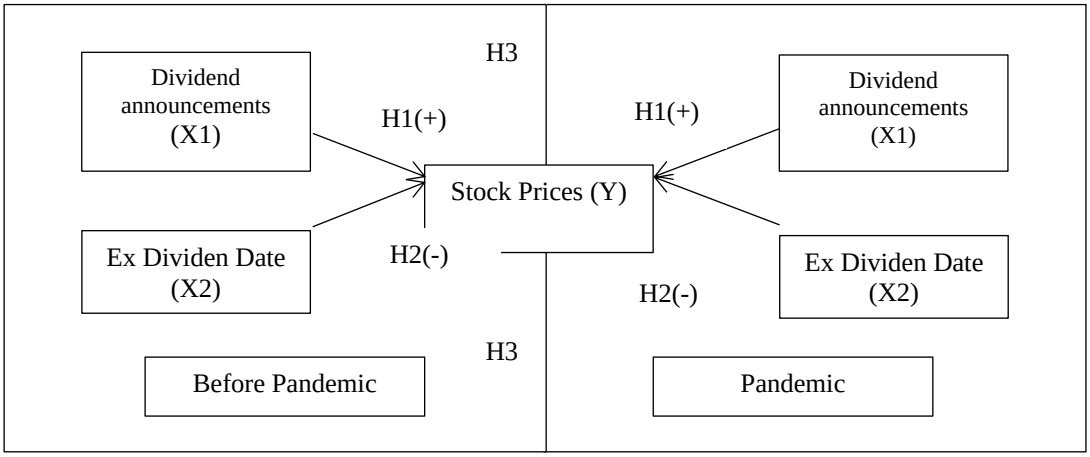
Investors assess the value of a company based on signals or information provided by management regarding the company's performance. When a company is able to distribute dividends, it is perceived as a signal indicating that the company is performing well and is

considered a profitable investment. Therefore, the announcement of dividend distribution is likely to increase the company's stock price, as investors are attracted to invest in companies with promising performance. Thus, Hypothesis 1 is formulated as follows;
H1: Dividend announcements have a positive effect on stock prices.

Investors perceive stock dividend distribution events as positive signals from a company, leading to increased interest in the issuer's stock and rising stock prices. However, after the last date to receive dividend rights, commonly known as the ex-dividend date, investor enthusiasm tends to decline as they will no longer benefit from the dividend distribution. This results in a negative correlation between the ex-dividend date and stock prices, meaning that the ex-dividend date will cause a decrease in stock prices. Therefore, Hypothesis 2 is formulated as follows:
H2: The ex-dividend date has a negative effect on stock prices.

The decline in economic growth, the rise in unemployment, decreased company performance, and the drop in stock market prices, along with the divestment of shares by investors, have prompted the government to implement various policies to accelerate the recovery of the Indonesian economy. One such policy is the dividend tax exemption, which requires that 30% of the dividends received by taxpayers be reinvested in Indonesia for a minimum of three fiscal years. Consequently, it is assumed that there will be a difference in investor response to dividends before and during the pandemic. Thus, Hypothesis 3 is formulated as follows:
H3: There is a difference in investor response to dividends before and during the pandemic.

Based on the hypotheses outlined, the research model is as follows:



The research model presented in Figure 1 illustrates the relationship between dividend announcements (X1), ex-dividend dates (X2), and stock prices (Y), considering conditions before and during the pandemic.
H1 (+): Posits a positive effect of dividend announcements (X1) on stock prices (Y). This hypothesis proposes that dividend announcements have a positive impact on stock prices.
H2 (-): Indicates a negative effect of ex-dividend dates (X2) on stock prices (Y). This hypothesis suggests that stock prices will decline on or after the ex-dividend date.
H3: Examines the difference in influence before and during the pandemic, suggesting that market conditions during the pandemic may moderate the effect of dividend announcements and ex-dividend dates on stock prices.

RESEARCH METHODS

This study employs dividend announcement, ex-dividend date, and pandemic as independent variables, with stock price as the dependent variable. The dividend announcement refers to the event when an issuer announces information regarding the distribution of dividends to the public (John & Smart, as cited in Sari et al. (2022)). Dividend announcements are measured by the average stock price during the week preceding the cum date (Mujilan, 2022). The ex-dividend date is the day on which investors are no longer entitled to receive dividends when purchasing shares of the issuer that has announced dividends (Sari et al., 2022). This variable is measured by the stock price on the ex-dividend date (Mujilan, 2022). The pandemic refers to a widespread disease affecting nearly all countries and impacting the broader population (Nurcahyo, 2022). The pandemic is measured with a scale of 0 for the year before the pandemic and a scale of 1 for the year during the pandemic. Lastly, the stock price is defined as "the price of a stock occurring on the exchange at a specific time, determined by market participants and dictated by the supply and demand of the stock in the capital market" (Jogiyanto, as cited in (Linanda & Afriyenis, 2018)). This variable is measured by the stock price on the dividend cum date (Mujilan, 2022).

The research was conducted using secondary data, which are not directly sourced from primary sources but are obtained from media published by the Indonesia Stock Exchange (IDX), such as *www.yahoofinance.com* and the RTI Business application (Jayanti, 2019). The study population includes companies that distributed dividends on the Indonesia Stock Exchange (IDX). The data covers a four-year period, comprising two years before the pandemic and two years during the pandemic, specifically from 2018 to 2021. The sample was selected using purposive sampling, considering the following criteria:

1. Companies listed on the Indonesia Stock Exchange (IDX) and the LQ45 index from 2018 to 2021.
2. The company distributed cash dividends from 2018 to 2021.
3. The company published the cum dividend date and the ex-dividend date on the stock exchange.
4. Complete stock price data for companies distributing cash dividends from 2018 to 2021 is available.

Data analysis was performed using descriptive statistics and multiple linear regression analysis. The analysis process was conducted with the assistance of SPSS software. Descriptive statistical analysis involved summarizing the data by calculating the mean, minimum and maximum values, standard deviation, and total number of data points (Mustikasari & Mukhlasin, 2021).

Classical assumption tests were conducted, including normality testing using the One-Sample Kolmogorov-Smirnov test and normal probability plots. Multicollinearity was assessed using Variance Inflation Factor (VIF) and Tolerance indicators, while heteroscedasticity was tested using the Glejser test, and autocorrelation was examined using the Durbin-Watson test. The purpose of these classical assumption tests is to determine the validity of the regression model equation (Purba et al., 2021)

Once all classical assumption test criteria were met, data were analyzed using model feasibility tests, including the F-test to identify whether all independent variables collectively affect the dependent variable, and the coefficient of determination to measure the extent to which independent variables jointly explain the dependent variable (Purba et al., 2021). Subsequently, hypothesis testing was conducted to evaluate the effect of each independent variable on the dependent variable (Purba et al., 2021).

RESULT AND DISCUSSION

Out of the 45 companies listed in the LQ45 index, 6 did not meet the sampling criteria, resulting in data being collected from 39 companies. The sample period spans 4 years, yielding a total of 156 observations. However, this dataset was adjusted by removing 18 observations from companies that did not distribute dividends annually and adding 43 observations from companies that distributed dividends more than once per year. Additionally, a casewise analysis identified 73 outlier observations. Consequently, the final sample size for this study consists of 108 observations.

Table 1. Sample Data

Description	**Total**	
Companies listed in the LQ45 index	45	
Companies that did not distribute dividends from 2018 to 2021	(6)	
Companies that did not publish the cumulative dividend date and ex-dividend date	(0)	
Stock price data for companies that distributed cash dividends from 2018 to 2021 that could not be obtained in full	(0)	
Total Companies	39	Sample
Total data 39 companies x 4 year		156
Total data from companies that do not regularly distribute dividends each year		(18)
Total data from companies that distribute dividends more than once a year		43
Data outlier		(73)
Total data sample		108

Table 2. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
X1	108	381.43	68664.29	8761.1763	9935.69066
X2	108	385.00	69450.00	8686.0756	9891.38486
X3	108	0	1	0.49	0.502
Y	108	380.00	68975.00	8837.7994	10033.06424
Valid N (listwise)	108				

Source: Output SPSS 25

Based on the table 2, it can be observed that after data processing, there are 108 observations. For each variable, it was found that the mean value is closer to the minimum value than to the maximum value, indicating that there are fewer instances of high stock prices compared to those of relatively lower stock prices. Additionally, the standard deviation for each variable is greater than its mean, which suggests that the variation in stock prices across the variables is quite wide.

Table 3. Uji F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	3	.000	560184.570	.000[b]
	Residual	.000	104	.000		
	Total	.000	107			

a. Dependent Variable: TRANSFORM_Y
b. Predictors: (Constant), TRANSFORM_X3, TRANSFORM_X2, TRANSFORM_X1

Source: Output SPSS 25

In the F-test, if the calculated F value is greater than the table F value, then the variable X has a simultaneous effect on variable Y. The table 3 shows that the calculated F value is 560.184,570, while the table F value is 2.69. This indicates a simultaneous effect of variable X on variable Y, as the calculated F value is greater than the table F value.

Table 4. Coefficient Determination

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1.000[a]	1.000	1.000	.00000

a. Predictors: (Constant), TRANSFORM_X3, TRANSFORM_X2, TRANSFORM_X1
b. Dependent Variable: TRANSFORM_Y

Source: Output SPSS 25

Table 4 shows the percentage of the independent variables (X) in explaining the dependent variable (Y) through the adjusted R-square value, which is 100%. Therefore, it can be concluded that the independent variables, X1, X2, and X3, fully explain the dependent variable (Y)

Table 5. Hypothesis Test

Coefficients[a]						
Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.315E-6	.000		2.469	.015
	TRANSFORM_X1	.994	.001	.997	1047.494	.000
	TRANSFORM_X2	-3.475E-16	.000	.000	-.441	.660
	TRANSFORM_X3	5.432	.914	.006	5.946	.000

a. Dependent Variable: TRANSFORM_Y

Source: Output SPSS 25

The results in Table 5 indicate that variables X1 and X3 have t-values greater than the critical t-value from the table. Therefore, it can be determined that variables X1 and X3 significantly affect the dependent variable Y, while variable X2 does not significantly impact variable Y. Additionally, the unstandardized beta values can indicate whether the effect of the independent variables on the dependent variable is positive or negative. The table shows that the unstandardized beta (B) value for variable X1 is positive at 0.994. Variable X2 has a B value of -3.475E-16, and variable X3 has a positive B value of 5.432. This suggests that variables X1 and X3 have a positive impact on variable Y, whereas variable X2 does not affect variable Y

The Impact of Dividend Announcements on Stock Prices

The results of the analysis indicate that dividend announcements influence investors' interest in purchasing shares of the dividend-paying company. This finding is consistent with the Signaling Theory, which suggests that information released by a company serves as a signal for investors to assess the company's performance. In this case, the information released by the company is the announcement of dividend payments. This announcement serves as a signal to investors that the company is performing well and generating relatively stable profits, enabling it to distribute a portion of its earnings to shareholders. As a result, this leads to an increased demand for the company's shares, which in turn drives up the stock price. Therefore, it can be concluded that Hypothesis 1 is supported, indicating that dividend announcements have a positive effect on stock prices. This finding aligns with the research conducted by Andini et al. (2017)

The Effect of Ex-Dividend Date on Stock Prices

The results of the hypothesis testing are consistent with the study conducted by Nani et al. (2019), which found no significant difference in stock prices before and after the ex-dividend

date. This finding contradicts the Signaling Theory, which posits that the ex-dividend date signals a negative effect on stock prices because investors are no longer eligible to receive dividends if they purchase shares after this date. Therefore, it can be inferred that the majority of investors in Indonesia do not focus solely on dividend payments. Instead, Indonesian investors appear to base their stock purchases on research and assessment of the company's performance and future prospects, viewing dividends as an additional benefit rather than the primary factor. Consequently, it can be concluded that Hypothesis 2 is rejected, as the ex-dividend date does not significantly affect stock prices.

The Effect of the Pandemic on Stock Prices

The pandemic has had a positive impact on stock prices. This suggests that the government's policy on dividend tax exemption, as outlined in Law No. 11 of 2020 on Job Creation, aimed at stimulating investment in the financial market for the recovery of the Indonesian economy, has been successfully implemented. This success is evidenced by the increase in stock prices during the pandemic, which reflects a higher investor demand for stocks during dividend distribution periods. In other words, the tangible effect of this policy is the sustained increase in investment (Inata, 2023). This finding also indicates that Indonesian households are leveraging the dividend distribution and government tax exemption policy to improve their economic situation and meet daily needs. Dividends are often used as a source of income during economic downturns (Manulife, 2023). Therefore, it can be concluded that Hypothesis 3 is accepted, as there is a significant impact on investor response to stock prices related to dividend distribution before and during the pandemic.

CONCLUSION DAN SUGGESTION

The research findings indicate that stock prices are positively influenced by dividend announcements, while remaining unaffected by the ex-dividend date. Interestingly, the pandemic has shown a positive impact on stock prices as well. The study's limitations include a restricted research period of two years before and during the pandemic, and a focus solely on LQ45-listed companies without targeting specific sectors. Future research recommendations include expanding the study period, enlarging the sample size, incorporating data from various sectors, and introducing additional independent variables.

The study's results have significant implications for investors, academics, and stock market practitioners. The positive effect of dividend announcements on stock prices reinforces the theory that investors respond favorably to dividend payment signals, interpreting them as indicators of a company's financial stability. This information can guide investors in developing investment strategies, particularly when selecting stocks with frequent dividend announcements.

The lack of impact from the ex-dividend date on stock prices suggests that the market anticipates price adjustments at the time of dividend announcements, resulting in minimal changes on the ex-dividend date. This insight is crucial for investors employing short-term strategies aimed at profiting from stock price fluctuations around the ex-dividend date, potentially redirecting their focus to other factors with greater influence on stock price movements.

The positive impact of the pandemic on stock prices demonstrates the resilience or increased demand experienced by certain sectors or companies within the LQ45 during this period. This finding is relevant for government and regulatory bodies in understanding the stock market's role as an indicator of economic resilience. It also encourages investors to consider portfolios in sectors or companies that demonstrate greater resilience during crises.

While providing practical and theoretical implications, the study's limitations in research period and sample size create opportunities for further exploration. Future research could offer broader insights by extending the study period, encompassing various industrial sectors, or incorporating additional relevant independent variables. For instance, including macroeconomic variables or indicators of a company's financial health could provide a more comprehensive explanation of stock price fluctuations. These expanded results would offer a more robust foundation for investment decision-making.

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