

THE EFFECT OF CORONA, MINE COMMODITY PRICES, AND RUPIAH EXCHANGE RATE ON INDONESIAN ISLAMIC SHARE PRICES IN THE MINING SECTOR

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ABSTRACT

This study aims to analyze the effect of the corona pandemic, mining commodity prices and the rupiah exchange rate on Indonesian Islamic Share Prices/*Indeks Saham Syariah Indonesia* (ISSI) in the mining sector in 2020. The corona pandemic is represented by daily active cases that occur in Indonesia, the mining commodities used are coal, oil and gold prices world, and the exchange rate of the rupiah against the dollar. The data used is a cross-sectional type with a sample of 32 companies with an observation duration of 195 days during the 2020 period. The results show that simultaneously the independent variables significantly affect the dependent variable and partially the world coal price, world oil price, gold price. The world and the rupiah exchange rate with the exception of corona have a significant effect on mining stock prices at Indonesian Islamic share prices in 2020. This research proves that the Market anomaly theory is proven to occur in 2020 as a result of the corona pandemic, anomaly in commodity prices and exchange rates on the Indonesia Stock Exchange, especially in the Indonesian Islamic share prices mining sector which proves that the market cannot be accurately predicted if it occurs a sentiment strong enough globally to move investors both in terms of selling or buying shares that previously could not be reflected by the company's stock price.

INTRODUCTION

The Corona or Covid-19 pandemic is an event caused by the Corona virus which first appeared in Wuhan, China. Covid-19 first broke out in Wuhan towards the end of December 2019. This pandemic then broke out in Hubei Province and made China lock down. Almost all provinces there are quarantined. Through a span of under two months,

Covid-19 has caused 80,000 cases and 3,000 deaths. Starting the third week of January 2020, the Corona Virus then crossed to a number of countries in Asia, America, Europe, Australia and Africa (Hopskin University, 2020). Covid-19 can cause human breathing to be disrupted. The World Health Organization (WHO) explains that the corona is a virus that will infect from the respiratory system tract. This virus causes mild flu to acute illness including severe respiratory syndrome (SARS-CoV) and Middle East respiratory syndrome (MERS-CoV).

Indonesia found the first case of Covid-19 on March 2, where it was announced that two individuals had tested positive for Covid-19, including a 64-year-old mother and a 31-year-old woman. The two cases were allegedly initiated by a meeting with Japanese people in Jakarta, precisely at a dance club on February 14, 2020 and until December 8, 2020, active cases of Corona continued to increase and have not shown a decline in the trend of sufferers.



Figure 1. Daily Active Corona Cases in Indonesia

Source: Committee on Covid 19 Handling and National Economic Recovery, processed by Google

IMF and the World Bank predict that the Covid-19 pandemic will trigger a global economic recession. A number of experts estimate the impact is equivalent to or worse than the conditions of the great depression in the 1920-1930 period (BBC, April 16, 2020). Bank Indonesia and the Indonesian Minister of Finance share the view that Indonesia's economic future is also bleak. At least until early 2021. Indonesia's economic growth can be reduced to minus in 2020.

Epidemic of infectious diseases such as the Corona pandemic can cause losses to the economy, one of which can be reflected in the mobility of stocks, the exchange rate of the rupiah, the declining purchasing power of the people and the number of layoffs in various places. The capital market is an essential factor in the national economy because it reflects the state of a country's economy. The capital market operates a number of functions, first, as a means for companies to obtain funds through investors, which can be used for business expansion, business development, increasing working capital, and others. The second function is as a means for the public to invest in mutual funds, bonds,

stocks, and others. The public can place their funds according to the characteristics of the risks and benefits of each instrument (www.idx.co.id). There are various indexes on the Indonesian capital market such as Jakarta Composite Indeks, Srikehati, Kompas 100, LQ45, ISSI, Jakarta Islamic Index (JII) 70, Jakarta Islamic Index (JII) 30, and many more.

The role of the capital market is essential for the economy of a country because it operates two functions, namely as a means of financing businesses and as a means of investing for the public. The Indonesian capital market is showing its growth through the highest number of 2019 IPO companies in ASEAN. The bigger the role of the capital market in economic activity, the more sensitive the reaction of the market to surrounding events. This condition is due to the fact that the state of a country's economy is able to affect the stability of stock prices and the capital market related to trade transactions. Therefore, stock trading activities in the capital market, which are part of economic activity, cannot be separated from the influence of an event.

On the other hand, various factors that can affect Indonesia Composite Index (ICI), for example, are global and macro-economic conditions. The global economy includes world oil and gold prices, while macroeconomics includes exchange rates and inflation rates (Harfikawati, 2016). Indonesia is one of the largest Muslim countries in the world. Based on data from Global Religious Future, the number of Indonesian citizens with Islam in 2010 was 87% or 209.12 million people. It is estimated that by 2020, Muslims in Indonesia will reach 229.62 million people. With the large number of adherents of Islam, it is appropriate for the Indonesian capital market to accommodate the investment needs of the community in line with sharia principles. Sharia Securities List, JII 30, JII 70 are several indices launched by the Financial Services Authority (OJK) to accommodate Muslim investors in investing their capital in the Indonesian capital market.

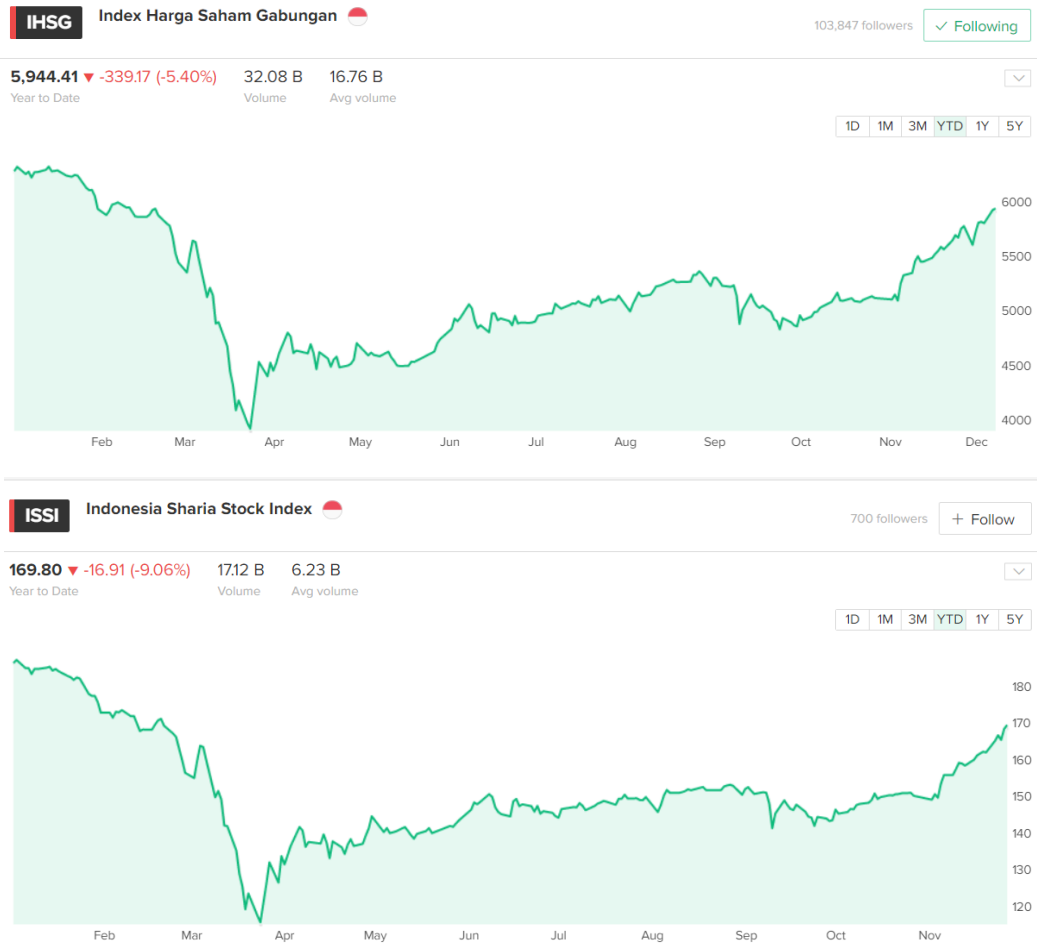


Figure 2. ICI and ISSI Charts in 2020

Source: Stockbit

Since Indonesia had its first case of Corona a few months ago, the capital market responded quickly to this sentiment. This can be seen in the graph above where both the ICI and ISSI indexes fell for several weeks and then gradually recovered when the government began to control the pandemic. The Indonesia Stock Exchange (IDX) also responded to the fall in the value of this index by issuing a new rule regarding Lower Auto Reject (ARB). The pressure felt by the JCI due to the spread of Covid-19, which was declared a pandemic, forced the IDX to make adjustments to the ARB (Bottom Auto Reject) limit from the original 10% to 7%. As stated by Yulianto Aji as Secretary of BE in his statement on the IDX website on Thursday (12/3/2020), IDX wants to set ARB symmetrically of 7% on JATS (Jakarta Automatic Trading System) and run for all stock prices (IDX, 2020).

Mining companies are among the pillars of the Index in Indonesia. This is proven by many mining companies that have a fairly large capitalization and become a reference for the ICI movement in addition to financial and consumer.



Figure 3. Mining Sector Graph on ICI in 2020

Source: Stockbit

As can be seen in the picture above, the mining sector in the ICI has a value of 1814.90 which when compared to the ICI value of 5,944.41 resulted in mining having a share of 30%. The mining sector has 47 members in the ICI and 32 issuers in the ISSI, so it can be concluded that the mining issuers in the ICI included in the ISSI are 68%.

Mining companies have main commodities in their sales, namely crude oil, gold, nickel, coal, minerals and so on. The Sectoral ICI Index is included in the index on the ICI. Mining belongs to this sector on the ICI which was submitted to JASICA. This sector is an option for investment, starting directly or indirectly. Investors who want to invest in mining using the capital market must pay close attention to the movement of the stock price index.

Gold is a crucial commodity which can affect the mobility of stock prices. This condition is because gold is a relatively safe and risk-free investment option, where the risk of gold is relatively smaller and can provide gains that tend to be large. The use of gold ranging from financial to monetary refers to the absolute monetary value of gold in all currencies. Then the rising price of gold is able to force investors to decide to invest in gold compared to the capital market. Investments that are currently growing a lot are gold, which has resulted in many institutions in Indonesia appearing to circulate gold (Handayani & Anggriani, 2015). The number of investors who change their investment portfolios through the form of gold bullion can have an impact on the decline in stock

price indexes in various related countries because of the selling action that investors want to carry out. Graham Smith through "The Price of Gold and Stock Price Indices for The United States" explained that the world gold price negatively affects the mobility of the stock price index in the USA.

Crude oil is the same as currency and gold which are included in a number of indicators which have an influence on the current world economy, because of the volatility that always follows the politics or economy of a country. The price of world oil can have an influence on the capital market of a country because it fluctuates. Transactions related to shares in various sectors often take place on the ICI. Normally, rising oil prices have a major influence on rising stock prices, because through rising oil prices can cause the ICI to rise on the ICI (Sartika, 2017). Novitasari (2013) explained that interest rates and inflation negatively affect the ICI, and the price of Indonesian crude oil positively affects the ICI.

Coal is one of the mining commodities that is also in demand by the world. Coal is a natural hydrocarbon which originates from the remains of ancient trees. The available coal stock is still a lot compared to petroleum. This condition is the reason that coal is a substitute option for industries related to the role of petroleum. The price of coal is one of the sentiments on the share price of the mining sector, especially those with coal commodities.

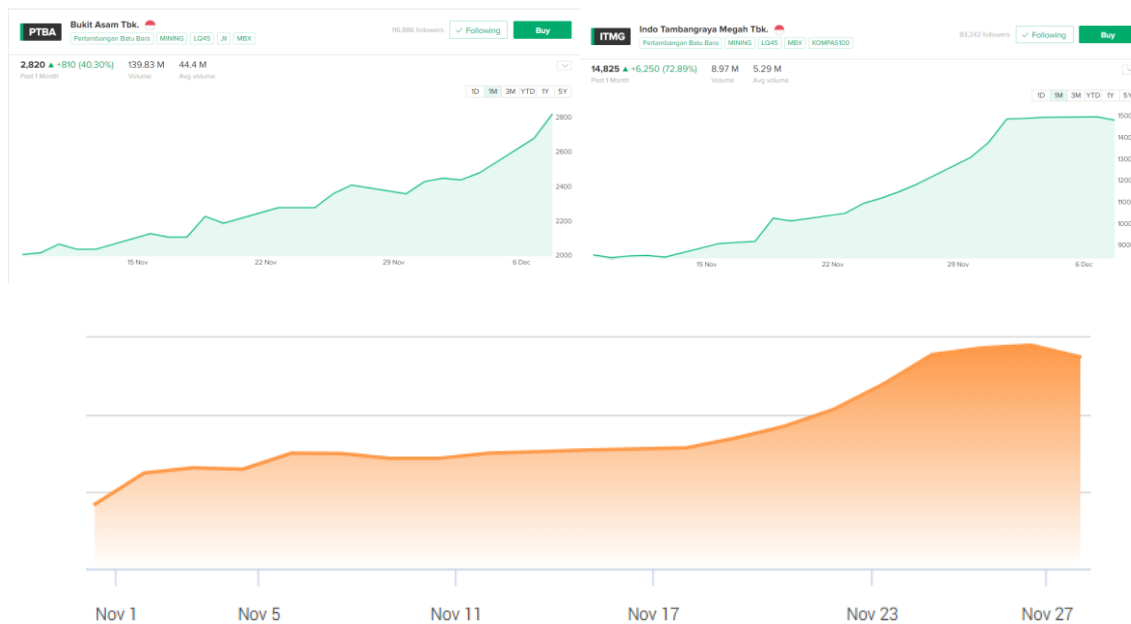


Figure 4. Picture of ITMG, PTBA, and World Coal Price Movements in November 2020
Source: Stockbit and Seeking Alpha

Efficient market hypothesis (EMH) explains that the stock price created is a reflection of all information, from insider information to fundamentals. Shefrin and Statman (1985) explained that investors cannot systematically conquer market returns and stock prices, which is rational. This rational means that stock prices reflect fundamentals including risk values and do not reflect psychological elements including investor sentiment. Theory of market anomaly is a theory put forward by Jones in 1996. This theory is a counter theory of the EMH theory. This theory discusses events that ultimately make the EMH concept unusable in analyzing the stock exchange. The Corona pandemic includes negative information for the capital market where companies will find it difficult to grow and develop. An increase or decrease in the price of mining commodities can also be positive or even negative information for companies whose main commodity is mining materials. Currency exchange rates become important information if the company is in a country that is experiencing an economic upheaval. This research is important for investors to see how influential an event and commodity prices are to move stock prices.

Based on the description of the background above, the author is then interested in researching the effect of the Corona pandemic, mining commodity prices, and rupiah exchange rates on Indonesian Islamic Stock Prices (ISSI) in the mining sector in 2020. Corona as an issue that just occurred in 2020 is a very interesting variable to study because this variable has in fact made the world economy volatile and crisis including in the capital market sector. At first, the researcher described the background Corona pandemic or Covid 19 that occurred in the 2019-2020 range which originally came from China. Until around March 2020 This virus then entered Indonesia and became a global pandemic infect many people. This pandemic is affecting the economy Indonesia is even globally included in the investment world sector in the capital market. Mining companies are one of the had a considerable impact when the recession occurred in Indonesia. It is evident from the graph after the announcement of the first active case of the corona virus in Indonesia. As an international commodity that traded between countries, the exchange rate is an important factor in international trade. Increase in commodity prices and value exchange is important for mining companies which then one of them can be reflected in the stock price the company.

The next section contains an explanation of the efficient market hypothesis and market anomaly theory as the main theories used. Research method contains related research designs and data totaling 32 companies. Secondary data sourced from the Stock Exchange Indonesian Securities and other credible sources. The approach that used is an

explanatory approach and uses regression multiple linear with classical assumption test first. Next, it contains an overview of the object of research and discussion of the regression results includes descriptive statistical tests, test partial and comprehensive test between variables. The last is the conclusion.

LITERATURE REVIEW

Efficiency Market Hypothesis

The efficient market hypothesis (EMH) explains that the stock price created is a reflection of all information, from insider information to fundamentals. Shefrin and Statman (1985) explained that investors cannot systematically conquer market returns and stock prices, which is rational. This rational means that stock prices reflect fundamentals including risk values and do not reflect psychological elements including investor sentiment. Nia (2020) explained that the concept of an efficient market, meaning that the current stock price reflects all information. These conditions indicate information ranging from past, current, and insider information.

Market anomaly theory (market anomaly) is a theory put forward by Jones in 1996. The theory mentions that market anomalies as a form of strategy or technique due to the results generated by these market anomalies allow investors to get the opportunity to earn abnormal profits by relying on various events that occur in the capital market. According to Alteza (2007) adding that market anomaly is an exception of rule or model, meaning that anomaly is a deviation from the efficient market model or concept. This theory is a counter theory of the EMH theory. This theory discusses events that ultimately make the EMH concept unusable in analyzing the stock exchange. The corona pandemic includes negative information for the capital market, namely that companies will find it difficult to grow and develop. An increase or decrease in the price of mining commodities can also be positive or even negative information for companies whose main commodity is mining materials. Inflation and currency exchange rates become important information if the company is in a country that is experiencing an economic upheaval

The Effect of Corona on Stock Prices

Sherif (2020) in his research concluded that there is a strong and statistically significant relationship between the COVID-19 pandemic and the performance of conventional stock market indices, the impact of which exceeds that of the stock market. sharia. Zeren and Hizarci (2020) known that the total cases have a cointegration relationship with SSE, KOSPI and IBEX35 and have no cointegration relationship with FTSE MIB, CAC40, DAX30. Zekai and Feyyaz (2020) investigated the influence of the

COVID-19 outbreak on global markets between 21 January 2020 and 7 April 2020. Global markets represented by Morgan Stanley Capital International (MSCI) World, emerging markets, European indices and the G7. The Fourier cointegration test detected that there is a long-term relationship between the stock market and COVID-19.

Çütcü and Kilic (2020) in their research concluded that significant world health problems not only affect really social and economic life, but also cause price declines in financial markets. Yousef (2020) in his research concluded that the results of the regression analysis revealed that the COVID-19 dummy variable, the daily number of new cases, and the daily growth rate of new cases all had a significant positive impact on the G7 stock market volatility. Bahrini and Filfilan (2020) in their research concluded that stock markets in GCC countries responded negatively and with high rates to new deaths and total COVID-19 deaths. confirmed, while the response to the number of confirmed cases of COVID-19 was not significant. Therefore, during the COVID-19 outbreak, the daily returns of major stock market indexes in GCC countries decreased as the number of confirmed deaths increased. Further analysis shows that the GCC stock market is positively affected by crude oil prices and negatively by variations in implied volatility in global oil markets and global stock markets. Mhalla (2020) in his research entitled *The Impact of Novel Coronavirus (Covid-19) On the Global Oil and Aviation Markets* concluded that the Coronavirus will greatly affect the air travel and aviation industry in the short term and will have a significant impact on the production of the world oil industry.

Topcu and Gulal (2020) research findings reveal that the negative impact of the Pandemic on the market shares developed gradually fell and began to decline in mid-April against the capital market. Anh and Gan (2020) research concluded that the negative impact of the daily increase in the number of COVID-19 cases on stock returns in Vietnam. The study also revealed that Vietnam's stock market before and during the national lockdown performed in the opposite way. Although the COVID-19 pre-lockdown had a significant negative impact on returns for Vietnamese stocks, the lockdown period had a significant as well as positive effect on stock performance across different markets and business sectors in Vietnam. The financial sector was hit hardest on the Vietnamese stock market during the COVID-19 outbreak.

In Indonesia itself, Faridho (2021) conducted a study concluded that stock prices incorporated in the Jakarta Islamic Index (JII) simultaneously during three quarters are indeed significantly affected by the corona pandemic. But partially not all issuers are affected by this pandemic. In another study, Siswantoro (2020) concluded that there was

a significant difference between stock prices and total stock trading after and before the announcement of the first case of Covid-19, the value obtained was significant for each variable that is $0.000 < 0.05$ with increased trading volume can affect stock prices. Putri (2020) concluded, when Covid-19 took place, a significant decline occurred in stock prices in Banking and there were significant differences in stock prices before, during, and after 3. month the Covid-19 cases were announced. Rifa'i et al. (2020) in their research concluded that with 14 days of observation using an event study, there was an effect of the Corona pandemic on the ICI.

Chang et al. (2020) stated that the results of his research showed that after the GFC, investors were more sensitive to asset losses, so they were more likely to display herding in the stock market. However, during SARS and COVID-19, investors panicked so they might unwisely sell their assets. There was a strong cross-sectoral spillover effect from US fossil fuel energy to renewables, especially before the GFC, while the US fossil fuel energy market had a significant influence on European and Asian renewable energy returns during COVID-19. During SARS, which was not a pandemic, US fossil fuels only had an impact on US renewable energy returns. Nia (2020) in his research entitled the effect of the corona outbreak on the Indonesian stock market got the results that market return factors, size and variable values influenced ER during the observation period during the Corona pandemic and market return variables influenced more than other variables. The results of this study found that the independent variable was only able to 39.58% (partially) and 24.68% (simultaneously) affect the dependent variable.

The Effect of Mine Commodity Prices and Exchange Rates on Stock Prices

Research by Harvie (2006) result is that the economy does not significantly affect the movement of the Thai stock market outside of world oil prices. Basit et al. (2019) research was found that gold prices did not affect the ICI. Meanwhile, world oil affected the ICI. Then through the F test, it is found that world oil and gold prices affect the ICI simultaneously. Then the world oil and gold prices affected the ICI by 75%. Novianto (2011) studied the effect of the exchange rate of the US Dollar/Rupiah, SBI Interest Rate, Inflation, and the Money Supply (M2) on the ICI. The result is that the independent variables simultaneously affect significant, but with partial M2 and the exchange rate significantly affected the ICI.

In the research of Twite (2002), gold was found to be a factor that had a positive effect on stock index movements. Monjazeb and Shakerian (2014) explained that world oil prices significantly and positively affect stock returns, while gold prices significantly and negatively affect stock returns. Novitasari (2013) in his research explained that

interest rates and inflation negatively affect the ICI, while the price of Indonesian crude oil affects the ICI positively.

Sundari (2015) in his research got the results that the test results in this study, HBA has a positive effect on stock returns with profitability (ROA and ROE) as intervening variables. Artiani and Sari (2019) in their research concluded that the inflation variable has a significant negative effect, the rupiah exchange rate against the US dollar does not have a significant influence, world crude oil prices have a positive influence, and world coal prices have a significant positive influence. Simultaneously the four variables have a significant effect, while partially only the rupiah exchange rate against the US dollar has no significant effect on the mining sector stock price in the Indonesian Islamic Stock Index.

Prastyo and Sertiartiti (2018) in their research concluded that the Analysis of Mining Commodity Price Determination on the Mining Index in the ICI (Joint Stock Price Index) For the period January 2016 – August 2017 the results of the study show that world coal prices have a positive effect on the mining index in the short and long term. The world gold price has a negative effect on the mining index in the short and long term. Oil prices have a positive effect on the mining index but have no effect on the index in the long run. The world nickel price has a negative effect on the mining index in the short and long term.

This research is a study that uses the corona pandemic, world oil prices, gold, coal, and the rupiah exchange rate against the US dollar as independent variables and mining stock prices incorporated in ISSI as the dependent variable. The study tries to add the Corona pandemic variable and the rupiah exchange rate as a research gap.

RESEARCH METHODS

The sample used is internal mining companies that are members of ISSI based on the Decree of the Financial Services Authority (OJK) Number: Kep-63/D.04/2020 dated November 23, 2020, with the time of observation carried out from March 2, 2020 to December 31, 2020 with a duration of observation for 195 days.

The use of data is secondary data and obtained from the Indonesian Covid-19 Handling Task Force, the Indonesian Stock Exchange Gallery, Yahoo Finance, Investing.com, www.tradingeconomics.com, www.seekingalpha.com, www.lbma.org.uk, www.indexmundi .com, as well as other sources of information with credibility. The data taken is in the form of data in the form of daily active cases of corona in Indonesia, share prices of the mining sector which are members of DES, world gold prices represented by

XAUUSD, crude oil prices represented by CRUDE OIL, coal prices represented by XAL1:COM. and the Rupiah Exchange Rate against the United States Dollar.

The hypothesis testing method used is a quantitative approach and uses Multiple Linear Regression using IBM SPSS software version 24 to be able to see the significant influence between variables simultaneously or partially. Multiple Linear Regression is a linear regression model involving more than one independent variable or predictor. In English, this term is called multiple linear regression. This method is used in testing the amount of contribution (donations) through the causal relationship between X_1 , X_2 , X_3 , X_4 , and X_5 to Y . Regression analysis is one of the data analysis techniques in statistics which is often used to examine the relationship between several variables and predict a variable (Kutner et al., 2004).

Before performing a regression analysis, the classical assumption test is carried out first to ensure that the data analyzed later is good data. The classical assumption test used is the multicollinearity test and heteroscedasticity test.

$$ISSI \text{ Mining Share Price} = \alpha + \beta_1 LOGCORONA + \beta_2 LOGCOAL + \beta_3 LOGOIL + \beta_4 LOGGOLD + \beta_5 LOGKURS * \dots \dots \dots (1)$$

*Note: variables use logs because the data range is too wide, so it does not pass the classical assumption test.

RESULT AND ANALYSIS

Hypothesis testing in this study used t-test and F-test. The t-test was conducted to prove to partially prove the effect of independent variables on the dependent variable. While the F test is used to prove the simultaneous effect of independent variables on the dependent variable.

Coefficient of Determination

The coefficient of determination (R^2) measures how far the model's ability to explain variations in mining index variables is. The value of the coefficient of determination is between 0 and 1. The value of R^2 which is close to one means that the independent variable of the study provides almost all the information needed to predict the variation of profit growth variables. The results of the coefficient of determination can be seen below

Table 1
Coefficient of Determination Test Results

Mode	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0.863	0.745	0.734	0.01626

a. Predictors: Constant, Corona, Coal, Oil, Gold, Kurs

Source: SPSS Output Results

The fundamental weakness of using the coefficient of determination is the bias towards the number of independent variables included in the model. Therefore, it is recommended to use Adjusted R Square (R2) when evaluating the best regression model. From the coefficient of determination table above, it can be seen that the correlation coefficient (R) is 0.863. This means that the relationship between the independent variable and the dependent variable is 86.3%. From these figures, it can be concluded that the relationship between the independent variable and the dependent variable is quite strong.

The amount of Adjust R Square (R2) is 0.734. The results of this statistical calculation mean that the ability of the independent variable to explain the variation in the dependent variable is 73.4%, while the remaining 26.6% is explained by other factors outside the analyzed regression model.

t-Test

The t-test was used to determine the partial effect of the independent variable on the dependent variable. This test is based on the hypothesis:

1. If the value of sig <0.05 or t count > t table then there is an effect of variable X on variable Y.
2. If the value of sig > 0.05 or t count < t table then there is no effect of variable X on variable Y.

Table 2
Partial t-Test Result

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.183	0.814	-	1.453	0.149
Corona (X1)	0.007	0.004	0.101	1.726	0.087
Coal (X2)	0.489	0.048	0.501	10.235	0.000
Oil (X3)	0.296	0.077	0.205	3.865	0.000
Gold (X4)	0.889	0.114	0.579	7.769	0.000
Exchange Rate (X5)	-1.304	0.223	-0.367	-5.849	0.000

Dependent Variable: Stock Price (Y)

Source: Data Processed (SPSS)

The results of the t-test above can be concluded that the Corona variable (X₁) as in the table above, obtained a sig value of 0.087 > 0.05. Thus, H₀ is accepted, which

means that there is no significant effect on the Corona variable partially on the ISSI mining stock price in 2020. Meanwhile, the world coal price (X_2) variable obtained a sig value of $0.00 < 0.05$. Thus, H_1 is accepted, which means that there is a significant positive effect on the world coal price variable partially on the ISSI mining stock price in 2020. In the world oil price (X_3) variable, the sig value of $0.00 < 0.05$ is obtained. Thus, H_1 is accepted, which means that there is a significant positive effect on the World Oil Price variable partially on the ISSI mining stock price in 2020. The world gold price (X_4) variable as shown in the table above is a significance value of $0.00 < 0.05$ which means that This means that there is also a significant positive effect on the world gold price variable partially on the ISSI mining stock price in 2020. Finally, the exchange rate (X_5) variable as shown in the table above obtained a significance value of $0.000 < 0.05$. Thus, H_1 is accepted, which means that there is a significant negative effect on the exchange rate variable partially on the ISSI mining stock price in 2020.

F-Test

The F-test shows whether all independent variables have a joint effect on the dependent variable. This test is based on:

1. If the value of sig < 0.05 or t count $>$ t table then there is an effect of variable X on variable Y simultaneously.
2. If the value of sig > 0.05 or t arithmetic $<$ t table then there is no effect of variable X on variable Y simultaneously.

Table 3
F Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.090	5	0.018	68.446	0.000 ^b
Residual	0.031	117	0.000		
Total	0.121	122			

Dependent Variable: Stock Price

Source: Data Processed (SPS)

Based on the table above, the sig value is $0.000 < 0.05$. This shows that all independent variables, namely Corona (X_1), World Coal Prices (X_2), World Oil Prices (X_3), World Gold Prices (X_4), Exchange Rates (X_5) have a significant effect simultaneously (together) on Mining Share Price at IISP in 2020 (Y). The existence of the corona pandemic in the long term does not have a significant effect on stock prices. However, together with the increase in mining commodity prices and the strengthening of the exchange rate, it has a significant impact.

Discussion

The Effect of the Corona Pandemic on Mining Stock Prices at IISP in 2020

Mining stock price of the ISSI from the beginning of the corona pandemic in March to the end of 2020. This is shown from the results of the study with a sig value of $0.087 > 0.05$. The global coronavirus pandemic has caused a country's economy to sluggish and being in a recession has put pressure on a country's industry. However, if we look further, the existence of the corona virus basically has no long-term effect on several industries such as the mining sector.

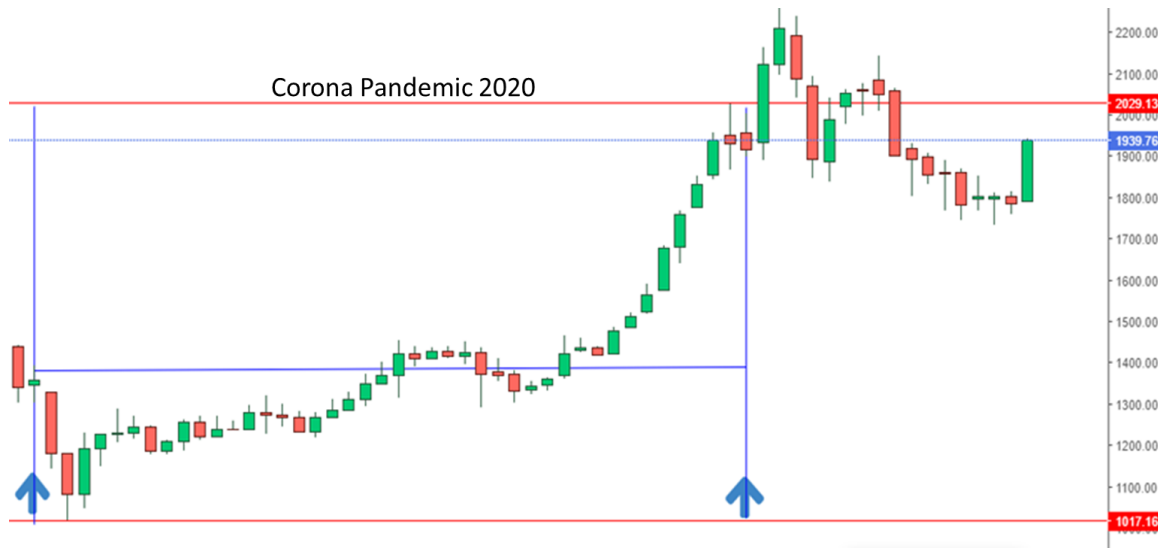


Figure 5. Weekly Movement of JKMING Index in 2020

Source: Investing.com (Processed by the Author)

As seen in the picture above, JKMING as one of the indexes of mining companies that are members of the ICI shows that in the first three weeks of March 2020, the JKMING Index did experience a sharp decline due to the announcement of the first corona case in Indonesia. The index managed to drop from 1380 to 1017 with a decrease of around 26.28%. But in the fourth week of March, the index experienced a very high strengthening until it reached 2024 at the end of December or an increase of almost 100% when compared to its lowest price. This index also managed to increase by 46.72% when viewed from prices before the corona pandemic. This indicates that the short-term reaction of the index looks to be weakening against the corona virus. But in the long term, the corona has no effect on the movement of the mining index in Indonesia. The

results of this study reject the research of Putri (2020), Siswantoro (2020), Rifa'i et al. (2020), Topcu and Gulal (2020), Chang et al. (2020), Anh and Gan (2020), Nia (2020). However, this research is in line with the results of the research Albanjari (2019) and Chasanah et al. (2020).

The Effect of World Coal Prices on Mining Stock Prices at ISSI in 2020

The results showed that the world coal price variable had a significant positive effect on changes in ISSI's mining stock price, this was shown from the results of the study with a sig value of $0.00 < 0.05$. These results also prove that the market anomaly theory can occur in companies that have commodities traded internationally. Investors in the capital market tend to respond to fluctuations in commodity prices even though the company's profits do not necessarily increase because current prices will only be known to increase company profits after the company's financial statements are released in the next period.

Coal as one of the fossil fuels that has been used for a long time is still one of the preferred resources for developing countries such as Indonesia. This happens because using alternative and renewable energy in developing countries is something that is difficult to do because of the limited infrastructure and capital of the country. The existence of coal which is still in general demand in the world makes the demand for coal tends to increase every year. The International Energy Agency (IEA) estimated that world coal consumption in 2021 will increase by 2.6% (Asmarini, 2021). The existence of a winter cycle that occurs every year towards the end of the year is also one of the strong reasons for the increasing world coal demand in countries experiencing winter. Executive Director of the Indonesian Coal Mining Association (APBI) Hendra Sinadia said that coal demand will usually increase in the fourth quarter as winter approaches in importing countries (Setiawan, 2020). Increased demand if not matched by increased production can lead to scarcity which of course leads to energy scarcity as happened in the UK, China, and India (Dwi, 2021). The increasing demand accompanied by this scarcity is also the main reason for the significant strengthening of coal prices so that investors feel that the company can print more sales to generate better corporate profits than before. Investors who believe that there is a positive correlation between the increase in profit and the condition of the company will buy shares of the company which will result in an increase in the share price of the coal company. The results of this study are in line with the research of Sundari (2015), Prastyo and Sertiartiti (2018), as well as Artiani and Sari (2019).

The Effect of World Oil Prices on Mining Stock Prices at ISSI in 2020

The results showed that the world oil price variable had a significant positive effect on changes in the ISSI mining stock price, this was shown from the results of the study with a sig value. $0.00 < 0.05$. The market anomaly theory is proven again in world oil prices and mining company stock prices. The increase in world oil prices is seen as something positive because it is projected to increase mining company profits even though basically this cannot be absolutely proven before the financial statements are released in the next period. Domestic crude oil needs will be purchased by the government at a price adjusted to the international reference price, which will certainly benefit the company. The increase in world oil prices will be reflected in the company's profits and investors will respond positively to the increase in share prices in the mining sector. The existence of petroleum is still widely used in Indonesia due to inadequate infrastructure for renewable energy so that crude oil is still a fundamental commodity.

This increase in oil prices is in line with the increase in world crude oil prices on the international market which is also due to the agreement of OPEC countries and their allies to continue cutting production by 7.2 million barrels per day starting January 2021 and the OPEC report in December 2020 (Ministry of Energy and Mineral Resources, 2021), that:

- 1) OPEC supply demand for 2020 increased by 0.1 million barrels per day compared to the previous projection to 22.2 million barrels per day.
- 2) The decline in oil supply from non-OPEC countries for 2020 by 0.08 million barrels per day, lower than the previous projection, mainly from Brazil, US, UK, and Norway.
- 3) The projected global economic growth for 2020 will increase by 0.1% compared to the previous month's projection, supported by Japan, Brazil, Russia, and several other OECD countries.

The results of this study are in accordance with Harvie (2006), Novitasari (2013), Monjazeb and Shakerian (2014), Artiani and Sari (2019), Basit et al. (2019), and refuse the research by Prastyo and Sertiartiti (2018).

The Effect of World Gold Prices on Mining Stock Prices at ISSI in 2020

The results showed that the world gold price variable had a significant positive effect on changes in the ISSI mining stock price, this was shown from the results of the study with a sig value of $0.000 < 0.05$. Market anomaly theory also occurs in world gold price variables and mining stock prices. Investors tend to respond to changes in world gold prices, which basically have not been reflected in the company's current

performance. According to investors, an increase in world gold prices will lead to an increase in mining company profits. This increase will then be reflected in the company's profit and responded by investors with an increase in mining share prices. Gold is a prima donna investment during the corona pandemic because it is considered to have a small risk and is resistant to inflation. According to an economist from Gadjah Mada University (UGM) Fahmi Radhi, the demand for gold continues to increase during the Covid-19 pandemic (Hagiworo, 2020). On the other hand, time deposits as a safe investment option other than gold continue to experience a decline in interest rates so that investors tend to start looking for other, more profitable investment platforms.



Figure 6. Average Deposit Interest Rates of Commercial Banks in 2010-2021

Source: Databoks Katadata

When other companies are under pressure due to the shift of investor funds to investment platforms such as gold, mining companies mainly producing gold increase the company's profits because sales will certainly increase. The results of this study are in line with the research of Twite (2002), and refuse the research by Monjazeb and Shakerian (2014), Prastyo and Sertiartiti (2018), as well as Basit et al. (2019).

The Effect of Rupiah Exchange Rate on Mining Share Prices at ISSI in 2020

The results of the study indicate that the rupiah exchange rate variable has a significant negative effect on changes in ISSI's mining stock price, this is shown from the results of the study with a sig value of $0.00 < 0.05$. The exchange rate is one thing that cannot be released when carrying out export and import activities. The strengthening (appreciation) of the value of the rupiah against the dollar on the one hand will be seen

as negative for importers because buying and selling activities are carried out in dollars which if exchanged for rupiah will experience a decrease in exchange power due to the strengthening rupiah exchange rate being smaller than usual. This foreign exchange expense can then reduce the profit of mining companies which is reflected in ISSI's mining sector share price. On the other hand, the weakening or depreciation of the rupiah against the dollar will be considered more profitable for the importers because the buying and selling transactions are carried out in foreign currencies which, when converted into rupiah, will earn more than usual. As a company that produces mining products, most of the mining companies in Indonesia are exporters of mining products.

For exporters, the appreciation of the rupiah exchange rate can also be positive or negative, positive because it can increase income more than the difference in the exchange rate when selling, but it can also be negative for companies that have debt in the form of dollars. Mining companies in Indonesia tend to have large dollar debts, such as PT Adaro Energy Tbk (ADRO), which recently based on the company's financial statements ending on September 30, 2020, the company has a short-term bank debt value of US\$ 571.94 million. This debt consists of five syndicated loans with a number of banks in US dollars and Singapore dollars. The weakening of the value of the rupiah will certainly have a direct impact on the company because the nominal amount paid in foreign currency will increase (Wareza, 2021).

The Institute for Energy Economics and Financial Analysis (IEEFA) conducted a review of at least eleven large mining companies in Indonesia, the majority of which were listed on the Indonesia Stock Exchange (ICI). This report states that eight out of eleven companies studied have debts that must be paid every maturity date. IEEFA also found that large Indonesian coal companies had loans of US\$ 3.8 billion or equivalent to Rp 56 trillion to foreign and domestic banks, including the majority to PT Mandiri Tbk (BMRI), PT Bank Negara Indonesia Tbk (BBNI), PT Bank Rakyat Indonesia Tbk (BBRI), and PT Bank Permata Tbk (BNLI) (Tahir Saleh, 2020). This debt burden causes mining companies to be quite burdened when the rupiah exchange rate is depressed, which in turn will reduce the profit of the company itself and make the mining company's share price depressed because it has the potential to reduce net profit and the company can experience the risk of default in its financial analysis. The results of this study are in accordance with Novianto (2011).

CONCLUSION

The results show that simultaneously the independent variables have a significant effect on the dependent variable and partially the world coal price, world oil price, world gold price, and rupiah exchange rate with the exception of corona have a significant effect on mining stock prices at ISSI in 2020. After conducting further research and testing, the researcher implies that there is a significant reaction between the corona pandemic, mining commodity prices and exchange rates on stock prices, especially in 2020 in the mining company sector registered with ISSI. Theoretically, the market anomaly theory was proven to occur in 2020 as a result of the corona pandemic, anomaly in commodity prices, and exchange rates on the Indonesia Stock Exchange, especially in the ISSI mining sector which proves that the market cannot be predicted accurately if there is a sentiment that is strong enough globally to move investors both in terms of selling or buying their shares which previously could not be reflected by the company's share price. Purchasing power parity theory proves that in order to achieve price balance, exchange rate conditions will offset the economic conditions of one country with another. Investor must be aware of the above conditions in order to better manage your investment activities than before. This research is expected to have an impact on increasing investors in the Islamic capital market, especially in Indonesia.

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