

ANALISIS THE EFFECT OF STOCK BUYBACKS ON STOCK PRICES IN COMPANIES LISTED IN INDONESIA STOCK EXCHANGE DURING THE COVID-19 PANDEMIC PERIOD IN 2020

Erwin Dyah Astawinetu¹, Istiono², Erma Yuliaty³
erwin@untag-sby.ac.id, istionomba@untag-sby.ac.id, erma@untag-sby.ac.id

Fakultas Ekonomi, Universitas 17 Agustus 1945 Surabaya Indonesia

ABSTRACT

Stock repurchase is a corporate action carried out to withdraw part of the outstanding stocks in the market. There are several purposes of this action, including to increase the market price of the company's stocks. This research was to analyze the effect of stock buybacks carried out by corporations on the stock prices of companies listed on the IDX during the Covid-19 pandemic period 2020. There are 21 companies selected to be the object of this study. The collected stock price data was tested for normality and found that it was not normally distributed, so the statistical tools used were non-parametric statistics. The mean difference test is used to test the effect of the corporate action on the stock price. The results of the mean difference test show that the stock repurchase action was able to increase the stock price, although it has not matched the stock prices before the implementation of this corporate action.

Keywords: Mean Difference Test; Stock Price; Stock Buyback

INTRODUCTION

As we already know that the Covid-19 pandemic has affected various areas of life both in the fields of health, education and the economy. Of course, the Covid-19 pandemic has also affected the Indonesian capital market (Istiono et al, 2021, 13-30). With the Covid-19 pandemic, many companies have been affected by their performance, so their stock prices have decreased. With the Covid-19 pandemic, the company has encouraged stock buybacks with the aim of reducing the number of stocks outstanding so that the distribution of dividends per stock will increase, which in turn will increase the company's stock price. Thomas Hadiwibowo revealed that stock buybacks are needed so that the stock ownership in the

company will be further reduced, so that liquidity can be maintained.

Buybacks can be done by companies by buying their own stocks from the market. There are several goals of stock buybacks, among others, to develop financial ratios. With the decrease in the number of stocks outstanding through *buybacks*, the earnings per stock (EPS) ratio will increase. This prepares capital reserves by reselling the stocks (treasury stock) when the stock price experiences an upward trend.

In addition, buybacks can be used to anticipate a decline in stock prices. The stock buyback action is carried out by the company when the company's stock price is falling to maintain investors' psychology. If the stock is falling and then there are parties who buy certain stocks in large quantities, then investors will

be interested in collecting the stocks in question (Market News, IDX Channel Team, Monday, June 14, 2021. 10.41)

Some companies that conduct stock buybacks in 2021 were: PT. Bank OCBC Tbk (NISP), PT. MNC Investama Tbk (BHIT), PT Medikoloka (HEAL), PT. Wahana Saratoga Sedoya Tbk (SRTG), PT. Jaya Real Properti Tbk (JRPT), PT. Ramayana Lestari Sentosa Tbk (RALS), PT. Merdeka Copper Gold Tbk (MDKA), PT. Wahana Interfood Nusantara TbkTbk (COCO), PT. Nippon Indosari Corporindo Tbk (ROTI), PT. Pioneer of Trinita Properti (TRIN) (Liputan 6, Pipit Ika Ramadani 20/4/2021. 19.34 WIB). While the news from Kontan.co.id there are several companies that have carried out buybacks in 2021: PT. Nippon Indosari Corporindo Tbk (ROTI), PT. Kalbe Farma Tbk (KLBF), PT. Mitra Keluarga Tbk (MIKA), PT. Adro Energy Tbk (ADRO), and PT. Jaya Real Properti Tbk (JRPT).

Melanthon Rumapea and Astri (2019) found that stock buybacks had a significant positive effect on both stock prices and stock returns in companies listed on the Indonesia Stock Exchange 2014-2017.

Sharia Romania (2021), researched the Market Reaction Analysis before and after the Announcement of Stock Buybacks (buybacks) in companies listed on the IDX 2015-2020. The results of this study showed that there was no difference in abnormal returns or trading volume activity (TVA) before and after the announcement of the stock buyback.

Natasya Humayra (2019), conducted a study entitled: Stock Trading Activities Before and After the Announcement of Stock

Buybacks (Study on Companies Listed on the Indonesia Stock Exchange 2016-2017). The results of this study showed that there was no significant difference in Mean Abnormal Return, nor Mean Trading Volume Activity before and after the stock buyback announcement.

From some of these studies, it shows that the results are different and the research was carried out in the period before the Covid-19 pandemic. This study aims to analyze and prove the effect of stock buybacks on the stock prices of companies that conduct stock buybacks during the Covid-19 pandemic on the Indonesia Stock Exchange.

The formulation of the problem in this study is "Does stock buyback affect the stock price of companies that carry out stock buybacks during the Covid-19 pandemic on the Indonesia Stock Exchange".

This research has the benefit of determining the efficiency of the Indonesian Capital Market, related to buyback events carried out by companies during the Covid-19 pandemic in 2020.

LITERATURE REVIEW

Stock Buyback

Stock buyback or repurchase of stock or repurchase of stocks outstanding is a decision made by the company by repurchasing stocks that have been sold in the market on the basis of the consideration that the stocks are suitable for purchase and that the company has sufficient cash availability (Fahmi, 2014: 367). This corporate action is a transaction where the company buys back its stocks from the market. The company may repurchase its stocks because management considers the

value of its stocks to be below the market price. The company buys stocks directly from the market or offers its stockholders the option to render the stocks directly to the company at a fixed price. Stock repurchases reduce the number of stocks outstanding which increases demand for stocks and prices ((Kompas.com/Money/Spend Smart). Compass.com.28/09/2021).

Reasons for Stock Buyback

There are several reasons underlying the company's stock buyback action. Fakhruddin in Fahmi (Fahmi, 2014: 368) argues that there are 8 reasons a company makes a stock repurchase. These eight reasons are: (1) To maintain the reasonableness of the previous price; (2) Psychological signals to the market; (3) Purchase stocks for resale; (4) Repurchase of stocks to be distributed to employees; (5) To avoid acquisitions by other companies because they have abundant cash funds; (6) Tax considerations; (7) Flexibility factors for issuers; and (8) As an effort to save dividends (Fahmi 2014:368).

Types of Stock Buybacks

There are three main types of stock repurchasing, namely (1) a situation where a company has cash available for distribution to its stockholders through stock repurchases, rather than paying cash dividends; (2) a situation where the company concludes that its capital structure is too heavy its weighting on equity, then the company sells the debt to buy back stocks; and (3) situations where the company issues an option to an employee and then uses a repurchase in the open stock market to acquire stocks to be used

when the option is exercised (Brigham and Houston, 2014: 238).

Advantages of Stock Buyback

Stock repurchases can provide several advantages, namely: (1) The announcement of a Stock Repurchase may be a positive signal because the stock is overvalued. (2) The company has an option when buying back stocks, namely whether or not to sell them in the future. Meanwhile, if you distribute dividends, investors must pay taxes. (3) Stock repurchase may reduce the dominance of stocks in the market causing the stock price to fall. (4) The distribution of dividends has a negativity signal content so that if there is a temporary cash fund that is idle, the management prefers to repurchase stocks. (5) The Company may use a residual model so that it can distribute dividends in a small amount while the other part of the idle funds can be used to repurchase outstanding stocks because the repurchase of outstanding stocks does not contain negativity signals. This gives flexibility to the company because stock repurchases can be done gradually. (6) The repurchase strategy of outstanding stocks may lower the weighted mean cost of capital. (7) Instead of the company issuing new stocks to employees, it is better for the company to repurchase the outstanding stocks because it can avoid profit dilution (Brigham and Houton, 2019: 85).

Disadvantages of Stock Buyback

In addition to providing profits for the company, stock repurchases can also bring losses. These disadvantages include: (1) Stockholders may behave only between dividends and capital gains,

and stock prices may benefit more from cash dividends than from stock repurchases. Cash dividends are generally reliable, but repurchases are not. (2) Stockholders who sell their stocks may not be fully aware of the implications of the repurchase, or they do not have all the information about the company's current and future activities. This happens especially in cases where management has good reason to believe that the stock price is below its intrinsic value. Nevertheless, companies generally announce a stock buyback program before starting it on stockholders to avoid legal demands from them. (3) The Company may overpay the stock repurchase price, to the detriment of other stockholders. If the company's stocks are not actively traded and the company attempts to acquire a relatively large number of stocks, the price offered may be above the intrinsic value, then the price falls after the company stops the repurchase (Brigham, Houston: 2019: 86).

Stock Buyback Method

Some of the methods used by companies in buying their stocks back, are tender offers, open-market repurchase, and dutch auctions. In the method tender Offer, the company announces to its stockholders that the company will repurchase some of its stocks at a predetermined price and period. Stock repurchases with this method can raise back the stock price in the capital market.

Open-market repurchase does not bind a company to actually repurchase its stocks as much as the amount sold before, but rather the number of stocks repurchased is relatively smaller. Repurchases are carried out through a broker with

commission payments at normal levels and purchases at market prices.

In the Dutch Auction method, the company mentions the range of stock prices offered where stockholders will choose the price they set to sell the stocks they own to the company (Kompas.com, 28/09/2021).

Capital Market Efficiency

The capital market is a place where various parties, especially companies, sell stocks and bonds with the aim that the proceeds from the sale will later be used as additional funds or to strengthen the company's capital (Fahmi, 2014: 305).

The market price moves randomly, which means that the rise and fall of the stock price depends on the new information that will be received (Samsul, 2015: 226). Information can be in the form of bad news or good news. Meanwhile, that information on when it came out is unknown. Bad news will have a negative impact on the stock price, that is, the stock price decreases. Meanwhile, if the information that appears is good news, the stock price tends to increase. An example of bad news is an increase in bank interest rates and an example of good news is an increase in sales.

The faster the market responds to the emergence of such information, the more efficient the market will be. Thus, what is meant by an efficient capital market is a market in which the price of securities has reflected all relevant information (Husnan, 2015:232).

The speed of response to the emergence of information can be categorized several hypotheses (Samsul, 2015: 227) as follows:

1. The Weak Efficient Market Hypothesis

Market efficiency is said to be weak (weak-form) because investors in the process of making decisions to buy and sell stocks can use price data and past trading volumes.

2. The Semistrong Efficient Market Hypothesis

Market efficiency is said to be half strong (semi strong-form) because investors in the process of making stock buying and selling decisions can use past price data, past trading volumes, and all published information such as financial statements, annual reports, exchange announcements, and other published information.

3. The Strong Efficient Market Hypothesis

Market efficiency is said to be a strong-form because of the use of more complete data, namely past prices, past volumes, published information and generally unpublished information.

Research Hypothesis

Based on the background and formulation of the problem above, the hypothesis proposed in this study is: "Stock buybacks affect the stock prices of companies during the Covid-19 pandemic on the Indonesia Stock Exchange".

RESEARCH METHODS

The type of research in this study is descriptive research. This study explains the effect of stock buybacks on the price of stocks in companies during the Covid-19 pandemic. The object of this study is companies that carried out stock buybacks during the Covid-19 pandemic during 2020.

The population of this study is all companies listed on the Indonesia Stock Exchange, which conducted stock buybacks during 2020. There were 25 companies that conducted stock buybacks during 2020. The sampling technique used is purposive sampling. This technique selects companies that are sampled with two considerations, namely (a) Companies that carry out stock buybacks during the Covid-19 pandemic in 2020, the period from March to June 2020 and (b) Active in stock trading during the observation period. Based on this sampling technique, there are 21 companies that are members of the sample that will be observed for analysis in this study.

The data collection technique used in this study is documentary, which is to collect data from several documents that have been available. The data is available on the Indonesia Stock Exchange website, which can be downloaded at any time.

The type of data used in this study is quantitative data with a ratio scale, namely data on stock prices from various companies that carried out stock buybacks during the Covid-19 pandemic in 2020. The data was obtained from secondary data sources, namely data taken from the publications of the Indonesia Stock Exchange and Yahoo Finance.

The data analysis method used in this study is a quantitative method, which is a comparison or comparison technique. The company's stock prices sampled before the stock buyback occurred during the Covid-19 pandemic compared to the stock prices after the stock buyback. With this analysis method, it can be known the difference in stock prices before and after the stock buyback.

The mean difference test is used to test the mean difference in stock prices from one observation period to another observation period for the same object of study. The hypothesis test statistics used are Friedman's statistics or Related-Samples Friedman's Two-Way Analysis of Variance by Ranks and Mann Whitney test statistics.

DATA ANALYSIS

Normality Test

The normality test is used to determine the form of frequency distribution of the collected data. Data can be normally distributed or

not normally distributed. The results of the normality test will determine the mean different hypothesis test tool or technique used.

In the analysis, the data is divided into two, namely the individual data of the company and the combined data of the company. Individual company data is data from each company in the form of a sequence of time. Company combined data is data that combines all data from 21 companies known as panel data.

A summary of the normality test results for individual company data by using SPSS software is shown in Table 1.

Table 1
 Sig. (Significance) Values

Nu	Code	Kolmogorov-Smirnov	Shapiro-Wilk
1.	ADHI	0,000	0,000
2.	ANTM	0,022	0,002
3.	BBNI	0,000	0,000
4.	BBRI	0,000	0,000
5.	BRPT	0,000	0,000
6.	DIVA	0,032	0,001
7.	FAST	0,000	0,000
8.	GPRA	0,000	0,000
9.	JSMR	0,000	0,000
10.	KIJA	0,000	0,000
11.	KLBF	0,000	0,000
12.	MEDC	0,000	0,000
13.	MGRO	0,000	0,000
14.	PNBN	0,000	0,000
15.	POWR	0,000	0,000
16.	PTBA	0,000	0,000
17.	PTPP	0,000	0,000
18.	SSIA	0,000	0,000
19.	TFAS	0,000	0,000
20.	WIKA	0,000	0,000
21.	WSKT	0,000	0,000

Source: SPSS Output

Tabel 1 indicates the Sig value of statistics for the Kolmogorov-Smirnov and Shapiro-Wilk statistical

tests of the 21 companies that were the object of the study. This table shows that none of the statistical Sig values are equal to or greater than (\geq)

0.05 or 5 percent. The results of the normality test on all stock price data in the form of time sequences from all companies studied, none of the data were normally distributed. So that the mean difference test statistics

that will be used are nonparametric statistical groups.

Using the same normality test steps as above, the SPSS software printout for the panel data is displayed in Table 2.

Table 2
Data Panel Normality Test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Before	.313	21	.000	.733	21	.000
During	.266	21	.000	.773	21	.000
After	.280	21	.000	.754	21	.000

a. Lilliefors Significance Correction

Source: SPSS Output

Table 2 shows that the statistical Sig values for all data from the three observation times are all worth 0.000. This indicates that the panel data is also not normally distributed.

HYPOTHESIS TESTING

To determine the effect of the repurchase of stock on the stock price, a mean difference test was carried out. This difference test compares the mean price over one observation time period with the mean price over another observation time period. The implementation of the buyback can be said to have an effect on the stock price, if there is a significant difference between the mean price of one time period and the mean price in another.

The mean difference test in this study was divided into two, namely for panel data and for data from each company separately.

TEST THE MEAN DIFFERENCE OF PANEL DATA

The panel data referred to here is data involving all (21) companies and during three observation periods. All stock price data during the observation period "Before" the stock repurchase action of each company is sought on mean. This resulted in a mean of 21 stock prices for 21 companies. In the same way, the mean price for the observation period "During" and "After" the stock repurchase action is also calculated. The results of these calculations are shown in Table 3.

Table 3
Mean Value of Stock Price for 3 Observation Time

Nu	Code	Before	During	After
1	ADHI	983,14	544,97	613,11
2	ANTM	716,70	506,41	719,44
3	BBNI	7240,87	3949,48	4796,61
4	BBRI	4417,45	2820,69	3236,94
5	BRPT	1188,33	1019,69	1084,41
6	DIVA	1192,85	492,94	916,58

7	FAST	1182,80	1025,00	926,40
8	GPRA	59,89	50,20	51,00
9	JSMR	4887,65	3217,93	4105,97
10	KIJA	288,04	141,59	144,00
11	KLBF	1430,96	1264,74	1538,79
12	MEDC	610,27	375,82	418,10
13	MGRO	805,55	670,60	752,02
14	PNBN	1177,12	742,07	804,92
15	POWR	860,00	617,71	612,82
16	PTBA	2407,17	1989,48	2094,27
17	PTPP	1390,48	675,54	951,53
18	SSIA	655,67	345,46	381,32
19	TFAS	140,93	163,62	159,61
20	WIKA	1937,65	1010,86	1223,15
21	WSKT	1218,50	593,14	679,68

Source: Raw Data Calculation Results

These data are used for normality test analysis and hypothesis testing. The normality test results for this data are as shown in Table 2. The conclusion of the normality test is that the data is not normally distributed. So that for the hypothesis test, the mean difference must use a nonparametric statistical test.

The nonparametric statistic for the hypothesis test used is Friedman's statistic or the full term is Related-Samples Friedman's Two-Way Analysis of Variance by Ranks. In this analysis, the data between observation periods is determined as paired data, so this analysis is a before-after analysis which is an event study for the same object of study.

The mean stock prices of the 21 companies observed during the 3 observation periods are as follows: the "Before" period was Rp1,656.76; the period "During" is Rp1,058.00; and the "After" period of Rp1,248.13. Each of these mean prices is compared to determine whether there are significant differences. If there is a significant difference between the mean prices, this indicates that the stock repurchase action affects the stock prices of the company of the object of study.

To get the Sig value. statistics, all research data is processed using the help of SPSS statistics software. The printout outputs SPSS for the Sig value. Statistics is shown in Table 4.

Table 4

Sig Value for *Friedman's Two-Way Test*

Sample 1-Sample 2	Pairwise Comparisons				
	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig. ^a
During-After	-.667	.309	-2.160	.031	.092
During-Before	1.619	.309	5.246	.000	.000
After-Before	.952	.309	3.086	.002	.006

Each row tests the null hypothesis that the Sample 1 and Sample 2 distributions are the same.

Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

a. Significance values have been adjusted by the Bonferroni correction for multiple tests.

Source: SPSS Output

Table 4 displays two statistically significant values, namely Sig. and Adj. Sig. The value of Adj. sig is a Sig value that has been adjusted by the Bonferroni correction factor for multiple tests. The decision on the hypothesis test is as follows:

Comparison of Before – During

The result of the comparison of the mean price in the "Before" period with the mean price "During" the stock repurchase action can be seen in the second row in Table 4. The resulting Sig and Adj Sig values are 0.000. Since the Sig value is smaller than 0.050, it means that the mean price between the "Before" period and the "During" period is different. The mean stock price of "Before" of Rp1,656.76 is higher than in the "During" period of Rp1,058.00.

Comparison of During – After

This section compares between the mean price in the observation period "During" with the observation period "After". The mean price in the "During" period is Rp1,058.00 and in the "After" period it is Rp1,248.13. This difference in mean price is statistically analyzed to determine the significance of the difference.

The first row in Table 4 shows a Sig value of 0.031 and an Adj Sig value of 0.092. When using a Sig value of 0.031 which is smaller than 0.050, it indicates that the mean price of the two periods is significantly different.

When using an Adj Sig value of 0.092 which is greater than the selected significance level (α) of 0.050, it shows that the two mean prices are not different or relatively the same. However, if the level of significance (α) chosen is 10 percent, then the two mean prices are significantly different.

Comparison of Before – After

Statistical significance (Sig) values for comparing between the mean price in the "Before" period and the "After" period can be seen in the third row in Table 4. Its Sig value is 0.002 and its Adj Sig value is 0.006. These two Sig values are less than 0.050 or 5 percent. Ini indicates that the mean price of the "Before" is different from the mean price of the "After" stock buyback.

PARTIAL MEAN DIFFERENCE TEST

As discussed in the normality test, that all time-series data for the 21 companies that were the object of the study were not normally distributed, so, the hypothesis test statistics used were nonparametric statistics, namely the Mann Whitney test statistics.

To get the Sig value statistics, all research data is processed using SPSS statistical software. Summary values of Asymp Sig statistic are shown in Table 5. In this table is also included the mean price difference value of the two compared observation periods. A positively marked difference indicates an increase in the mean price from

period 1 to period 2 and a negative sign indicates a decrease in price from period 1 to period 2.

Price Comparison of During vs Before

This test is to compare the mean price of the stock in the "During" period with the "Before" period"

All statistical Sig values present in the DUR – BEF column in Table 5 are smaller than 0.050 (5 percent). It states that the mean price before the stock repurchase was different from the mean price during the implementation of the stock repurchase of the 21 companies

observed. Or in other words, the mean price of the "Before" and "During" periods is significantly different.

Twenty companies produced a mean price of "During" lower than the mean price of the "Before" stock repurchase. This shows that the stock buyback occurred at a time when the stock prices were lower than in the "Before" period. Meanwhile, the mean price of TFAS stocks in the "During" period is higher than the mean price of "Before" or in general the price of TFAS stocks during the implementation of corporate actions is higher than in the "Before" period of stock buybacks.

Table 5
Asymp. Sig. Value (Mann Whitney Test)

Nu	Code	DUR – BEF		AFT – DUR		AFT – BEF	
		Difference	Sig	Difference	Sig	Difference	Sig
1.	ADHI	-438,17	0,000	68,14	0,000	-370,03	0,000
2.	ANTM	-210,29	0,000	213,03	0,000	2,74	0,922
3.	BBNI	-3291,39	0,000	847,13	0,000	-2444,26	0,000
4.	BBRI	-1596,76	0,000	416,25	0,000	-1180,51	0,000
5.	BRPT	-168,64	0,014	64,72	0,072	-103,92	0,000
6.	DIVA	-699,91	0,000	423,64	0,000	-276,27	0,000
7.	FAST	-157,80	0,000	-98,60	0,000	-256,40	0,000
8.	GPRA	-9,69	0,000	0,80	0,000	-8,89	0,000
9.	JSMR	-1669,72	0,000	888,04	0,000	-781,68	0,000
10.	KIJA	-146,45	0,000	2,41	0,000	-144,04	0,000
11.	KLBF	-166,22	0,000	274,05	0,000	107,83	0,001
12.	MEDC	-234,45	0,000	42,28	0,000	-192,17	0,000
13.	MGRO	-134,95	0,000	81,42	0,000	-53,53	0,000
14.	PNBN	-435,05	0,000	62,85	0,000	-372,20	0,000
15.	POWR	-242,29	0,000	-4,89	0,733	-247,18	0,000
16.	PTBA	-417,69	0,000	104,79	0,000	-312,90	0,000
17.	PTPP	-714,94	0,000	275,99	0,000	-438,95	0,000
18.	SSIA	-310,21	0,000	35,86	0,000	-274,35	0,000
19.	TFAS	22,69	0,000	-4,01	0,146	18,68	0,000
20.	WIKA	-926,79	0,000	212,29	0,000	-714,50	0,000
21.	WSKT	-625,36	0,000	86,54	0,000	-538,82	0,000

Source: Raw Data Calculation Results

Price Comparison of After vs During

This section compares the mean price in the "During" period with the "After" period of stock repurchase. Table 5 shows that there were 18 companies producing a Sig value smaller than 0.050. This Hal indicates that the mean stock price of the "During" period is significantly different from the mean price in the "After" period of the stock buyback.

Among the 18 companies that experienced a significant difference in stock prices, seventeen companies produced an increase in stock prices and one company experienced a decrease in stock prices. The company that experienced this decline in stock price was FAST.

Companies that produce insignificant changes in stock prices or mean prices do not change with stock buybacks are BRPT; POWR; and TFAS. In fact, the stock prices of these three companies have decreased, but the value of the decline is insignificant.

Price Comparison of After vs Before

Table 5 also displays a summary of the statistical Sig values of the Mann-Whitney test results in the AFT – BEF column. Of the 21 companies observed, twenty companies produced a statistical Sig value below 0.050 and one company produced a statistical Sig value above 0.050, which was 0.922.

The hypothesis test decision for 20 companies that have a Sig value below 0.050 is to show that the mean prices of "Before" and "After" are different (significant). Among the 20 companies whose stock prices are different, there are 18 companies whose mean "After" stock buyback price is below the mean "Before" stock buyback price. Two companies

produced a mean price "After" stock buyback higher than the mean "Before" price. These two companies are companies with the codes KLBF and TFAS.

One company, ANTM, produced a statistical Sig value of 0.922. This value (0.922) is greater than the significant value (α) chosen, which is 0.050 or 5 percent. Thus, it indicates that the mean stock price of the two periods is relatively equal. Although the stock price of ANTM "After" stock buyback is higher than the mean "Before" price, the difference in the mean price is insignificant.

DISCUSSION OF RESEARCH FINDINGS

The stock prices of the 21 companies observed, have decreased in the period "Before" the repurchase action. This decrease was caused by various factors, including the condition of the Covid-19 pandemic. Meanwhile, in this period all the observed companies have announced an action plan for the repurchase of such stocks. This indicates that investors have not or have not responded positively to this plan.

The decline in the stock price continued until the period "During" the implementation of the purchase of stocks by such companies. The mean price of panel data in the "Before" stock buyback was Rp1,656.76 and in the period "During" stock buyback or corporate action was Rp1,058.00. These two prices are different (significant). This shows that when the repurchase action is carried out, the stock prices are smaller than the stock prices in the "Before" period of the stock buyback. When a stock repurchase is based on the market price, then the

purchase price of the stock is cheaper than the price in the "Before" period of the stock buyback.

The mean price in the period "After" the stock buyback was Rp1,248.13. This price is higher than the price of the "During" stock buyback period and these two prices are different. This data shows that stock repurchases have been able to raise stock prices. This shows that the stock repurchase action has been able to affect the stock price.

However, the mean price in the "After" stock buyback period is still lower than the mean price in the "Before" stock buyback period. These two mean prices are different (significant). This fact shows that the increase in these stock prices has not been able to offset the decline in stock prices that occurred in the previous period.

RESEARCH IMPLICATIONS

As discussed above, together, a combined analysis of 21 companies, the stock buyback action has affected the stock prices of the companies observed. This influence can lead to a decrease or increase in stock prices.

The company's actions have led to a decline in stock prices from the "Before" period to the "During" stock repurchase period. This action may also raise the prices of stocks, in particular, from the "During" period to the "After" period of repurchase. However, when compared between the "Before" period and the "After" period, the stock repurchase action has lowered the stock prices. Thus, the decline in the price of the stocks that occurred in the "During" period has not been able to be offset by the increase in the price of the stocks in

the period "After" the repurchase of stocks.

This study shows that the lowest mean price occurs in the "During" period of repurchase. This concludes that the price decline that occurred in the "Before" period of stock buybacks was able to be pushed back up by stock buybacks. However, the stock repurchase has not been able to push up the price of the stocks to match the previous prices.

The implications of these findings are:

1. Companies can carry out stock buybacks when the stock price is declining. This action can provide a capital gain for the company, because the stock price will rise again and at this time the company is reselling the stocks.
2. Investors can resell the stocks they hold to the issuing company to reduce the risk of capital loss if the price continues to decline.
3. For investors who do not want to release their stocks, they can wait for the increase in the stock price that will occur after the implementation of the stock buyback action by the stock buyback company.

CONCLUSION

Based on previous discussions, the conclusions that can be drawn in this study are:

1. Stock prices tend to decline from the "Before" observation period to the "During" period and rise again in the "After" period. However, the increase in stock prices in the "After" period of stock repurchase has not been

- able to offset the previous price decline.
2. The act of buying back stocks occurs in the period of the lowest stock prices.
 3. The act of buying back stocks can affect the observed stock prices.
 4. The stock repurchase action was able to increase the stock prices from the "During" period to the "After" stock buyback period. But this increase is not enough to match the mean stock price in the "Before" period of the stock buyback.
 5. This stock repurchase action was able to raise the price stocks from the "During" period to the "After" stock buyback period. This shows that this stock repurchase corporate action indicates that the Indonesian capital market is efficient in its weak and half-strong form.
 6. The stock price of this corporate action is not enough to match the mean stock price in the "Before" period of stock buybacks, it is perceived that investors are still waiting for conditions due to the covid-19 pandemic. It is not clear when it will end.

SUGGESTION

The suggestions that can be given related to subsequent studies or research are:

1. This research was conducted during the Covid-19 pandemic, so this condition can have an influence on stock prices. Preferably, the next study takes an observation period outside the conditions of the Covid-19 pandemic.

2. The number of samples of companies studied should be increased even more.

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