

CHAPTER V

CONCLUSION

5.1 Conclusion

The purpose of this study is to examine the effect of the independent variable World Crude Oil Price (X1), Exchange Rate (X2), Dow Jones Index (X3), and Confirmed Cases of COVID-19 (X4) on the Pharmaceutical Stock Price Fluctuations (Y) as the dependent variable. This study sample amounted to nine pharmaceutical companies listed in IDX from March to December 2020. Based on the hypothesis testing that has been done, it could be concluded that the research results are as follows:

1. World crude oil price related to COVID-19 shock has no significant effect on stock price fluctuations of Pharmaceutical sector listed in IDX so that hypothesis 1 (H1) is rejected.
2. Exchange rate related to COVID-19 shock has a significant effect on stock price fluctuations of Pharmaceutical sector listed in IDX so that hypothesis 2 (H2) is accepted.
3. Dow Jones Index related to COVID-19 Shock has no significant effect on stock price fluctuations of Pharmaceutical sector listed in IDX so that hypothesis 3 (H3) is rejected.
4. Confirmed cases of COVID-19 has a significant effect on stock price fluctuations of Pharmaceutical sector listed in IDX so that hypothesis 4 (H4) is accepted.

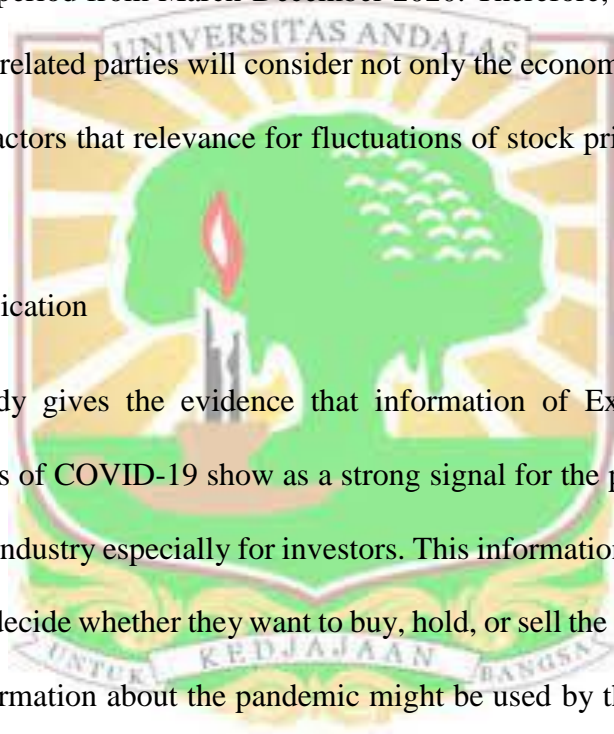
5.2 Research Implication

1. Theoretical Implication

This study adds empirical evidence that the turbulence on World Crude Oil Price, and Dow Jones Index have no significant effect on Pharmaceutical Stock Price Fluctuations. Meanwhile, Exchange Rate and Confirmed Cases of COVID-19 significantly affect Stock Price Fluctuations of Pharmaceutical Sector listed in IDX during the period from March-December 2020. Therefore, it is expected that in the future, all related parties will consider not only the economic factors but also non-economic factors that relevance for fluctuations of stock price at any event in each industry.

2. Practical Implication

This study gives the evidence that information of Exchange Rate and Confirmed Cases of COVID-19 show as a strong signal for the parties related into pharmaceutical industry especially for investors. This information could be used by the investors to decide whether they want to buy, hold, or sell the stock. In practical, this kind of information about the pandemic might be used by the pharmaceutical industries to improve performance by raising the standard of the provision and supply of high-quality medications and creating a positive brand image. The demand for health-related products increase as a result of strong company performance, which also enables businesses to obtain better financing through rising stock prices.



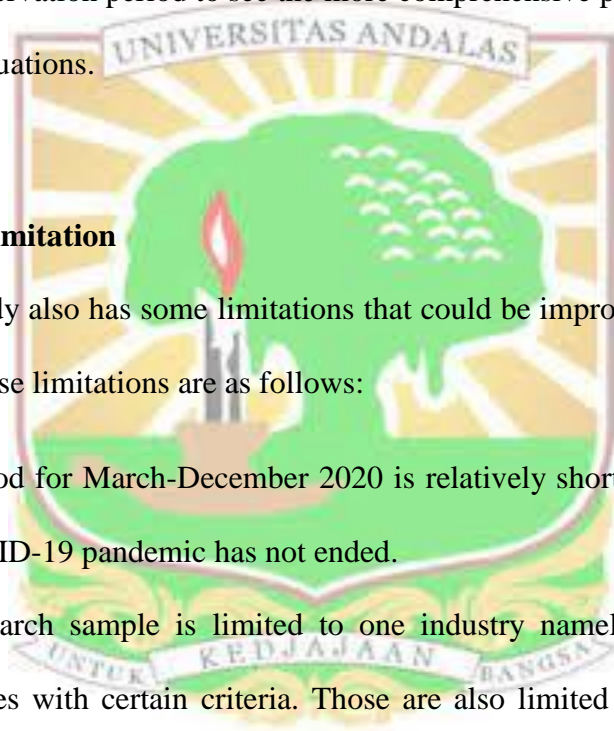
3. Further Research Implication

There are still limited number of research held during COVID-19 pandemic especially to the stock price fluctuations. Future study could explore another industry, increase the number of samples can be drawn from more than one countries, including more than one region such as the Asia-Pacific, and use different data not only secondary data but also primary data. The subsequent study could also enhance the observation period to see the more comprehensive phenomenon of the stock price fluctuations.

5.3 Research Limitation

This study also has some limitations that could be improved by the further researchers. These limitations are as follows:

1. The period for March-December 2020 is relatively short, considering that the COVID-19 pandemic has not ended.
2. The research sample is limited to one industry namely Pharmaceutical companies with certain criteria. Those are also limited to the number of samples which among 11 populations, only 9 samples of companies were included in this study.
3. This study only use some factors from economic and non-economic factors that relevance during COVID-19 shock in influencing stock price fluctuations of the pharmaceutical sector.



5.4 Suggestions

Based on the conclusions and limitations of the research that have been described, the authors provide several suggestions which can later be considered as follows:

1. For investor

Investors are suggested to enhance the understanding not only for the economic factors but also the non-economic factor that can influence the stock price fluctuations. The non-economic factors should be explored related to the current phenomenon that happens such as COVID-19 pandemic because stock market price fluctuations are not only reflect economic information but also non-economic information, for instance, in this study is confirmed cases as relevant non-economic information for the stock price fluctuations in order to make good investment decisions.

2. For the regulator

Regulators could also consider various policies which might not only from economic factors but also non-economic factors in terms of establishing a stock trading mechanism especially in unpredicted event such as COVID-19 shock.

3. For further researcher

a. The next researcher should increase the range of time of research observations considering the pandemic COVID-19 is not officially over yet.

b. Increase the number of samples by using another industry such as technology industry which is potentially in providing digital access since there is limited on mobility during COVID-19 shock.

c. Future researchers should add other measurement tools that could represent the measurement of economic and non-economic factors both nationally and globally from macroeconomic sides in understanding the market that might have the potential in influencing stock price fluctuations. It might be inflation, gold price, interest rate, and fed rate as economic factors or government policy as non-economic factors to be analyzed.

