

The Day of the Week Effect and LQ45 Stock Return During and After COVID-19

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ABSTRACT

This study examines whether there is a difference in the stock returns of LQ-45 companies' shares listed on the Indonesia Stock Exchange during Covid-19 and after Covid-19. This study uses a causal descriptive research design with a quantitative research method. This study uses the Kruskal-Wallis statistical test to test the hypothesis. The study results show that during the COVID-19 period, there was no significant difference in the stock return of LQ-45 companies. The same thing happened in the post-COVID-19 period, which showed no significant difference in the stock return of LQ-45 companies. Furthermore, the day of the week did not impact the return of LQ-45 companies listed on the Indonesia Stock Exchange in either period. This research provides important insights for capital market stakeholders related to the dynamics of stock behavior during and after the COVID-19 pandemic.

Keywords: Day of the Week Effect, Efficient Market, LQ-45, Market Anomalies, Stock Returns.
JEL Code: G14, G10, C12

I. Introduction

The capital market is an alternative for those with excess funds (investors) and those needing funds. Investors with excess funds can invest their funds to get the expected return (Kepakisan & Damayanthi, 2021). The capital market represents an efficient market, which explains why stock prices are difficult to predict or fluctuate, making it difficult for investors to generate abnormal returns (Sujana, 2017). In the concept of efficient market put forward by Fama (1970), the formation of prices in the efficient capital market accurately reflects the information available in the capital market, so that in the efficient market, it is difficult to achieve significant profits over a continuous period consistently. In other words, investors can only expect ordinary profits and cannot expect abnormal returns (Agustin & Faisal, 2023).

Fama (1970) categorizes the efficient market form into three: 1) the weak form of the efficient market hypothesis, 2) the hypothesis of the semi-strong form efficient market hypothesis, and 3) the hypothesis of the strong form efficient market hypothesis. The forms of market efficiency hypothesis are closely related to the extent of information absorption in the market (Ary et al., 2002). In Indonesia, a study conducted by Hase (2018) revealed that the capital market in Indonesia is categorized in the first form, namely the efficient market in a weak form. An efficient capital market refers to a concept where stock prices are well reflected and based on accurate, precise, and easily obtained information (Sanjaya Kusno et al., 2021). However, efficient market theory cannot always be applied in the capital market. Many studies in the capital market identify irregularities that have a significant impact and are classified as market anomalies.



Market Anomalies are a concept contrary to the hypothesis of efficient capital markets. In an efficient capital market, investors cannot predict future stock prices and returns based on past stock prices because stock movements are considered random walks. However, market anomalies show a specific pattern in stock price movements that can be predicted based on specific events related to specific calendar effects. An investor can use seasonal anomaly information to achieve high abnormal returns (Trisnadi et al., 2016). Some deviations from the efficient market are referred to as market anomalies. In the theory of efficient markets, stock returns will be the same every day. However, several studies show specific seasonal patterns including the January Effect, the Week Four Effect, the Rogalsky Effect, and the day of The Week Effect. This pattern is not in line with the efficient market theory because it turns out that in this seasonal pattern, stock returns can be different at certain times (Werastuti, 2012).

The seasonal anomaly to be analyzed is that the day of the week effect is unusual in that the daily return in a week is different (Nurvita Widyaning Putri et al., 2021). This phenomenon shows a tendency for stock returns to be lower at the beginning of the week than at the end (Trisnadi et al., 2016). The day of the week effect is a phenomenon that can be seen in a consistent pattern of stock return changes on certain days of the week, so by understanding this phenomenon, investors can understand what factors affect stock price movements on certain days and can help investors in planning their investment strategies. The difference in stock returns on certain days of the week can be used to test whether the returns are lower or higher in that period (Trisnadi et al., 2016).

Several studies in the country found the day of the week effect phenomenon in the stocks of LQ-45 companies. Research conducted by Fatimah and Widiasmara (2019) in 2016 succeeded in finding the phenomenon of the Day Of The Week Effect. It showed a difference in return between the five trading days during the week. Another research conducted by Afrilianto Wiwiek Mardawiyah Daryanto (2019) in January 2013 – December 2018 also found this phenomenon in his research, which found that every day has a different return. Furthermore, research conducted by Hendrawaty and Huzaimah (2019) found a significant influence of the trading day in one week on the return of LQ-45 companies. In contrast to several previous studies, research conducted by Pawestri (2021) found that from February 2020 to January 2021, LQ-45 company shares did not show a significant difference between stock returns on Monday and other days, which means that the Day of the Week Effect phenomenon was not found. The period used in the study is the period during the COVID-19 pandemic.

From 2019 to 2021, all countries, including Indonesia, experienced a crisis in various aspects, especially the economic aspect, caused by COVID-19, or coronavirus, that spread worldwide. Along with the emergence of the COVID-19 pandemic and the increase in confirmed cases, there has been a decrease in stock liquidity and a significant decline in stock returns (Apergis & Apergis, 2022). COVID-19 entered Indonesia on March 2, 2020, and impacted the economy and the capital market (Kepakistan & Damayanthi, 2021). The LQ-45 company stock index is included in the impact of COVID-19, where stock prices in the country have experienced a significant decline (Pawestri, 2021). The LQ-45 Index is a stock index of 45 companies listed on the Indonesia Stock Exchange (IDX) (Rahmawati & Hidayati, 2016). The LQ-45 company index is a combination of stocks with a large market capitalization and a high level of liquidity, because investors actively trade the shares, the LQ-45 index is very responsive to changes in information entering the market. The pattern of stock price movements in the LQ45 index aligns with the concept of an efficient market where stock prices reflect the available information. The primary purpose of the LQ-45 index is to provide a trustworthy and objective tool for interested parties in the capital markets, such as investors, investment managers, and financial analysts. This index facilitates the monitoring of price movements of stocks active in the capital market (Rahardian Saraswati et al., 2015). The difference between this study and the previous one is that this study focuses on the period during and after the COVID-19 pandemic, covering the period from 2020 to 2023. Focusing on the period during and after the Covid-19 pandemic allows the research to identify how the stock price movements of LQ-45 companies have changed in response to this global event, it can also help to understand how the day of the week effect phenomenon has changed during the Covid-19 pandemic period and to understand whether after the Covid-19 period the capital market will be the same as before the day of the week effect. In addition, the study also identifies differences in stock returns during and after the

pandemic, which can reflect whether investor behavior patterns change during times of crisis and economic recovery.

II. Literature Review and Hypothesis Development

Looking at price changes that occurred before cannot be used as a reference to estimate future price changes. If a change in the stock price occurs randomly, the stock price forecast cannot be based on past prices, but rather on all the new information for judgment. When new information about an asset enters the market, it is used to analyse and interpret its value. This can shift the price of the equilibrium. The price of the new equilibrium will hold until the following new information causes another shift to the new equilibrium. If the market responds with speed and precision to achieve an equilibrium price that fully provides the available information, then the market condition is efficient (Werastuti, 2012).

Fama (1970) categorizes information into three types. The first is market conditions, which describe the stock price situation and represent all the information in the previous stock price history. In these circumstances, investors cannot make profits beyond normal levels through trading strategies based on historical price information. This condition is referred to as weak-form market efficiency. The second condition is when the stock price reflects past price data, and all information is publicly available. This level is known as market efficiency in the form of half power. As a result, investors cannot make profits beyond the standard limit by utilizing public information. The last form, namely market efficiency in a strong form, describes a situation that shows that the stock price is not only information available to the public, but also information that can be obtained through the fundamental analysis of the company and economic conditions.

Every human has psychological factors that affect every decision taken, including the decision to invest. Emotions also play a role in investors' decision-making. Emotions are also part of human psychology, which often causes investor behavior to be irrational when making investment decisions. When these behaviors become irrational, the information received by investors is not always optimal, so the potential rate of return on investment in the future becomes less than optimal, and this emotional behavior can affect stock price movements and stock returns. The phenomenon of irrational investment decisions by investors has been described in the theory of behavioral finance, a field of study that observes how psychology can affect financial behavior. Behavioral finance also discusses various behaviors that arise during decision-making (Diah Rahma Putri et al., 2023).

Herding Behavior is a phenomenon in which individuals choose to follow others and imitate group behavior rather than making decisions independently. This is common in financial markets and reflects the natural human tendency to observe and imitate the behavior of others, especially in volatile market situations. Herding can benefit investors because they tend to follow the beliefs and opinions of other investors when making investment decisions. As a result, investors often restrain themselves and follow the flow of decisions others take (Agustina et al., 2022).

Market anomalies include methods and strategies contrary to efficient markets' principles. Three factors can cause anomalies in the capital market. First, imperfections in the market structure, because no market is truly perfect. Second, significant forces deviate from the behavior of traders and investors. Third, the reference theory of the capital market used by investors in their investment strategies is inappropriate and can cause errors or deviations in market assessment (Trisnadi et al., 2016). Market anomalies indicate elements that should not exist if the market is considered efficient. In other words, an event can be exploited to achieve abnormal results. In simple terms, an investor has the potential to get abnormal returns by relying on a particular event. This anomaly is not limited to one type of market efficiency. On the other hand, this anomaly is also found in other forms of market efficiency. Empirical evidence of market anomalies appears in all forms of market efficiency, although most are identified in semi-robust forms of efficiency. Testing for the presence of anomalies is usually carried out using the back-test method. Market anomalies can be helpful for investors in making investment decisions, but they need to be used carefully. Although empirical testing of market anomalies does not always guarantee consistent results, understanding and utilizing them wisely can increase the likelihood of success in investing (Werastuti, 2012).

The day of the week effect is included in one example of a seasonal anomaly that is included in the calendar effect. The presence of these calendar securities can hinder investors from achieving unusual profits. However, with this phenomenon, investors still have the potential to earn profits that go beyond the risks inherent in these securities (Iswadi & Hafni, 2018). The day of the week effect is the behavior of stocks during the trading week, where an assumption has developed that on Monday, returns tend to be lower compared to other days, while on Fridays, returns tend to increase and become the highest of the week. This anomaly causes a recurring pattern in stock return fluctuations (Sitamardawa, 2016).

COVID-19, at the time of its arrival in Indonesia, impacted the economy. The decline in sales, changes in consumer behavior, declining production levels, financial difficulties many companies face, and an increase in unemployment rates are evenly distributed worldwide. Changes in the business world and the global economy have been predicted to impact investment assets such as stocks. From an investment point of view, it is necessary to evaluate how the COVID-19 pandemic affects efficiency in the stock market (Darmayanti et al., 2021). COVID-19 has had an impact on several sectors, one of which is the economic sector. There are three economic impacts of the COVID-19 pandemic in Indonesia. First, there is a decline in household consumption and people's purchasing power. Second, uncertainty regarding the duration of the COVID-19 pandemic and when it will end. Finally, the weakening of the economy has led to a decline in commodity prices. The COVID-19 pandemic also caused a decline in stock prices due to the instability of the economic situation. Almost all sectors were affected by this pandemic, resulting in a weakening of the market. In addition, the government's rules for carrying out activities at home also put pressure on the market. This incident makes investors feel pessimistic about the potential significant impact of COVID-19 on the company's performance, which can lead to a decline in operational performance. The COVID-19 outbreak has dealt a devastating blow to various sectors of the economy, including the stock market. The COVID-19 pandemic has greatly impacted trading on the stock exchange, especially on stock returns (Gemala, 2022). In stock investment, an investor, of course, expects to get returns. Return is the result obtained from stock investment. Stock return is the profit obtained by investors who invest in the stock market. Shareholders certainly want high stock returns, with very high ones often referred to as abnormal ones (Tandiono & Esra, 2017). Stock returns can be calculated by the difference between the final and initial prices, divided by the initial price (Iswadi & Hafni, 2018). A stock price index is a marker that reflects changes in stock prices and serves as an indicator of market trends, describing the state of the market at a given time, showing whether the market is in a strong or weak state. To date, the Indonesia Stock Exchange (IDX) has several indices, including the Liquid 45 Index (ILQ-45). The LQ-45 Index is a collection of 45 stocks with a large market capitalization and a high level of liquidity, where investors actively trade these stocks (Sitamardawa, 2016).

The purpose of the LQ-45 index is to complement the JCI, especially in providing objective and reliable financial analysis tools for interested parties such as investors. Indonesia's capital market is still considered relatively illiquid, where some securities are not actively traded. JCI, which includes all stocks, is considered less suitable as a marker of activity in capital. Therefore, on February 24, 1997, an alternative index was introduced, namely the Liquid45 Index (ILQ-45). The index consists of 45 of the most actively traded stocks. The selection of ILQ-45 stocks is based on liquidity and market capitalization, with the first criterion covering the last 12 months, where the average stock transactions are included in the 60 most significant transactions in the regular market. The following criterion involves the average market capitalization in the top 60 in the regular market over the last 12 months. The last criterion is to be listed on the Indonesian Stock Exchange for at least 3 months. The LQ-45 index is updated every 6 months, more precisely in early February and August (Tandiono & Esra, 2017). Previous research conducted by Sitamardawa (2016) examined the effect of the day of the week on LQ-45 stock returns in February–July 2015. The independent variable used is the day of the week effect, while the dependent variable used is stock return. The results of the research show that the day of the week effect has a significant effect on the return of LQ-45 shares in the period of February – July 2015. Furthermore, Gustina's (2016) research examined the effect of the day of the week on the return of LQ-45 shares on the Indonesia Stock Exchange. The independent variable used is the day of the week effect, while the dependent variable used is stock return. The results of his research show that the day of the week effect affects the return of LQ45 shares on the Indonesia Stock Exchange.

Another study conducted by Fatimah and Widiastara (2019) examined the difference between the day of the week effect, week four effect, and Rogalsky effect on the return of LQ-45 shares on the IDX in 2016. The results of their research show that the day of the week effect causes a difference in the stock returns of LQ-45 companies. Another study was conducted by Rahardian Saraswati et al. (2015) to examine the influence of the day of the week effect, week four effect, and Rogalsky effect on LQ-45 stock returns for the 2013 period. Their study showed that the day of the week effect had an effect where the return on Monday differed from other days.

The subsequent research was conducted by Pawestri (2021), examining the market anomalies of the day of the week effect, Monday effect, weekend effect on LQ-45 stock returns in the February 2020-January 2021 period during Covid-19. The results of the study showed that there was no significant difference between Monday and Friday returns. Another research study was also conducted by Riyani et al. (2022). They examined the reaction of the Indonesian capital market to the phenomenon of market anomalies before and during Covid-19, and the results in the Covid-19 period did not show the day of the week effect phenomenon. The day of the week effect phenomenon is a stock behavior during a trading week, assuming that on Monday, the return will usually result in a lower return than on other days. On the other hand, returns tend to increase on Fridays. This phenomenon creates a recurring pattern of return changes (Sitamardawa, 2016).

Investor psychology factors trigger a significant impact on behavior in the capital market. Behavioral Finance theory says investor behavior is not always rational. Monday's decline in returns could occur as many investors evaluate existing information and planning strategies in trading involving new data coming into the market. Therefore, most investors tend to delay buying or selling stocks. If analyzed psychologically, many investors are less enthusiastic on Monday because of the beginning of the working week, which can affect their mood in stock trading activities. Meanwhile, in the days after Monday or close to the weekend, investors tend to plan and start implementing stock buying and selling strategies to make a profit. This causes an increase in the average stock return on other trading days, such as Tuesday, Wednesday, Thursday, and Friday (Trisnadi et al., 2016). Sari and Susilawati (2018) conducted their research from 2017 to 2018. In the period before the COVID-19 pandemic, it was found that the day of the week effect occurred; there was a significant difference in return on five days, especially on Monday, and the results were negative. Several studies also showed the same results. In contrast to research in the pre-COVID-19 period, research conducted by Kepakisan and Damayanthi (2021) during the COVID-19 pandemic did not find a difference in returns on each day, which means that there was no difference in stock returns due to the day of the week effect. Furthermore, the same research was conducted by Widodo (2024), who conducted research during the COVID-19 crisis. The research results also did not find a day-of-the-week effect pattern in LQ-45 companies on the Indonesia Stock Exchange. This happened due to widespread negative sentiment during the COVID-19 pandemic. This negative sentiment can affect business prospects and company performance, making investors worried. In addition, changes in investor behavior can also be a contributing factor to the non-occurrence of this phenomenon. During the pandemic, many investors became more cautious in making investment decisions. They avoid higher risks and prefer to defend their positions rather than make risky transactions. This can reduce market volatility and the likelihood of the day of the week effect usually seen in the stock market. Based on what is described above, the following hypotheses can be formed:

H1: There is a difference in stock returns due to the day of the week effect on LQ-45 company shares on the IDX post-COVID-19 period.

III. Research Method

The research design carried out in this study is a type of causal descriptive research with a quantitative research method. Causal descriptive is a method used to analyze quantitative data to test the research hypothesis. Causal descriptive analysis is a method that analyzes the influence of the relationship between independent and dependent variables (Aziza, 2023). The causal method was chosen because it is causal, as this study wants to identify the ability of the independent variable to affect the dependent variable, so that it

can draw the correct conclusion. In this study, the population used is companies consistently listed on LQ-45 stocks listed on the Indonesia Stock Exchange, as seen in Table 1. Purposive sampling is a sampling technique in this study, so the samples are obtained according to the specified criteria. The criteria used in the selection of the sample include:

Table 1. Sample Company Criteria

Criterion	Sum
Companies that are consistently listed on the LQ-45 in the 2020-2023 period	30
Number of observations (30 x 3 years)	90

This study uses secondary data from the time series method as historical data on daily stock closing prices. In this study, the data needed is the daily closing price on the trading day in 2020-2023 for each LQ-45 company obtained through the idx.com and finance.yahoo.com websites. Furthermore, the daily closing price of shares will be used to calculate stock returns. At the same time, other supporting data is obtained using literature study methods, scientific journals, and other sources related to this research. Stock return is a dependent variable used in this study. The formula for calculating stock returns is as follows (Sitamardawa, 2016):

$$R_{i,t} = \frac{P_{i,t} - P_{i,t-1}}{P_{i,t-1}}$$

Information:

- $R_{i,t}$ = Actual stock return
- P_i = Daily share price of securities i at time t
- $P_{i,t-1}$ = Daily share price of securities i at time $t-1$

Furthermore, the calculated returns are grouped into trading days for the entire company. A descriptive statistical test is used to calculate the average return. The independent variable in this study is the day of the week effect, which consists of Monday, Tuesday, Wednesday, Thursday, and Friday. In this test, the analysis method used if the data is normally distributed is the One-Way-ANOVA test. However, if the data is not distributed normally, the analysis method is a non-parametric test, namely the Kruskal-Wallis test.

The normality test is an important condition in the One-Way ANOVA test because it assumes that the data in each group are taken from a distribution that is close to normal. This means that the results of the One-Way ANOVA test would be more valid if the data in each group were distributed normally. Data was tested with the Kolmogorov-Smirnov because the data used was extensive. The basis for hypothesis decision-making for the Komogorov-Smirnov test is as follows (Ostertagova & Ostertag, 2013):

- If the Sig value > 0.05, then the data is normally distributed
- If the Sig value < 0.05,, the data is not normally distributed.

Table 2. Results of the Normality Test of the Period During COVID-19

Day	Kolmogorov-Smirnov		Sig
	Statistics	Df	
Monday	.111	2910	.000
Tuesday	.122	3000	.000
Wednesday	.116	2911	.000
Thursday	.098	3021	.000

Friday	.101	2709	.000
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Table 3. Results of the Normality Test for the Post-COVID-19 Period

Day	Kolmogorov-Smirnov		Sig
	Statistics	Df	
Monday	.107	2910	.000
Tuesday	.104	3000	.000
Wednesday	.098	2910	.000
Thursday	.101	3021	.000
Friday	.096	2709	.000

Based on the results of Kolmogorov-Smirnov in Tables 2 and 3 for all variables, the result is > 0.05 , which means that the data is not distributed normally, so it is not eligible for the One-Way ANOVA test. Because the data is not distributed normally, the Kruskal-Wallis analysis method tests the hypothesis. This non-parametric test tests for differences between three or more independent data groups. This is a non-parametric version of the One-Way ANOVA test. The decision-making of the Kruskal-Wallis test is as follows (Ostergova et al., 2014):

- If the value of Asymp.Sig > 0.05 , then there is no difference in stock return
- If the Sig Asymp.Sig value < 0.05 , then there is a difference in stock return

IV. Results and Discussion

4.1. Results

Table 4. Results of Descriptive Statistical Analysis of the Period During COVID-19

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Monday	3000	-0.35	0.55	5.81	0.0019	0.06961
Tuesday	3000	-0.34	0.46	5.26	0.0018	0.06618
Wednesday	2976	-0.32	0.48	5.37	0.0018	0.06581
Thursday	2976	-0.37	0.50	6.00	0.0020	0.06837
Friday	2760	-0.34	0.39	4.72	0.0017	0.06755

Table 5. Results of Descriptive Statistical Analysis of the Post-COVID-19 Period

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Monday	2910	-.32	.46	-1.30	-.0004	0.04506
Tuesday	3000	-.37	.26	-1.86	-.0006	0.04232
Wednesday	2910	-.43	.31	-1.06	-.0004	0.04396
Thursday	2820	-.49	.27	-1.39	-.0005	0.04625
Friday	2910	-.25	.40	-.50	-.0002	0.04440
Valid N (listwise)	2819					

The descriptive analysis results in Tables 4 and 5 show that the average stock return during and after COVID-19 consistently provides a relatively low return. This shows that the overall stock performance did not

significantly increase between the two periods. The results of the descriptive analysis in Tables 4 and 5 also show that the standard deviation of stock returns during and after COVID-19 is relatively high. A high deviation indicates significant volatility in the performance of the stock, which means that the performance of the stock can experience significant fluctuations over time. This indicates that at that time, there was significant uncertainty and changes in market conditions, which could be triggered by various factors such as economic, political, or health news that affected investor perceptions and company performance. From the results of the descriptive analysis, the lowest return occurred in the period after COVID-19, and the highest occurred during COVID-19. This indicates that during covid-19 investors who saw the price decline at that time as an opportunity to buy stocks at low prices and hoped to get an increase in the future and in the period after covid-19 stock returns were lower which indicates that at that time investors who saw significant volatility in the period during covid-19 were more cautious in investing.

Table 6. Results of the Kruskal-Wallis Test Period During COVID-19

	Return on Shares
Kruskal-Wallis H	0.802
Df	4
Asymp. Sig.	0.938

Based on the results of the Kruskal-Wallis test during the COVID-19 period, as seen in Table 6, the Asymp.Sig value was found to be 0.938. Since this is greater than 0.05, H01 is accepted. In other words, these results show no significant difference in stock returns on LQ-45 company shares on the Indonesia Stock Exchange during the COVID-19 period. This means that during COVID-19, the day or week effect did not influence stock returns.

Table 7. Results of the Kruskal-Wallis Test in the Post-COVID-19 Period

	Return on Shares
Kruskal-Wallis H	4.821
Df	4
Asymp. Sig.	0.306

In the period after Covid-19, as shown in Table 7, the Kruskal-Wallis analysis yielded an Asymp.Sig value of 0.306. Since this value is greater than the 0.05 limit, H2 is rejected. This means that there is no significant difference in stock returns in LQ-45 companies in the post-COVID-19 period. This also indicates that the day of the week did not affect stock returns in the post-COVID-19 period.

4.2. Discussion

During the COVID-19 pandemic, there was no difference in LQ-45 stock returns influenced by the day of the week effect. The COVID-19 pandemic created a situation where many investors have uniform market sentiment. The same concerns about the impact of the crisis on health and the economy have led investors to take similar actions in evaluating and responding to market information. This reduces the likelihood of significant differences in stock returns based on the day of the week. In addition, the company's performance was affected by declining revenue, stalled productivity, and other operational uncertainties due to the pandemic. Government policies such as business closures also affect market sentiment which makes investors' attention to the day of the week effect no longer the primary focus in investment decision-making, thus making investors more inclined to focus on corporate fundamentals and macroeconomic conditions, rather than paying attention to historical patterns such as the day of the week effect (Amri & Mufti, 2021). This aligns with the Rational Expectations theory, which states that investors have rational expectations based on available information and consider fundamental factors in making investment decisions (Du, 2019). In crises, investors tend to use the company's fundamental information and macroeconomic conditions to shape their

rational expectations, making anomalous patterns such as the Day of the Week effect less significant. The same is true of the research conducted by Fashilah (2021), where in the period during Covid-19, there was no significant difference in stock returns due to the day of the week effect. After the Covid-19 pandemic, there was no difference in LQ-45 stock returns influenced by the day of the week effect. This indicates that after the crisis period, investors tend to be more cautious in making investment decisions because when they observe stock returns during the Covid-19 period, they are afraid to make investment decisions and focus more on the company's fundamentals, by the Flight to Quality theory which states that in situations of uncertainty or crisis, investors tend to switch to assets that are considered safer or of higher quality. So, after the experience of the COVID-19 pandemic, investors may be more likely to choose investments that are considered safer (Papadamou et al., 2021). Ultimately, investors tend to choose investments that are considered safer or of higher quality. After the pandemic experience, Covid-19 can also affect herding behavior or market participation (Diah Rahma Putri et al., 2023). When investors see that many others shift their investments to assets considered safer or higher quality, they may feel more comfortable and secure to go with the flow. This herding behavior can arise because investors assume that the number of others doing the same shows that the action is rational and reliable in the face of uncertainty or crisis.

V. Conclusion

The purpose of this study is to determine whether there is a difference in stock returns due to the day of the week effect in LQ-45 companies listed on the Indonesia Stock Exchange during the Covid-19 pandemic and the period after the Covid-19 pandemic. In order to answer the purpose of the research, this study uses a type of causal descriptive research with a quantitative method. The methods used include descriptive statistical analysis and the Kruskal-Wallis test. From the results obtained, the following conclusions can be drawn. During the COVID-19 pandemic, there was no significant difference in the return on shares of LQ-45 companies caused by the day of the week effect. The results of the Kruskal-Wallis test showed an Asymp. Sig value of 0.938, which is greater than 0.05, indicates no significant difference in stock returns between days of the week during the COVID-19 pandemic. In the period after the COVID-19 pandemic, the study's results also showed no significant difference in the stock returns of LQ-45 companies caused by the day of the week effect. The Kruskal-Wallis test yielded an Asymp. Sig value of 0.306, which is greater than 0.05, indicating no significant difference in stock returns between days of the week during the post-COVID-19 pandemic period. Based on the results, it can be concluded that during the period between Covid-19 and after Covid-19, the day of the week effect does not significantly influence the return of LQ-45 company shares on the Indonesia Stock Exchange.

The following are the suggestions based on the research results and existing conclusions. Researchers must conduct further research using other market anomaly variables that have been proven to affect stock returns, such as the January Effect, Week Four Effect, and Rogalsky Effect. Further research may cover more extended periods or use data from other stock indices to see consistency in results. For academics, the results of this research can be used as a reference in teaching capital market theories and phenomena, especially related to the day of the week effect. Academics can expand the scope of material related to market anomalies and factors that affect stock returns. Investors do not need to consider the day of the week effect too much when making investment decisions in LQ-45 company stocks because, in crises, the day of the week effect may not be relevant. Investors are advised to consider other relevant factors in determining investment strategies, such as the company's fundamental analysis, economic conditions, and government policies. This study contributes to understanding the day of the week effect phenomenon in the Indonesian capital market, especially in LQ-45 company stocks. Although no significant influence was found, these results could be the basis for further research and developing more effective investment strategies.

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