



Integration of China's Capital Markets on Global Capital Markets Before and During the First Case of Covid 19 (SSEC, NYSE, JCI, AXJO).

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ABSTRACT

The world is currently being shaken by a great pandemic, namely Covid 19 (Corona Virus Disease). The increase from day to day in the number of patients infected with the COVID-19 virus is difficult to control and a clear and straightforward plan is needed from the government to tackle this problem. The first case of covid 19 appeared in Wuhan, China at the end of 2019. This study aims to see the degree of closeness of the relationship between the Chinese, American, Indonesian and Australian capital markets before and during the First Case of Covid 19. The analytical technique used is correlation with the Pearson approach. product moments. Where the population used is 90 days before the case and 90 days when the first case of covid 19 occurs.

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Introduction

Today the world is being shaken by a great pandemic, namely Covid 19 (Corona Virus Disease). The increase from day to day in the number of patients infected with the COVID-19 virus is difficult to

control and a clear and straightforward plan is needed from the government to tackle this problem. The first case of covid 19 appeared in Wuhan, China at the end of 2019. The spread of this virus pandemic was so fast from human to human, from one country to another that it spread throughout the world including Indonesia. Efforts made by the government to prevent the spread of the COVID-19 outbreak include physical distancing, wearing masks, closing schools, working from home and so on. Due to the rapid spread of the COVID-19 outbreak. Companies that need funds can sell their securities in the capital market. The new securities issued by the company are sold in the primary market. Furthermore, the outstanding securities are traded in the secondary market (secondary market). Basically, the capital market is a place where various long-term financial instruments are traded, such as debt, equity (shares), derivative instruments, and other instruments (Darmadji and Fakhruddin, 2011). According to Tandelilin (2010) the capital market is a meeting between parties who have excess funds and those who need funds by trading securities which generally have a lifespan of more than one year, such as stocks and bonds, while the place where the sale and purchase of securities occurs is called the stock exchange.

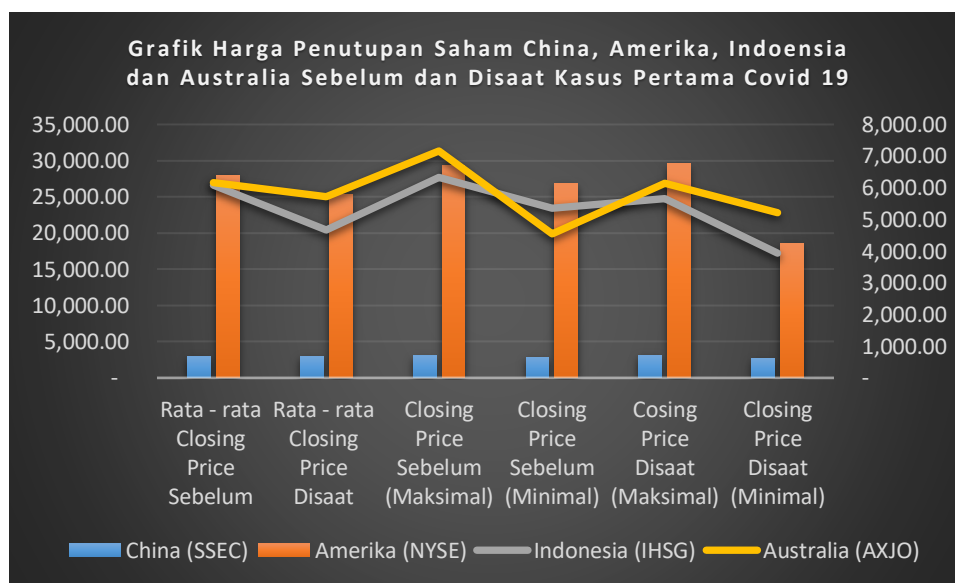


Figure 1. Stock Closing Price Chart

Source: Data Processed by Researchers 2021

Overall, the stock price (closing price) both in terms of average, highest and lowest prices that existed before and during the first cases of covid 19 that occurred in China, America, Indonesia and Australia tended to fluctuate from day to day due to the presence of also internal and external factors that occur in each country including the covid 19 pandemic. The first case of covid 19 occurred in China on November 17, 2019 this information was obtained from the South China Morning Post. In America, the first case of covid 19 occurred on January 21, 2020, it was announced through Liptan 6.com Jakarta. In Indonesia, the first case of covid 19 occurred on March 2, 2020, informed by Kompas.

Literature review

Information Market Efficiency

According to Fama (1970), there are three forms of market efficiency:

1. Weak form efficiency. Prices fully reflect past information.
2. Semi strong form efficiency. Prices fully reflect public information.

3. Strong form efficiency (strong form efficiency). Prices fully reflect public and private information.

Event Studies

Event studies is a study to examine the impact of information announcements on stock prices. The test is carried out by detecting whether there is a significant abnormal return that can be obtained by investors on the days before and after the announcement of an event.

Capital market

According to Law No. 21 of 2011 the capital market is an activity related to public offerings and securities trading. Public companies related to the securities they issue, as well as institutions and professions related to securities.

Capital Market Integration

Capital market integration is a situation where stock prices in various capital markets in the world have an influence because of the closely correlated relationship between a capital market and other capital markets in the world, so that capital markets in the world can reach an international price (international pricing) on their shares and provide unrestricted access or any barriers to investors around the world to own them.

SSEC Composite Index

The SSE Composite Index is a stock market index of all stocks (A shares and B shares) traded on the Shanghai Stock Exchange in the People's Republic of China. The index was developed with a base value of 100 on December 19, 1990. The index was launched on July 15, 1991. The Shangjai Stock Exchange is a stock exchange based in the city of Shanghai, China. It is one of two stock exchanges operating independently in mainland China the other being the Shenzhen stock exchange. The Shanghai Stock Exchange is the 4th largest stock market in the world by market capitalization with a value of US\$ 4.0 trillion as of November 2018.

Dow Jones Industrial Average

The Dow Jones Industrial Average (DJIA) is a stock market index founded by the editor of the wall street journal and founder of Dow Jones and Company Charles Dow. Dow created this index as a way to measure the performance of industrial components in the US stock market. Currently the DJIA is the oldest running US market index. Today the stock exchange comprises 30 of the largest companies in the United States that have been widely publicly traded. To compensate for the effects of stock splits and other adjustments, we currently use a weighted average instead of the actual average of the component stock prices.

Composite Stock Price Index

The Composite Stock Price Index is an index that measures the price performance of all stocks listed on the main board and development board of the Indonesia Stock Exchange. JCI is one of the stock markets used by the Indonesia Stock Exchange and was first introduced on April 1, 1983 as an indicator of stock price movements on the JSE. This index includes the price movements of all common shares and preferred shares listed on the IDX. The base day for calculating the JCI was August 10, 1982, on that date the index was set with a base value of 100 and the number of listed shares at that time was 13 shares.

ASX Index 200

The Australian Stock Exchange or better known as the Australian Securities Exchange (ASX) is the

main stock exchange in Australia. ASX started as a private exchange which was founded in early 1861. Trading on ASX is done entirely with an electronic trading system. The Australian Stock Exchange (ASX) is the result of a merger between the Australian Stock Exchange and the Sydney Futures Exchange and the name of the company resulting from the merger is Australian Securities Exchange (ASX) since 5 December 2006.

Signaling Theory

Signaling theory is information about the company which is a signal for investors, in making investment decisions. Signals can be in the form of financial or non-financial information stating that the company is better than other companies. According to Megginson (1997), the purpose of signal theory is to increase the value of a company when selling shares.

Previous Research

Candra, Mangantar and Maramis (2018) in their research on Integration of the British Capital Market to the French and Indonesian Capital Markets (LQ 45) Before and After the Brexit Issue. The results showed that prior to the issue of the British capital market Brexit, the French capital market had a very strong and significant relationship. For the British capital market to the Indonesian capital market (LQ 45), there is a moderate and significant relationship. Meanwhile, the French capital market to the Indonesian capital market (LQ 45) has a low and significant relationship. The results of the research after the Brexit issue show that the British capital market and the French capital market and the British capital market with the Indonesian capital market (LQ 45) and the French capital market with Indonesia (LQ 45) have a very strong and significant relationship. Shows that the capital market relationship between these countries is very strong. It is recommended to pay attention to the stock price index and also the issues that exist in the country.

Puspitasari, Siregar and Andati (2015) in the ASEAN 5 Stock Exchange Integration Analysis research. The results of this study indicate that there is a cointegration relationship between ASEAN 5 stock exchanges during the study period which reflects that stock exchanges in ASEAN 5 countries are integrated. The Indonesian stock market is influenced by the stock exchanges of Thailand and Singapore in the long run. World oil prices are significantly affected by the JCI in the short term.

Prayogo, Harijono and Robiyanto (2019) in their research on Capital Market Integration Test and Contagion Effect Before and After Brexit in the ASEAN Capital Market. The result of this study is that the Brexit event can change the segmented ASEAN-5 region to become more integrated. It was also found that the Singapore capital market was the capital market that received the contagion effect of the British capital market before and after Brexit. Meanwhile, the capital markets of Indonesia, Malaysia, the Philippines and Thailand only received the effects of contagion between regions, except that the capital markets of the Philippines after Brexit did not receive the effects of contagion from all countries.

Walewangko, Saerang and Maramis (2018) in their research on the Analysis of Stock Integration of the Indonesia Stock Exchange and Several ASEAN State Securities Foams for the January 2016 – June 2017 period. The results of this study are based on price, there is a significant relationship between the Indonesian capital market and Singapore, Malaysia, Thailand, and the Philippines for the period January 2016 – June 2018. Based on the number of trades (volume) there is no significant relationship between the Indonesian capital market and Singapore, Malaysia, Thailand and the Philippines for the period January 2016 – June 2018. Every investor who will invest in the Stock Exchange Indonesia (IDX) is expected to first analyze the movement of each existing stock index, as well as see the economic conditions that occur in several ASEAN countries that are considered to affect the Indonesian economy.

Suganda and Anneeth (2018) in the ASEAN-5 Capital Market Integration Research Post-Donald Trump Election. The results of the analysis of the VECM model and Granger causality test found the integration and contagion effect of capital markets in ASEAN-5 countries. The Granger Causality test shows that the Philippines has a contagion effect from other ASEAN-5 countries after the election of Donald Trump as the 45th president of the United States. In addition, a two-way causal relationship was also found between Singapore and Thailand which showed that the two countries had a contagion effect

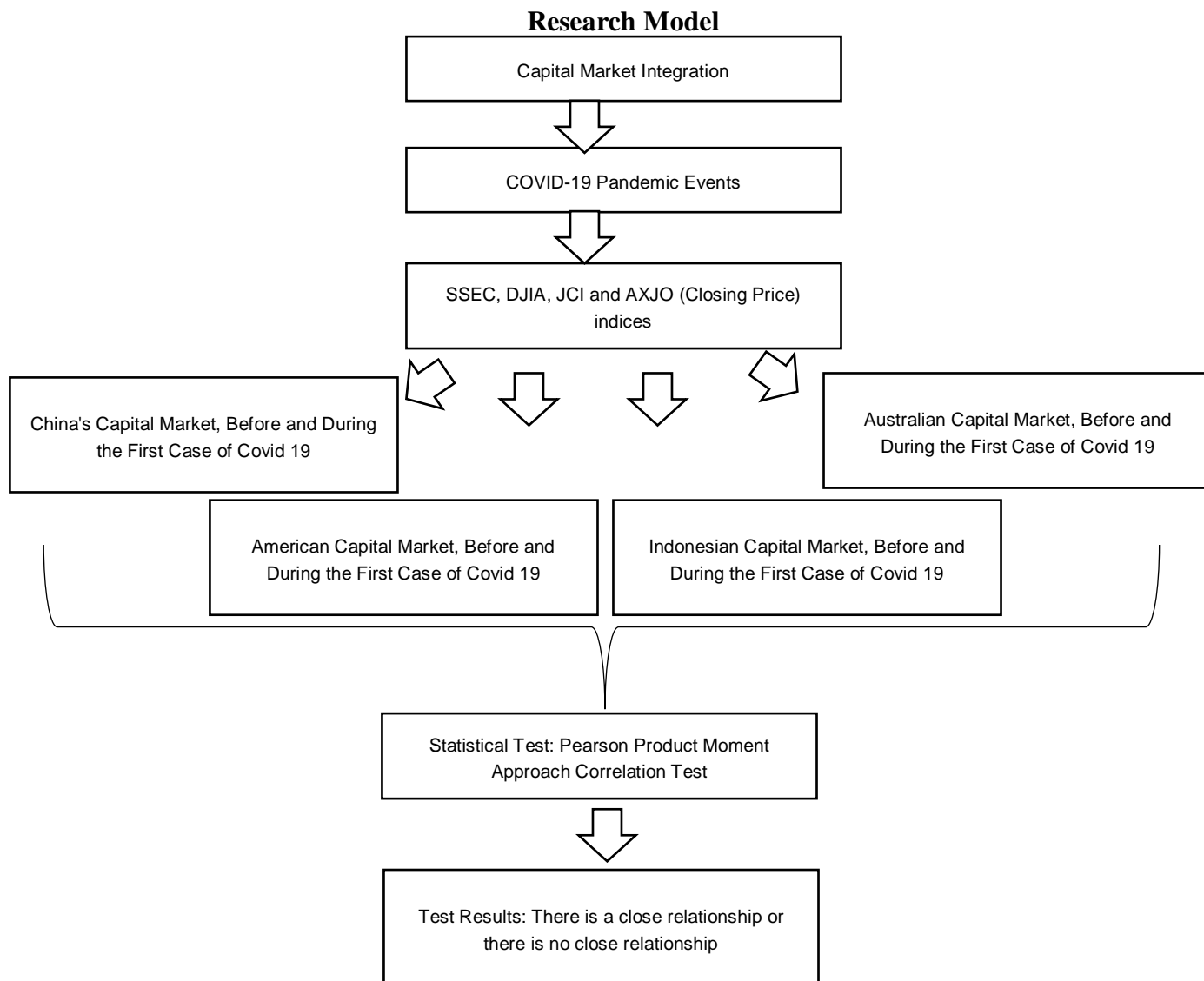


Figure 2. Research Model

Source: Data Processed by Researchers 2021

Research Hypothesis

It is suspected that there is a degree of close relationship between the Chinese capital market, the SSEC index and the American capital market, the DJIA index before and during the first case of Covid 19.

It is suspected that there is a degree of close relationship between the Chinese capital market, the SSEC index and the Indonesian stock market JCI before and during the first case of Covid 19.

It is suspected that there is a degree of close relationship between the DJIA American capital market and the Indonesian stock market JCI before and during the first case of Covid 19.

It is suspected that there is a degree of close relationship between the Chinese capital market, the SSEC index and the Australian capital market, the AXJO index, before and during the first case of Covid 19.

It is suspected that there is a degree of closeness of the relationship between the IHSG Indonesia capital market and the Australian capital market AXJO index before and during the first case of Covid 19.

Research methods

Types of research

According to the level of explanation or the level of explanation, this research is categorized as associative research. Associative research is research that aims to determine the relationship between two or more variables (Sugiyono, 2016). In this study, the dependent variable is the United States' DJIA index, Indonesia's JCI and Australia's ASX 200, while the independent variable is China's SSEC index.

The research approach is a study of an event (event study). Event Study is a study to examine the impact of information announcements on stock prices. The test is carried out by detecting whether there is a significant degree of close relationship that can be obtained by investors and the capital market on the days before and after the announcement or the occurrence of an event.

Method of collecting data

Sources of data used by researchers in this study is secondary data. Secondary data is data that is indirectly given to data collectors, namely the company's published financial statements and also those that meet the criteria for the research sample. The data collection technique used by researchers in this study is the documentation method, namely by reading data, observing data, recording data and studying descriptions of books, journals, financial statements of companies listed on the stock exchange and downloading data and information from the Stock Exchange site. China, American Stock Exchange, Indonesia Stock Exchange and Australian Stock Exchange.

Estimated Period and Window Period

The estimation period is generally the period before the event period. The event period is also known as the observation period or event window. The estimation period and window period are generally described as follows:

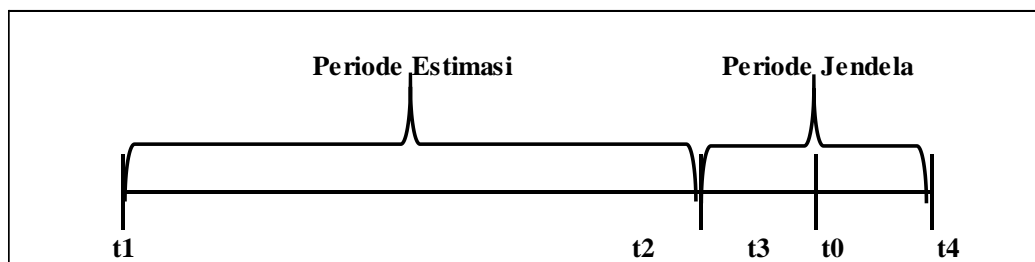


Figure 3. Estimation Period and Window Period

The figure above can be explained as follows: t1 to t2 is the estimation period, t3 to t4 is the window period and t0 is the time of the event. The length of this window also varies. The length of the commonly used window ranges from 3 days to 121 days for daily data and 3 months to 121 months for monthly data.

Population and Sample

In this study, the population was 90 days before the first case of the COVID-19 pandemic and 90 days when the first case of the COVID-19 pandemic occurred with data on closing price reports on the China Stock Exchange, the American Stock Exchange, the Indonesia Stock Exchange and the Australian Stock Exchange. . This is done as an observation period because with this time span it is hoped that there will be a sufficient number of research samples and can be generalized.

The sampling technique used by researchers in this study is Non Probability Sampling. Non-probability sampling is a sampling technique that does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample. One of these sampling techniques is purposive sampling. The researcher uses a purposive sampling technique or approach, which is a sampling technique with certain considerations. Thus the number of samples obtained is 58 days before the first case of covid 19 and 58 days when the first case of covid 19.

Data analysis technique

Associative hypothesis testing (relationship) was tested by correlation technique. There are various correlation techniques, namely Pearson Product Moment correlation (r), ratio correlation (η), spearman rank correlation (ρ), biserial correlation (r_b), Biserial point correlation (ϕ), tetrachoric correlation (r_t), continence correlation (C), and Kendall's Tau correlation (T), multiple correlation, partial correlation. When each of these correlation techniques is used depends on the type of data being correlated and the number of variables to be correlated.

The first data analysis technique in this study is the correlation technique with the Pearson product moment approach.

Where the Pearson product moment correlation formula is as follows:

$$r_{xy} = \frac{\sum xy}{\sqrt{(\sum x^2)(\sum y^2)}}$$

$$r_{xy} = \frac{n \sum X_i Y_i - (\sum X_i)(\sum Y_i)}{\sqrt{\{n \sum X_i^2 - (\sum X_i)^2\} \{n \sum Y_i^2 - (\sum Y_i)^2\}}}$$

Where:

- r = total grain correlation coefficient
- X = number of item scores
- Y = total score
- X^2 = sum of squared item scores
- Y^2 = sum total score squared
- N = number of respondents

The guide table to provide interpretation of the correlation coefficient is as follows:

Coefficient Interval	Relationship Level
0.00 – 0.199	Very low
0.20 – 0.399	Low
0.40 – 0.599	Currently
0.60 – 0.799	Strong
0.80 – 1,000	Very strong

Source: Research Methodology Book (Sugiyono, 2016)

Variable Operational Definition

1. The closing price is the price that appears when the exchange is closed. The closing price of the exchange is very important because it becomes a reference for the opening price of the next day. The closing price is usually used to predict prices in the next period.
2. China SSE Index is the daily closing price listed on the China Stock Exchange
3. The American NYSE Index is the daily closing price listed on the American Stock Exchange
4. The Indonesian Composite Stock Price Index (JCI) is the daily closing price listed on the Indonesia Stock Exchange (Jogiyanto, 2010).

$$IHS = \frac{\text{Market value}_t}{\text{Basic Value}} \times 100$$

Information

JCI t = composite stock price index day t

Market value = average weighted market value (number of shares listed on the exchange multiplied by the market price per share) of common shares and preferred shares on day t.

Basic Value = equal to market value but starting on August 10, 1982.

Thus, the JCI for August 10, 1982 is worth 100 (this value is the basic index. The basic value of the JCI is always adjusted for events such as IPOs, rights issues, partial company listings, conversions of warrants and convertible bonds and delisting (resignation from listing, for example) due to bankruptcy).

The ASX 200 Index is the daily closing price listed on the Australian Stock Exchange.

Research Results and Discussion

Research result

Data Normality Test

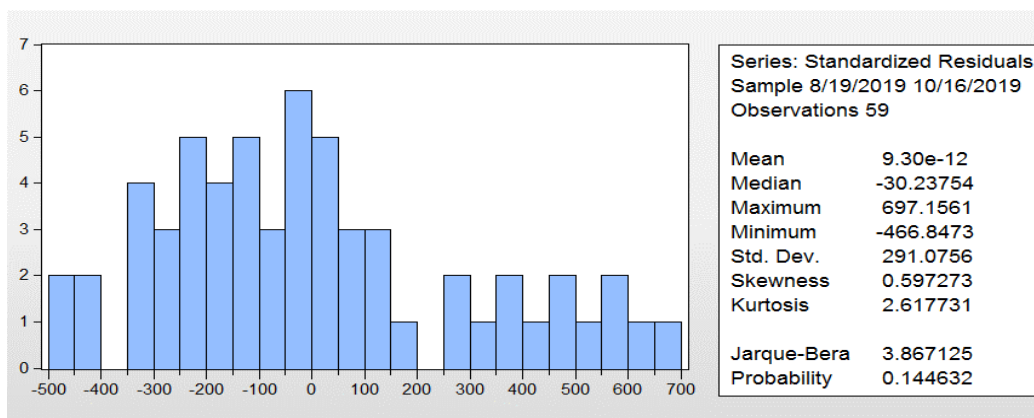


Figure 4. Data Normality Test Results Before the First Case of Covid 19

Source: Data Processed by Researchers 2021

The data normality test is used to determine whether the data used in a study is normally distributed or not. By making a null hypothesis (H_0) for data that is normally distributed and an alternative hypothesis (H_a) for data that is not normally distributed. In testing research data, there are several data analysis techniques that can be used by researchers to find out whether the data used in the study is said to be normally distributed or not.

The results of the normality test before the first case of covid 19 in this study used the Jarque-Bera Test, that is, if the probability or significance value is greater than 0.05, it means that the data is normally distributed. Based on the results of testing the normality of the data in table 5.3 above, it can be concluded that the probability value of 0.144632 is greater than 0.05 so that the data used in this study is normally distributed. It can be concluded that H_0 is accepted and H_a is rejected.

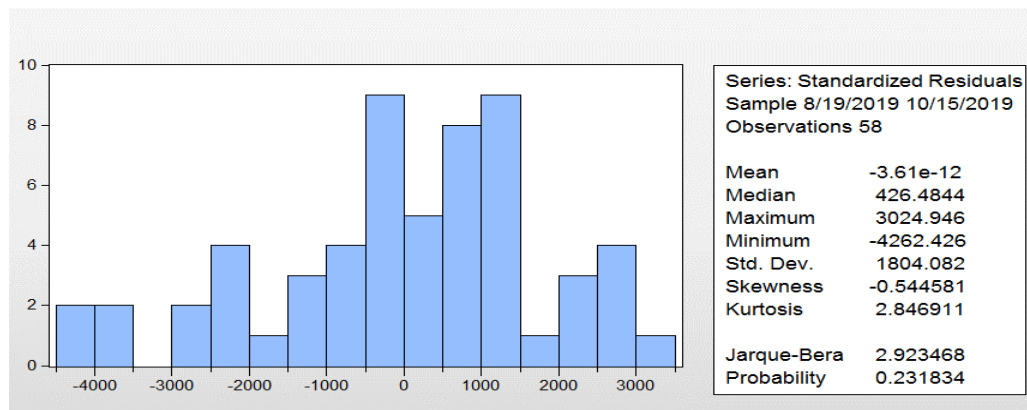


Figure 5. Data Normality Test Results When the First Case of Covid 19
Source: Data Processed by Researchers 2021

The data normality test is used to determine whether the data used in a study is normally distributed or not. By making a null hypothesis (H_0) for data that is normally distributed and an alternative hypothesis (H_a) for data that is not normally distributed.

The results of the second normality test when the first case of covid 19 in this study used the Jarque-Bera Test, that is, if the probability or significance value is greater than 0.05, it means the data is normally distributed. Based on the results of testing the normality of the data in table 5.4 above, it can be concluded that the probability value of 0.231834 is greater than 0.05 so that the data used in this study is normally distributed. So it can be concluded that H_0 is accepted and H_a is rejected.

Discussion

Based on the search results, it shows that the Chinese capital market (SSEC Index) and the American capital market (DJIA Index) before the first case of covid 19 scored 0.399 so it can be concluded that the level of closeness of the relationship between the Chinese capital market variables (SSEC index) and the American capital market (DJIA Index) before the first case of covid 19. Based on the search results, it can be concluded that the Chinese capital market (SSEC Index) and the American capital market (DJIA Index) when the first case of covid 19 obtained a value of 0.304 so it can be concluded that the level of close relationship owned is low between the Chinese capital market variable (SSEC index) and the American capital market (DJIA Index) when the first case of covid 19.

Based on the search results, it shows that the Chinese capital market (SSEC Index) and the Indonesian capital market (IHSG) before the first case of covid 19 obtained a value of 0.132 so it can be concluded that the level of closeness of the relationship is very low between the Chinese capital market variable (SSEC index) and Indonesian capital market (JCI) before the first case of covid 19. Based on the search

results, it can be concluded that the Chinese capital market (SSEC Index) with the Indonesian capital market (IHSG) when the first case of covid 19 obtained a value of 0.813 so it can be concluded that the level of close relationship they have is There is a very strong relationship between the Chinese capital market variable (SSEC index) and the Indonesian capital market (JCI) when the first case of covid 19.

Based on the search results, it shows that the American capital market (DJIA Index) and the Indonesian capital market (JCI) before the first case of covid 19 scored 0.260 so it can be concluded that the level of closeness of the relationship between the American capital market variables (DJIA index) and the market is low. Indonesian capital market (IHSG) before the first case of covid 19. Based on the results of the search, it shows that the American capital market (DJIA Index) and the Indonesian capital market (IHSG) when the first case of covid 19 obtained a value of 0.956 so it can be concluded that the level of closeness of the relationship they have is very high. There is a strong relationship between the American capital market variable (DJIA index) and the Indonesian capital market (IHSG) during the first case of COVID-19.

Based on the search results, it shows that the Chinese capital market (SSEC Index) against the Australian capital market (AXJO index) before the first case of covid 19 obtained a value of 0.457 so it can be concluded that the level of closeness of the relationship is moderate between the Chinese capital market variable (SSEC index) and Australian capital market (AXJO index) before the first case of covid 19. Based on the search results, it can be concluded that the Chinese capital market (SSEC Index) against the Australian capital market (AXJO index) when the first case of covid 19 obtained a value of 0.095 so it can be concluded that the level of close relationship between owned is very low between the Chinese capital market variable (SSEC index) and the Australian capital market (AXJO index) when the first case of covid 19.

Based on the search results, it shows that the Indonesian capital market (IHSG) against the Australian capital market (AXJO index) before the first case of covid 19 obtained a value of 0.118 so it can be concluded that the level of closeness of the relationship between the Indonesian capital market variables (IHSG) and the market is very low. Australian capital market (AXJO index) before the first case of covid 19. Based on the search results showed that the Indonesian capital market (IHSG) against the Australian capital market (AXJO Index) when the first case of covid 19 obtained a value of 0.874 so it can be concluded that the level of closeness of the relationship is There is a very strong relationship between the Indonesian capital market variable (IHSG) and the Australian capital market (AXJO index) when the first case of covid 19.

Summary of Research Results Before and During the First Case of Covid 19

Before Case	Coefficient Interval	Relationship Level
SSEC with DJIA	0.399	Low and Significant
SSEC with JCI	0.132	Very Low and Not Significant
DJIA with JCI	0.260	Low and Significant
SSEC with AXJO	0.457	Moderate and Significant
JCI with AXJO	0.118	Very Low and Not Significant
When Case	Coefficient Interval	Relationship Level
SSEC with DJIA	0.304	Low and Significant
SSEC with JCI	0.813	Very Strong and Significant
DJIA with JCI	0.956	Very Strong and Significant
SSEC with AXJO	0.095	Very Low and Not Significant
JCI with AXJO	0.874	Very Strong and Significant

Source: Research Results 2021

Conclusion

1. The Chinese capital market (SSEC Index) with the American capital market (DJIA Index) before the first case of covid 19 scored 0.399 so it can be concluded that the level of closeness of the relationship is low between the Chinese capital market variable (SSEC index) and the American capital market (DJIA index) before the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) with the American capital market (DJIA index) had a probability value of 0.0019, it was proven that the value was less than 0.05. It is proven that the Chinese capital market (SSEC index) has a low and significant relationship with the American capital market (DJIA index) before the first case of covid 19. value of 0.304 so that it can be concluded that the level of closeness of the relationship is low between the Chinese capital market variable (SSEC index) and the American capital market (DJIA Index) during the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) and the American capital market (DJIA index) the probability value is 0.0239, it is proven that the value is less than 0.05. It is evident that the Chinese capital market (SSEC index) has a low and significant relationship with the American capital market (DJIA index) when the first case of COVID-19 was reported. It is found that the Chinese capital market variable (SSEC index) with the American capital market (DJIA index) has a probability value of 0.0239, it is proven that the value is smaller than 0.05. It is evident that the Chinese capital market (SSEC index) has a low and significant relationship with the American capital market (DJIA index) when the first case of COVID-19 was reported. It is found that the Chinese capital market variable (SSEC index) with the American capital market (DJIA index) has a probability value of 0.0239, it is proven that the value is smaller than 0.05. It is evident that the Chinese capital market (SSEC index) has a low and significant relationship with the American capital market (DJIA index) when the first case of COVID-19 was reported.

2. The Chinese capital market (SSEC Index) with the Indonesian capital market (JCI) before the first case of covid 19 scored 0.132 so it can be concluded that the level of closeness of the relationship between the Chinese capital market variables (SSEC index) and the Indonesian capital market is very low. (JCI) before the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) with the Indonesian capital market (CSPI) had a probability value of 0.3167, this is evident that the value is greater than 0.05. It is proven that the Chinese capital market (SSEC index) has a very low and insignificant relationship with the Indonesian capital market (JCI) before the first case of covid 19. The Chinese capital market (SSEC Index) with the Indonesian capital market (JCI) when the first case of covid 19 obtained value of 0.813 so it can be concluded that the level of closeness of the relationship is very strong between the Chinese capital market variable (SSEC index) and the Indonesian capital market (CSPI) during the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) and the Indonesian capital market (JCI) has a probability value of 0.0000, it is proven that the value is less than 0.05. It is evident that the Chinese capital market (SSEC index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19. It was found that the Chinese capital market variable (SSEC index) with the Indonesian capital market (IHSG) had a probability value of 0.0000, it was proven that the value was less than 0.05. It is evident that the Chinese capital market (SSEC index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19. It was found that the Chinese capital market variable (SSEC index) with the Indonesian capital market (IHSG) had a probability value of 0.0000, it was proven that the value was less than 0.05. It is evident that the Chinese capital market (SSEC index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19.

3. The American capital market (DJIA Index) and the Indonesian capital market (IHSG) before the first case of covid 19 scored 0.260 so it can be concluded that the level of closeness of the relationship is low

between the American capital market variable (the DJIA index) and the Indonesian capital market (JCI) before the first case of covid 19. It was found that the American capital market variable (DJIA index) with the Indonesian capital market (IHSG) had a probability value of 0.0448, it was proven that the value was smaller than 0.05. It is proven that the American capital market (DJIA index) has a low and significant relationship with the Indonesian capital market (IHSG) before the first case of covid 19. The American capital market (DJIA index) with the Indonesian capital market (JCI) when the first case of covid 19 obtained a value of 0, 956 so it can be concluded that the level of closeness of the relationship that is owned is very strong between the American capital market variable (DJIA index) and the Indonesian capital market (IHSG) during the first case of covid 19. It was found that the American capital market variable (DJIA index) and the Indonesian capital market (JCI) has a probability value of 0.0000, it is proven that the value is less than 0.05. It is proven that the American capital market (DJIA index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19. It was found that the American capital market variable (DJIA index) with the Indonesian capital market (IHSG) had a probability value of 0.0000, this is evident that the value is less than 0.05. It is proven that the American capital market (DJIA index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19. It was found that the American capital market variable (DJIA index) with the Indonesian capital market (IHSG) had a probability value of 0.0000, this is evident that the value is less than 0.05. It is proven that the American capital market (DJIA index) has a very strong and significant relationship with the Indonesian capital market (JCI) during the first case of COVID-19.

4. The Chinese capital market (SSEC Index) to the Australian capital market (AXJO index) before the first case of covid 19 scored a value of 0.457 so it can be concluded that the level of closeness of the relationship is moderate between the Chinese capital market variable (SSEC index) and the Australian capital market (AXJO index) before the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) with the Australian capital market (AXJO index) had a probability value of 0.0003, this is evident that the value is less than 0.05. It is evident that the Chinese capital market (SSEC index) has a moderate and significant relationship with the Australian capital market (AXJO Index) before the first case of covid 19. The Chinese capital market (SSEC index) to the Australian capital market (AXJO index) when the first case of covid 19 obtained value of 0, 095 so it can be concluded that the level of closeness of the relationship is very low between the Chinese capital market variable (SSEC index) and the Australian capital market (AXJO index) during the first case of covid 19. It was found that the Chinese capital market variable (SSEC index) and the Australian capital market (AXJO index) the probability value is 0.4844, it is proven that the value is greater than 0.05. It is evident that the Chinese capital market (SSEC index) has a very low and insignificant relationship with the Australian capital market (AXJO Index) when the first case of covid 19 was detected. It was found that the Chinese capital market variable (SSEC index) with the Australian capital market (AXJO index) had a probability value of 0.4844, this is proven that the value is greater than 0.05. It is evident that the Chinese capital market (SSEC index) has a very low and insignificant relationship with the Australian capital market (AXJO Index) when the first case of covid 19 was detected. It was found that the Chinese capital market variable (SSEC index) with the Australian capital market (AXJO index) had a probability value of 0.4844, this is proven that the value is greater than 0.05. It is evident that the Chinese capital market (SSEC index) has a very low and insignificant relationship with the Australian capital market (AXJO Index) when the first case of covid 19 was detected.

5. The Indonesian capital market (IHSG) against the Australian capital market (AXJO index) before the first case of covid 19 scored 0.118 so it can be concluded that the level of closeness of the relationship is very low between the Indonesian capital market variable (IHSG) and the Australian capital market (

AXJO index) before the first case of covid 19. It was found that the Indonesian capital market variable (IHSG) with the Australian capital market (AXJO index) had a probability value of 0.3658, it was proven that the value was greater than 0.05. It is proven that the Indonesian capital market (JCI) has a very low and insignificant relationship with the Australian capital market (AXJO index) before the first case of covid 19. value of 0, 874 so it can be concluded that the level of closeness of the relationship is very strong between the Indonesian capital market variable (CSPI) and the Australian capital market (AXJO index) during the first case of covid 19. It was found that the Indonesian capital market variable (CSPI) and the Australian capital market (index) AXJO) the probability value is 0.0000, it is proven that the value is less than 0.05. It is evident that the Indonesian capital market (JCI) has a very strong and significant relationship with the Australian capital market (AXJO index) during the first case of COVID-19. It was found that the Indonesian capital market (JCI) variable with the Australian capital market (AXJO index) had a probability value of 0.0000, this is evident that the value is less than 0.05. It is evident that the Indonesian capital market (JCI) has a very strong and significant relationship with the Australian capital market (AXJO index) during the first case of COVID-19. It was found that the Indonesian capital market (JCI) variable with the Australian capital market (AXJO index) had a probability value of 0.0000, this is evident that the value is less than 0.05. It is evident that the Indonesian capital market (JCI) has a very strong and significant relationship with the Australian capital market (AXJO index) during the first case of COVID-19.

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