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THE PHENOMENON OF TURN OF THE MONTH EFFECT ON INDONESIAN, JAPANESE AND AMERICAN STOCK EXCHANGES BEFORE, DURING AND AFTER THE COVID-19 PANDEMIC

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ABSTRACT

The quality of the capital market can be determined by the concept of an efficient capital market. However, there are many deviations from the efficient capital market, one form of which is the Turn Of The Month Effect market anomaly. This phenomenon illustrates a higher rate of return at the beginning of the month than at the end of the month. This study aims to understand how the Turn Of The Month Effect event affects the Indonesian (LQ45), Japanese (Nikkei), and American (Dow Jones Industrial Average) stock indices during the Covid-19 pandemic period from 2019-2021. As well as to find out the difference in the rate of stock return on the IDX (LQ45) between the beginning of the month and the end of the month and the middle of the month, also to see the difference between stock returns in Indonesia, Japan, and America during the research period because there was an extreme stock value due to the impact of the Covid-19 pandemic which had an effect on stock values and the global economy. This study uses daily index data from January 2019 to December 2021 for each country. Comparative method and event study are the methods used in this research.Normality test, paired sample t-test and different test are the analytical techniques used in this study.The results of the study prove that there is no Turn Of The Month Effect in LQ45, Nikkei, and DJIA during the study period.

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1. INTRODUCTION

Investment is an activity of investing capital in the form of money or other valuable assets to a party. With the existence of a capital market, the assets invested are the hope of receiving a profit in the future. One of the ways to get profit in the capital market is stock. The capital market should be liquid and efficient because it aims to attract those who have money and those who need money. The capital market can be called liquid and efficient if the buyers and sellers of shares can carry out the activities of buying and selling shares quickly and the price reflects the true value. This efficient capital market refers to how quickly and accurately the market reacts to new information. The quality of the capital market can also be determined by the concept of an efficient capital market. However, There are many deviations from the concept of an efficient capital market, where the deviation shows that investors can earn profits in carrying out buying and selling activities that use historical data to estimate stock prices. This deviation is called a market anomaly.

(Reilly, 2006, Trisnadi & Sedana, 2016) put forward the causes of market anomalies namely the lack of market structure, where there is no market that can be said to be perfect in reality, the deviant behavior of investors is very large and the theoretical references used by investors in implementing investment strategies are not appropriate which can result in deviations in assessing the capital market. This market anomaly contradicts the concept of an efficient market. A market can be considered an anomaly when a repeating pattern forms over a period of time prompting investors to make forecasts. This market anomaly contradicts the concept of an efficient market, which says that investors cannot predict prices at past returns caused by random returns.

[1]states that there are four types of market anomalies, namely company, seasonal, event, and accounting anomalies. The anomalies reveal that the daily rate of return is different each time, the price rises or falls differently on another day. This study will analyze the anomaly phenomenon Turn Of The

Month Effect, this phenomenon illustrates that the return rate at the beginning of the month tends to be higher than the return at the end of the month.

At the end of 2019, people in various parts of the world were shocked by the Covid-19 phenomenon originating from China which spread quickly to various countries. The crisis of this phenomenon is the first time because it has never happened before.

No	Negara	Jumlah Kasus Terkonfirmasi	Jumlah Kematian	Tingkat Fatalitas	Jumlah Kasus Sembuh
1	Amerika Serikat	21.113.528	360.078	1,71	12.436.958
2	India	10.341.291	149.686	1,45	9.946.867
3	Brasil	7.733.746	196.018	2,53	6.813.008
4	Rusia	3.236.787	58.506	1,81	2.618.882
5	Prancis	2.655.728	65.037	2,45	195.174
6	Inggris	2.654.779	75.024	2,83	1.406.967
7	Turki	2.241.912	21.488	0,96	2.136.534
8	Italia	2.155.446	75.332	3,49	1.503.900
9	Spanyol	1.936.718	50.837	2,62	150.376*
10	Jerman	1.83.896	35.105	1,97	1.401.200
20	Indonesia**	743.198	22.138	2,98	611.097
	Negara lain yang terdampak	28.889.142	740.861	2,56	22.305.267
	Total	85.486.171	1.850.110	2,16	59.968.887

Figure 1 Covid-19 Case Figures in Various Countries
Source:www.worldmeter.info/coronavirus; as of 31 December 2020

The existence of the Covid-19 pandemic has had many negative impacts on people in various countries. The incubation period for this virus is longer than any other pandemic that has ever existed in the world, causing the treatment of this disease to be hampered due to very complex health problems. During 2020 this epidemic has infected more than 85 million people and caused the death of 1.8 million people on earth.

This global issue gave negative sentiment to stock prices which created a big upheaval for world stocks. The big global stock market crisis occurred in March 2020, Covid-19 affected the Asian market more than the European market [2]. The impact weighed on the Indonesian economy, while global financial market uncertainty has boosted global portfolio investment. Investment in Indonesia is slowing down and investors are shifting to assets they consider safer. As a result, the Capital and Financial Account (TMF) and Indonesia's Balance of Payments (NPI) issued a reversal of foreign capital, therefore TMF was recorded at -3.1 billion USD in the first quarter of 2020. This change in foreign capital caused the rupiah to depreciate to IDR 16,575 per USD on 23/03/2020 and volatility has also increased. Rupiah monthly volatility was recorded at 54.46% in March 2020, a significant increase from 9.88% in the previous month. Daily and Monthly Rupiah Exchange Rate Volatility

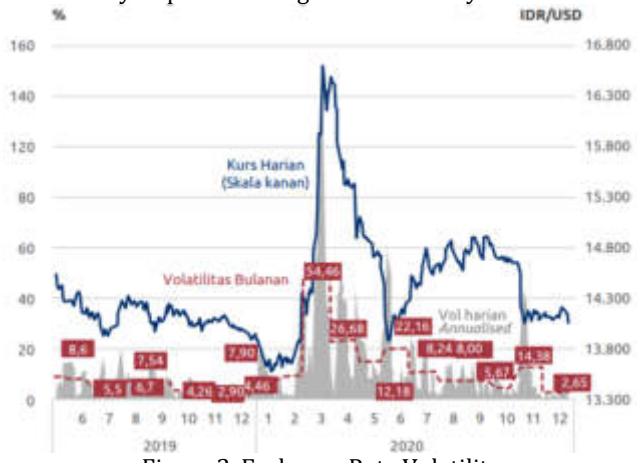

Figure 2. Exchange Rate Volatility
Source: Bloomberg

In Indonesia, the first covid case appeared on March 2 2020, then the government imposed special rules to break the virus chain, one of which was Lockdown. The lockdown caused people's purchasing power to the market to decrease and workers were laid off, which increasingly led to a purchasing power

crisis. Bbased on JCI, indexrecorded24% on 31 March 2020 compared closing index value in January end of year 2020.Ptrading share which held foreign investor also recorded more many for sale than purchased in March 2020 [3]. America is the country with the highest number of cases, if in America a Covid-19 case was confirmed in January 2020. As of the end of November 2020, there were 14.7 million Covid-19 cases. [4]also said that the Covid-19 outbreak gaveimpact big on market share USwhich is where it isuncertainty economy in US and geopolitical risks also will influence price oil consequence restrictions journey. However, in two monthinMay, price share ride 4% compared January. Soalsoin Japan, government Japan Secrete a number of ban for limit deployment virus Covid-19 that resulted index share Japan down 18% on end March compared end January 2020. Investors even foreign sell the stock in month March also more tall from purchase share and obtain difference 3.8 million. Difference this also more big than the difference activity sell buy in year 2019 [3].

This pandemic had a panic effect on investors and global market players, especially at the end of 2020 which caused huge capital losses from developing countries. Judging from this phenomenon, there is interest in testing the Turn Of The Month Effect on the Indonesian, Japanese and American Stock Exchanges.

This study compares the Turn Of The Month Effect phenomenon that occurs in the Indonesian, Japanese and American Stock Exchanges. The reason the researcher chose the Japanese and American Stock Exchanges as a comparison is because these two countries are developed countries whose economies are growing rapidly, while Indonesia is a developing country. These two countries have strong economic strength against the Indonesian Capital Market. [5]

Therefore, researchers are interested in finding out whether this market anomaly exists for developing countries such as Indonesia with the LQ45 index and developed countries such as Japan with the Nikkei index and the United States with the DJIA index.Index LQ45 is combined from 45 share perform best with score market big and liquidity tall. Investors active make LQ45 which effect on change information which enter to market.This research is very interesting to study and see whether market anomalies in foreign countries can occur which we know in different situations in Indonesian culture, such as Japan and the United States. The reason for the researcher choosing the American and Japanese stock exchanges to be the comparison is because America is a superpower. We know that their country has large industrial output, so it has large capital, and America also had a significant impact during the pandemic. American stock markets also fell into bearish territory after the Dow Jones fell 20.3% from its highest level in February 2020. The Dow Jones index fell 5.86%, which is the highest percentage between the Nasdaq 4.7% and the S&P 4.89%. The fall of the stock market in America into the bearish zone is to end the bullish trend that has been rising for 11 years [6].

2. LITERATURE REVIEW

2.1. Efficient Capital Market

Fama (1970) popularize draft market capital which efficient. (Fama 1970, Gumanti & Utami, 2002) put forward that market capital which efficient is market which price always fully describe information which there is. Market capital which efficient is situation in where no a even, good investors nor institution, could reach abnormal profit. (Fama 1970, Gumanti & Utami, 2002) classify shape market capital which efficient the, that is:

1) Weak
   The resulting security prices describe information from past information, which means that the prices formed for these shares reflect the price developments of each stock in the past.
2) Semi Strong
   Security prices reflect all historical information and related public information such as financial reports. Investors cannot generate abnormal returns using publicly available information.
3) Strong
   Investors and all market participants cannot achieve abnormal returns due to the availability of historical information, public information and private information. So, this strong form states that the price that occurs describes all available information.

2.2. Market Anomaly

According to (Jones, 1998, Trisnadi & Sedana, 2016), revealed that market deviation or market anomaly is a strategy that is contrary to the concept of an efficient capital market. In this case, it is found that there are many things that should not exist if the assumption of an efficient market is true. Investors can use this phenomenon to generate unusual returns. According to (Levy, 1996, Harijanto & Kurniawati,

2013) there are four types of market anomalies including company, seasonal, event and accounting anomalies. Of the four market anomalies, this study examines one type of seasonal anomaly phenomenon, namely the Turn Of The Month Effect.

2.3. Turn Of The Month Effect

The phenomenon of the Turn of The Month Effect is a typea seasonal anomaly that causes a higher rate of return at the beginning of the month than at the end of the month. This phenomenon can be caused because investor demand has increased at the beginning of the month due to salary receipts and then invested by buying shares on the market. According to(Ariel, 1987, Bagana & DN, 2018) found that stock returns tend to be higher in the first half of the month than in the following half. In fact, it was also stated that the following half of the month usually forms a negative stock return. According to (Kyacetin & Lekpek, 2016, Yapto, 2018) suggests that the Turn Of The Month Effect is a monthly phenomenon that causes returns on the last few days of each month and the first few days of the month to be higher than the return on the remaining days of the following month.

2.4. Return Share

return is the return amount be accepted investors on investment whichhasdone andis one of the factors that motivate investors to invest and bear the risk of their investment.Investors face uncertainty Among return which will they achieved and risk which they facing. The more talltotalreturn which expected on capital which invested, the more high too the risks involved.
According to [7]returns are classified as follows:

1) *return* Realization
   return this is kind return which already occurred. Return which realized counted based on data past and can be used to determine expected returns as well as risks in the future, and is useful as a measure of company performance.
2) *Return* expectation
   Return it is the type of return that has not yet occurred which investors expect to receive in the future.

2.5. Overreaction

Market anomalies can occur due to irrational investor behavior such as responding to information. This overreaction hypothesis states that basically investors always overreact to information. If positive information is available, market participants are setting prices too high. On the other hand, if negative information is available, market participants set the price too low. [8] suggests that the overreaction hypothesis is that stocks offer low returns at first and then high returns the next time. This is because the market unconsciously values the low stock group too low and the high stock group too high. The result is an overreaction that pushes the stock price beyond the limit (Kamaludin, 2012, Hadimas, 2019).

2.6. Previous Research

Previous research was put forward by (Desyanti, 2017) that there was no Turn of The Month Effect in the LQ45 index and the 2014-2016 consumption sector index, while in the 2014-2016 financial sector index there was a month change effect on the Indonesia Stock Exchange as evidenced by a return significantly greater at the beginning of the month than at the end of the month.Phenomenon this explain exists *liquid trading* that is Request investors to securities in market on beginning month increase because accept wages then buy share.Yapto (2018)found the Turn of The Month Effect phenomenon with the average return at the end of the month and the beginning of the following month which is higher than the average return of the remaining days in the LQ45 Index for the 2011-2016 period. Research by [9]argues that the effect of changing months has a significant positive impact on JCI returns.

3. METHODS

The comparative descriptive method and quantitative approach are the methods used in this study which aim to explain the Turn of The Month Effect phenomenon in LQ45, Nikkei and DJIA with conditions before the pandemic, during the pandemic, as well as after the pandemic (2019-2021). Comparative studies have the goal of comparing two variables or even more to get an answer whether the object under study has a comparison or not. In addition to comparative studies, the event study method was also used in this study. This method is useful for seeing the reaction of the capital market to certain events with a stock movement approach. LQ45 in Indonesia, Nikkei in Japan and the Dow Jones Industrial Average

(DJIA) in America are the units of analysis in this study. Secondary data fromwww.investing.comused in this study, the daily index was taken between January 2019 and December 2021, totaling 216 time series data from each country. Stock market returns of three countries (Indonesia, Japan and America) are the variables in this study with the following formula:

$$Ri = \frac{P_t - P_{t-1}}{P_{t-1}} x\ 100$$

Ri = Stock Return
P_t= Share price (closing price) for share i at the end of the investment period.
$P_{(t-1)}$= Share price (closing price) for stock i at the start of the investment.

Normality test, homogeneity test, paired sample T-test and different test are data analyzes used in this study. (1) The normality test of this study aims to test whether the data is normally distributed or not. The normality test used is the One Sample Kolmogorov-Smirnov test and the Shapiro-Wilk test. (2) Paired sample T-Test test has the aim of testing for an average difference between the two related samples. (3) The different test aims to test the difference in the average count between groups that have the requirements to be examined, namely using the Independent sample t-test. This independent differential test includes the Group Statistics test which is designed to test for statistically significant differences between the average Indonesian stock returns (LQ45).

4. RESULTS AND DISCUSSION

4.1. Results

*Turn Of The Month Effect*is a phenomenon of the seasonal anomaly typewhich resulted in a return at the beginning of the month is higher than the return at the end of the month. Turn Of The Month Effect anomaly causes a difference in the average return for the month, which may be caused by the behavior of the investors themselves.

Table 1. Test of Normality LQ45

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	Df	Sig.	Statistics	Df	Sig.
Anomaly	080	216	002	.973	216	.000
Non_anomaly	.060	216	.060	.982	216	008

a. Lilliefors Significance Correction

A significance value <0.05, this means that it does not pass the normality test, therefore you can use the Central Limit Theorem or the Central Limit Theorem. According to Damodar (2006), the Central Limit Theorem can be used when the sample is large or more than 30 (n>30), in this case the sample distribution will be close to normal. Therefore, the results of the normality test indicate that some of the data is not normally distributed, but because the number of samples in this study amounted to 216, which means more than 30, according to the Central Limit Theorem, it means that the data is considered normally distributed.

Table 2. Paired Samples Statistics LQ45

Paired Samples Statistics

		Means	N	std. Deviation	std. Error Means
Pair 1	Anomaly	.001119	216	.0157219	.0010697
	Non_anomaly	.000908	216	.0107274	.0007299

Table 3. Paired Samples Correlations LQ45

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Anomaly & Non_anomaly	216	011	.875

In the research above, the data means that the correlation value between the 2 variables is 0.011, which means that the relationship is very low and positive. The significance level of the relationship is 0.875 which means it is not significant at the 0.01 level.

Table 4. Paired Samples Test LQ45

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Means	std. Deviation	std. Error Means	95% Confidence Interval of the Difference Lower	Upper			
Pair 1 Anomalies Non_Anomaly		.0002106	.0189376	.0012885	-.0023291	.0027504	.163	215	.870

Score *correlation* between the 2 variables is 0.011 which means the relationship is very low and positive. The significance level of the relationship is 0.875 which means it is not significant at the 0.01 level. Sig. (2-tailed) on the paired samples test: The probability/p value of the Paired T test is 0.870. This means that there is no difference between the start or end of the month and the middle of the month.

Table 5. LQ45 Normality Test, Nikkei, and DJIA

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	df	Sig.	Statistics	df	Sig.
LQ45	089	729	.000	.884	729	.000
Nikkei	072	729	.000	.945	729	.000
DJIA	.152	729	.000	.773	729	.000

a. Lilliefors Significance Correction

A significance value <0.05, this means that it does not pass the normality test, therefore you can use the Central Limit Theorem or the Central Limit Theorem. According to Damodar (2006), the Central Limit Theorem can be used when the sample is large or more than 30 (n>30), in this case the sample distribution will be close to normal. Therefore, the results of the normality test indicate that some of the data is not normally distributed, but because the number of samples in this study amounted to 729, which means more than 30, according to the Central Limit Theorem, it means that the data is considered normally distributed.

Table 6. LQ45 Normality Test and Month-End Nikkei

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	df	Sig.	Statistics	df	Sig.
LQ45	.101	108	008	.948	108	.000
Nikkei	.070	108	.200*	.982	108	.163

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

A significance value <0.05, this means that it does not pass the normality test, therefore you can use the Central Limit Theorem or the Central Limit Theorem. According to Damodar (2006), the Central Limit Theorem can be used when the sample is large or more than 30 (n>30), in this case the sample distribution will be close to normal. Therefore, the results of the normality test indicate that some of the data is not normally distributed, but because the number of samples in this study amounted to 108, which means more than 30, according to the Central Limit Theorem, it means that the data is considered normally distributed.

Table 7. Initial Month LQ45 and Nikkei Normality Test

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	df	Sig.	Statistics	df	Sig.
LQ45	077	108	.119	.980	108	.113
Nikkei	.066	108	.200*	.977	108	062

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

It can be seen that the significance results are greater than 0.05 (> 0.05) meaning that all of them pass the normality test.

Table 8. Group Statistics & Independent Sample T-Test LQ45 and End of Month Nikkei

Group Statistics

	Index	N	Means	std. Deviation	std. Error Means
returns	LQ45	108	-.000097	.0165286	.0015905
	Nikkei	108	-.002244	.0126374	.0012160

Table 9 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differences	std. Error Difference	95% Confidence Interval of the Difference	
return	Equal variances assumed	2,727	.100	1,072	214	.285	.0021472	.0020021	Lower -.0017991	Upper .0060935
	Equal variances not assumed			1,072	200,238	.285	.0021472	.0020021	-.0018006	.0060951

The significance of the Levene test is 0.100 > 0.05, meaning that the LQ45 return and Nikkei return are homogeneous or the same. Therefore, to determine the difference in return performance can be seen from the equal variances assumed, namely the significance value of 0.285 > 0.05, meaning that there is no difference in the rate of return on the LQ45 index and the Nikkei index.

Table 10. Group Statistics & Independent Sample T-Test LQ45 and Nikkei Early Month

Group Statistics

	Index	N	Means	std. Deviation	std. Error Means
returns	LQ45	108	.002335	.0148488	.0014288
	Nikkei	108	.001818	.0126875	.0012209

Table 11 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differences	std. Error Difference	95% Confidence Interval of the Difference	
return	Equal variances assumed	2059	.153	.275	214	.783	.0005176	.0018794	Lower -.0031869	Upper .0042220
	Equal variances not assumed			.275	208,915	.783	.0005176	.0018794	-.0031874	.0042226

The significance of the Levene test is 0.153 > 0.05, this means that the LQ45 return and Nikkei return are homogeneous or the same. Therefore, to determine the difference in return performance can be seen from the equal variances assumed, namely the significance value of 0.783 > 0.05, meaning that there is no difference in the rate of return on the LQ45 index and the Nikkei index.

Table 12. LQ45 Normality Test and End of Month DJIA

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	Df	Sig.	Statistics	df	Sig.
LQ45	.101	108	008	.948	108	.000
DJIA	.141	108	.000	.929	108	.000

a. Lilliefors Significance Correction

A significance value <0.05, this means that it does not pass the normality test, therefore you can use the Central Limit Theorem or the Central Limit Theorem. According to Damodar (2006), the Central Limit Theorem can be used when the sample is large or more than 30 (n>30), in this case the sample distribution will be close to normal. Therefore, the results of the normality test indicate that some of the data is not normally distributed, but because the number of samples in this study amounted to 108, which means more than 30, according to the Central Limit Theorem, it means that the data is considered normally distributed.

Table 13. LQ45 Normality Test and Initial Month DJIA

Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistics	Df	Sig.	Statistics	df	Sig.
LQ45	077	108	.119	.980	108	.113
DJIA	.101	108	.009	.943	108	.000

a. Lilliefors Significance Correction

A significance value <0.05, this means that it does not pass the normality test, therefore you can use the Central Limit Theorem or the Central Limit Theorem. According to Damodar (2006), the Central Limit Theorem can be used when the sample is large or more than 30 (n>30), in this case the sample distribution will be close to normal. Therefore, the results of the normality test indicate that some of the data is not normally distributed, but because the number of samples in this study is 108, which means more than 30, according to the Central Limit Theorem, it means that the data is considered normally distributed.

Table 14. Group Statistics & Independent Sample T-Test LQ45 and DJIA End of Month

Group Statistics

	Index	N	Means	std. Deviation	std. Error Means
returns	LQ45	108	-.000097	.0165286	.0015905
	DJIA	108	-.001770	.0117679	.0011324

Table 15 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differences	std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
return	Equal variances assumed	6,293	013	.857	214	.392	0016731	.0019524	-.0021752	.0055215
	Equal variances not			.857	193,302	.393	.0016731	.0019524	-.0021776	.0055239

assumed

The significance of the Levene test is 0.013 <0.05, which means that the LQ45 return and DJIA return are heterogeneous or different. Therefore, to determine whether there is a difference in return performance, it can be seen from equal variances not assumed, namely a significance value of 0.393 > 0.05, meaning that there is no difference in the rate of return on the LQ45 index and the DJIA index.

Table 16. Group Statistics &Independent Sample T-Test LQ45 and DJIA Early Month

Group Statistics

	Index	N	Means	std. Deviation	std. Error Means
returns	LQ45	108	.002335	.0148488	.0014288
	DJIA	108	.002868	.0136586	.0013143

Table 17 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differences	std. Error Difference	95% Confidence Interval of the Difference	
return	Equal variances assumed	2,690	.102	-.274	214	.784	.0005324	.0019414	Lower -.00435	Upper .00329
	Equal variances not assumed			-.274	212,523	.784	.0005324	.0019414	-.00435	.00329

The significance of the Levene test is 0.102 > 0.05, which means that the LQ45 return and DJIA return are homogeneous or the same. Therefore, to determine the difference in return performance can be seen from the equal variances assumed, namely the significance value of 0.784 > 0.05, meaning that there is no difference in the rate of return on the LQ45 index and the DJIA index.

4.2. Discussion

4.2.1. Turn Of The Month Effect Phenomenon in LQ45 2019-2021 Period

At the beginning of the month in the 2019-2021 period, stock returns on LQ45 tend to be stable, there are no extreme changes in value at the beginning of the month. This is due to the behavior of investors at the beginning of the month prioritizing their basic needs so that their living expenses are met rather than buying shares at the beginning of the month. However, on March 27 2020 there was a stock return of 0.0727 which proves that at the end of the month it has increased. Based on data on the IDX [10],iinvestors foreign record buy clean around Rp 662.26 billion after sell clean on session trading previously. Day that, JCI continue the bullish trend after opened 7,13%or 309,551 points Becomes 4,648,455 only 7 minute after market opened in 4,338,904. Stocks big asBank Mandiri, BCA,BRI, and Unilever seen green in tradingbeginningday this. Two day consecutive start day Friday(27/3/2020), JCI rose sharply with rebound activity. This proves the behavior of investors who tend to buy shares at the end of the month because they prioritize their basic needs at the beginning of the month, then after meeting all their needs they decide to invest by buying shares at the end of the month. This result is characterized by not finding an average return at the beginning of the month which is more increased than at the end of the month. Therefore, in this study there was no Turn Of The Month Effect on the LQ45 index for the 2019-2021 period.

4.2.2. The Turn Of The Month Effect Phenomenon at NIKKEI for the 2019-2021 period

There was a negative stock return at the beginning of the month on the anomaly day April 1 2020 of-0.0450. This was due to trading in Japanese stock markets coming under significant selling pressure as

the Nikkei fell to its lowest level in a week. On the first day of the fiscal year for Japan, the Nikkei and the Japanese yen weakened. This stock selling pressure has an impact on negative sentiment of global investors which will result in a global recession, cutting company revenues and paying dividends to investors. This happened because there was a connection with the occurrence of the Covid-19 outbreak. In addition, the performance of the Japanese manufacturing sector has also declined the most in 11 years amid this pandemic. By sector, shares in the utility sector, retail store sector, finance and basic materials declined. The Nikkei index closed down 852 points or 4.5% at 18,065, and fell briefly to a low of 17,854 and peaked at 18,775. [11]. This proves that there is no Turn Of The Month Effect anomaly on stock returns at the beginning of the month on the Nikkei Index, because there is an extreme value of negative stock returns at the beginning of the month which indicates that returns are not higher at the beginning of the month than at the end of the month.

4.2.3. Turn Of The Month Effect Phenomenon at DJIA 2019-2021 Period

There was a negative stock return on April 1, 2020 of-0.0444on the first anomaly day of the month. This was caused by the economic damage caused by the Covid-19 pandemic which generated negative sentiment, including investors anticipating horrific events in the US death rate and anticipating economic damage due to the Covid19 pandemic. Investors sell their shares and move their investments which they feel are safer (safe havens). DJIA.JJI fell 689.78 points or 3.15% to 21,227.38 points. Boeing, Dow Inc. and American Express all fell more than 5%, and this served as a trigger for the decline in the DJIA index [12]. As a result of the drop in the DJIA index, the JCI also experienced a decline, with the JCI closing down by 72.89 points or 1.61% to 4,466.04 points.The closing of the JCI was marked by foreign investors selling shares as evidenced by the total foreign net selling value of IDR 69.7 billion on April 1 2020 [13]. This study proves that there is no anomaly Turn Of The Month Effect on the DJIA index as evidenced by the presence of negative stock returns at the beginning of the month.

5. CONCLUSION

There are differences in the pattern of stock price movements on the Indonesian, Japanese and American stock exchanges.

The Turn Of The Month Effect phenomenon in LQ45 in 2019-2021 did not occur. This is reflected in the absence of positive returns at the beginning of the month. However, it is proven that there is a positive return at the end of the month which indicates that there is no Turn Of The Month Effect and there is no difference in returns between the beginning or end of the month and the middle of the month at LQ45 in the study period.

This is because the phenomenon of the Turn Of The Month Effect on the Nikkei in 2019-2021 did not occurthere are negative stock returns at the beginning of the month and there is no difference in the return rates at the beginning of the month and at the end of the month on the LQ45 index and the Nikkei index.

PhenomenonTurn Of The Month Effectat DJIA in 2019-2021 this did not happen because there were negative stock returns at the beginning of the month andthere is no difference in the rate of return at the beginning of the month and at the end of the month in the LQ45 index and the DJIA index.

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