Analysis Abnormal Return Eid Al-Fitr on Food and Beverages Company Listed In Indonesia Stock Exchange Year 2013 – 2017

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ABSTRACT

Efficient market is a price that reflects all the information available, the more efficient the market is very difficult for investors to obtain abnormal return. Abnormal return can happen the event of holiday effect Eid Al-Fitr. The purpose of this study was to examine the differences of abnormal returns before and after Eid Al-Fitr and to examine the effect of one week before Eid Al-Fitr and one week after Eid Al-Fitr against abnormal return in Food and Beverages sub sector, the observation period is one week or seven days Eid Al-Fitr and one week or seven days after Eid Al-Fitr for five years (2013-2017). The results of hypothesis testing in this study used the analysis of different test paired t-test sample with SPSS program and 5% significance level (0.05) and by using Multiple Regression Analysis with Eviews program. The sampling technique in this research is purposive sampling to get the sample of 11 companies. The result of the test is obtained (1) there is difference of abnormal return before and after Eid Al-Fitr, (2) the week Eid Al-Fitr has significant effect to abnormal return, (3) a week after Eid Al-Fitr does not affect abnormal return.

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INTRODUCTION
The capital market is said to be efficient if the market is able to interact quickly with information that is relevant to the measurement of the speed of new information reflected in the price of securities. According to Malkiel and Fama (1970) in an efficient market there is an equilibrium between information and stock prices, so that no investor is able to exploit the market with the information that is owned to obtain an abnormal return continuously (persistently). Abnormal return itself is the return obtained by investors when the return is not as expected.

Abnormal returns can be shown in certain holiday events against the performance of the exchange called the holiday effect. Holiday effects that occur in Indonesia are holidays in celebrating religious holidays. One of them is the Eid al-Fitr holiday, which is a holiday that has different characteristics from other religious holidays, because people will prefer to hold cash during Eid holidays so that the allocation of funds for investment will be reduced including investment in the stock exchange. There are different results in research related to the effect of Eid al-Fitr holidays on abnormal stock returns (Hasanuddin, 2015). The following is the proportion of the average closing price of food and beverages companies before and after Eid al-Fitr, starting from 2013 to 2017 as follows:

**Figure 1. Average Closing Price before Eid Al-Fitr**

**Figure 2. Average Closing Price after Eid Al-Fitr**

LITERATURE REVIEW

Capital Market Efficiency
The efficient market hypothesis states that in free markets, with competition for profit, all knowledge and forecast information is accurately reflected in market prices (Fahmi, 2015:268). Malkiel and Fama (1970) distinguishes capital market efficiency into three forms, namely: 1) weak form efficiency. Efficient capital market hypotheses in the weak form (weak form) state that stock prices reflect all information contained in the price record in the past. If the efficiency level of this weak form is achieved, no investor can get a return above normal (abnormal return) by studying the movements of historical securities prices to predict the direction of future price changes; 2) Efficiency of semi strong form. The semi-strong form states that prices not only reflect prices in the past, but all information is published. Public information will be reflected in prices quickly and unbiasedly. Investors will not get returns above normal (abnormal return) by buying shares based on a publication; 3) Strong form efficiency. The strong form of the efficient capital market hypothesis states that all relevant and available information is reflected in the stock price. Information that has or has not been published (private information) will be reflected in the stock price. In conditions like this, no one can get abnormal returns or excess returns using any information.

Abnormal Return
Yuniati (2014) emphasizes, ‘abnormal stock returns are profits or profits from stock trading activities, and indicators to measure them are derived from the difference in expected return with actual stock returns. The results of the analysis of abnormal returns describe an experience of past events on stock prices, so that this experience can be used to make a decision to "sell" or "buy" shares at the beginning of a relatively similar event in the future.

Holiday Effect
Holiday effect is an impact of certain holiday events on the performance of the exchange. With the holiday effect, market players or investors can consider the factors that might occur in the performance of the exchange, such as trade...
transactions, value and the development of stock prices. Some examples of holiday effects in Indonesia are holidays in celebrating religious holidays such as Chinese New Year, Eid al-Adha, Eid Al-Fitr, Vesak, Nyepi and Christmas. Eid al-Fitr is a holiday that has the longest holiday among holidays celebrating religious holidays, resulting in a longer closing of the exchange compared to other holidays (Hinawati, 2016). Before the Eid-ul-Fitr holiday, market participants prefer to hold cash so that they sell and release shares in the face of a long holiday for Eid al-Fitr. Market participants will re-enter after the feast and they will make a repurchase so that prices will increase and the rate of return after the Eid holiday will be higher than other days (Hinawati, 2016).

Framework
Based on previous research and the theoretical basis above, it can be illustrated the framework of the influence of the variables that will be used in this study. The relationship between the difference in abnormal returns before and after Eid al-Fitr and also the influence of one week before and one week after the Eid-ul-Fitr holiday on abnormal returns is as follows:

**Hypothesis**

H1: There are differences in Abnormal returns before and after Eid al-Fitr.

H2: One week before Eid Al-Fitr has an effect on Abnormal returns

H3: One week after Eid al-Fitr has an effect on Abnormal returns.

**METHOD**

**Dependent Variables (Y)**

Dependent variable used in this study is stock abnormal return. Abnormal stock returns are returns obtained by investors when the return is not as expected. Abnormal return is calculated from the difference between the expected return or expected return with the return obtained or the actual return, so that the return can be positive and can also be negative.

**Independent Variables (X)**

The independent variable used in this study is the Holiday effect. Holiday effect is an impact of certain holiday events on the performance of the exchange, which will show the tendency of stock returns on the day before the holiday (pre-holiday return) and or after the holiday (post-holiday return).

**Before Eid Al-Fitr (X1).**

The effect of Eid al-Fitr holiday is the action of market participants or investors who sell shares before Eid because market participants prefer to hold cash before the long holiday so they sell and release shares facing a week-long holiday to commemorate Eid al-Fitr.

**After Idul Fitri (X2).**

The effect of Eid al-Fitr holiday which is an act of market participants or investors buy back shares after Eid al-Fitr so that prices will increase and the rate of return after Eid Al-Fitr will be higher than other days.

**Variable Measurement**

**Abnormal stock returns (Y).**

\[
AR_i, t = Ri, t - E[Ri, t] \text{ or } AR_i, t = Ri, t - Rmi, t
\]

**Before Eid Al-Fitr (X1).**

By using a daily Closing price one week before Eid al-Fitr.
After Eid Al-Fitr (X2).
By using a daily Closing price one week after Eid al-Fitr.

Population and Samples
The population that will be the object of research in this study are companies listed on the Indonesia Stock Exchange (IDX) during 2013 until 2017. The determination of the sample used in this study is Purposive sampling. The sample used is a Food and Beverages sub-manufacturing company listed on the Indonesia Stock Exchange in 2013-2017. With the sample criteria as follows:
2. Food and Beverages Companies that have stable financial statements during the period 2013-2017.

There are 11 companies that meet the sample criteria.

Data Collection Technique
The type of data used in this study is secondary data. The data source is the closing price share price of Food and Beverage companies during 2013 - 2017 and the Sectoral Index of Consumer Goods which have been published in full on the site (www.DuniaInvestasi.com) and (finance.yahoo.com). Financial reports and summaries of the performance of Food and Beverage companies during 2013-2017 which have been published in full on the Indonesia Stock Exchange website (www.idx.co.id). The technique of collecting data by means of library study is by studying literature such as books, journals and other sources and with documentation by downloading through the official website of the Indonesia Stock Exchange, the World Investment website and the Yahoo Finance web.

RESULT AND DISCUSSION
Paired sample t-test
Table 1. Paired Sample T-test Abnormal Return Test Results Before and After Eid Al-Fitr

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>St. Dev.</th>
<th>St. Dev. Error</th>
<th>95% Confidence Interval</th>
<th>Low.</th>
<th>Up.</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before Eid Al-Fitr</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,3</td>
<td>22</td>
<td>-5.55 to 25.19</td>
<td>-29</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>After Eid Al-Fitr</td>
<td>87</td>
<td>46</td>
<td>-5.1 to 35.42</td>
<td>192</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td></td>
<td>78</td>
<td>52</td>
<td>-5.47 to 35.34</td>
<td>53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on the results of data processing carried out presented in table 1 above, it shows that abnormal returns before and after Eid Al-Fitr produce 0.000 significance smaller than 0.05 (0.000 < 0.05). It can be said that there are differences in abnormal returns. Fitri. With the abnormal return difference before and after Eid al-Fitr, a regression test was conducted to determine the effect of one week before and influence one week after Eid al-Fitr on abnormal returns.

Test F Restricted (Pooled Least Square vs. Fixed Effect Model)
Table 2. Restricted F Test Results

<table>
<thead>
<tr>
<th>Redundant Fixed Effects Tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equation: FEM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Test cross-section fixed effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effects Test</td>
</tr>
<tr>
<td>Cross-section F</td>
</tr>
<tr>
<td>Cross-section Chi-square</td>
</tr>
</tbody>
</table>

In table 2 above, it can be concluded that the probability of the Chi-square Cross-section in this study is 0.2374 greater than 0.05 (0.2374 > 0.05), so H0 is accepted, so the best model between Pooled Least Square and Fixed Effect Model is Pooled Least Square. Because the Pooled Least Square
model has been selected, the Hausman Test is not necessary.

Data Panel Regression Model Used

Table 3. Pooled Least Square

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>12.79959</td>
<td>4.987555</td>
<td>2.566300</td>
<td>0.0132</td>
</tr>
<tr>
<td>SEBELOUMIDUL</td>
<td>2.795997</td>
<td>0.874490</td>
<td>3.197290</td>
<td>0.0024</td>
</tr>
<tr>
<td>FITRI</td>
<td>29.24001</td>
<td>106.6914</td>
<td>0.274061</td>
<td>0.7851</td>
</tr>
</tbody>
</table>

Based on the results of testing the panel data regression model above, then the regression equation can be written as follows:

\[ \text{AR} = +12.79959 +2.795997 \text{ (BEFORE)} +29.24001 \text{ (AFTER)} \]

Based on the regression equation above that has been formed can be described that:

1. Based on the results of the regression test, it is known that the constant value is 12.79959. It can be concluded that if the variable value Before Eid Al-Fitr and After Eid Al-Fitr is considered a constant or equal to 0 (zero), then the value of the Abnormal return (AR) is 12.79959 or an increase of 12.79959.

2. The regression coefficient value before Eid Al-Fitr of 2.795997, states that if the value of Before Eid Al-Fitr increases by 1 assuming that the value of other variables remains, the Abnormal return (AR) will increase by 2.795997. This shows the coefficient is positive, meaning that between Before Eid Al-Fitr and Abnormal return (AR) have a positive relationship because Before Eid Al-Fitr, investors will take action to sell shares when the stock price experiences successive price increases in anticipation of Eid holidays Fitri which aims to realize profits (capital gains).

3. The regression coefficient value after Eid al-Fitr is 29.24001, stating that if the value after Eid Al-Fitr increases by 1 assuming that the value of another variable remains, the Abnormal return (AR) will increase by 29.24001. This is because after Idul Fitri investors will buy shares again for their investment needs, so the rate of return after Eid Al-Fitr will be higher.

Hypothesis Testing

Partial Test (t Test)

It is known that \( t \) table = 2.00665 obtained from the formula \( df = N - k \) or \( df = 55 - 5 = 52 \), then connected with a confidence degree of 5% or 0.05.

Table 4. Test Results t

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Eid Al-Fitr</td>
<td>2.795997</td>
<td>0.874490</td>
<td>3.197290</td>
<td>0.0024</td>
</tr>
<tr>
<td>After Eid Al-Fitr</td>
<td>29.24001</td>
<td>106.6914</td>
<td>0.274061</td>
<td>0.7851</td>
</tr>
</tbody>
</table>

Based on table 5, the results of statistical data processing using the E-Views 9.0 program, it can be seen that the influence of the independent variables on the dependent variable partially is as follows:

1. Effect of One Week Before Eid Al-Fitr Against Abnormal Return (AR)
   One week before Eid al-Fitr shows a significance value smaller than \( \alpha \) that is 0.0024 < 0.05 and the value of \( t \) count is greater than \( t \) table 3.197290> 2.00665. This shows one week before Eid al-Fitr has a significant effect on Abnormal Return.

2. Effects of One Week After Eid Al-Fitr Against Abnormal Return (AR)
   One week after Eid al-Fitr shows a significance value greater than \( \alpha \) that is 0.7851> 0.05 and the value of \( t \) count is greater than \( t \) table 0.274061 <2.00665 with. This shows that one week after Eid al-Fitr does not have a significant effect on Abnormal Return.
Coefficient of Determination (R2)

Table 5. Coefficient of Determination (R2)

<table>
<thead>
<tr>
<th>Term</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.169070</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.137111</td>
</tr>
<tr>
<td>S.E. of regression</td>
<td>9.480029</td>
</tr>
<tr>
<td>Sum squared resid</td>
<td>4673.289</td>
</tr>
<tr>
<td>Log likelihood</td>
<td>200.2045</td>
</tr>
<tr>
<td>F-statistic</td>
<td>5.290232</td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.008104</td>
</tr>
</tbody>
</table>

Based on table 5 above, the Adjusted R-squared value is 0.137111. This number implies that 13.71% abnormal returns can be explained or influenced by independent variables, namely before Eid al-Fitr and after Eid al-Fitr. While the remaining 86.29% (100%-13.71%) can be explained by other factors outside the research model.

Abnormal differences in stock returns before and after Eid al-Fitr

Based on the results of different tests in table 2 above, it shows that Abnormal Return Before and After Eid al-Fitr produces 0,000 significance smaller than 0.05 (0,000 <0.05). It can be said that there are differences in Abnormal Return Before and After Eid al-Fitr, the first hypothesis (H1) accepted. In other words, this study indicates that Abnormal Return before and after Eid al-Fitr has a significant difference. The results of this study are in accordance with Akrami et al (2012).

Influence one week before Eid al-Fitr on Abnormal Return

Based on the results of panel data regression in table 5, it was found that One Week before Eid al-Fitr had a significant effect on Abnormal Return with the results of a probability value of 0.0024 <0.005, then the second hypothesis (H2) of this study was accepted. In accordance with Vennny & Leo (2015) and Hinawati (2016).

Influence one week after Eid al-Fitr on Abnormal Return

Based on the panel data regression results in table 5, it was found that One Week after Eid al-Fitr did not affect Abnormal Return with the results of a probability value of 0.7851> 0.005, then the third hypothesis (H3) of this study was rejected. Actually one week after Eid al-Fitr has a high abnormal return compared to abnormal returns one week before Eid al-Fitr, but the results of probability values are greater than the significance value. So it is said that one week after Eid al-Fitr does not affect the abnormal return. This is consistent with the research conducted by Mc Gowan & Jacob (2010).

CONCLUSION

Based on the results of data analysis and discussion that has been carried out in the previous chapter, the conclusions in this study are:

1. There are differences in Abnormal returns Before and After Eid al-Fitr. The results of the study with a paired sample t-test statistic show that there are differences in Abnormal Returns Before and After Eid al-Fitr on food and beverages sub-sector companies listed on the Indonesia Stock Exchange in 2013-2017. Thus the research hypothesis is proven.

2. One week before Eid al-Fitr is positively influential on stock abnormal returns on food and beverages sub-sector companies listed on the Indonesia Stock Exchange in 2013 - 2017. Thus the research hypothesis is proven.

3. One week after Eid al-Fitr does not affect stock abnormal Abnormalities in food and beverages sub-sector companies listed on the Indonesia Stock Exchange in 2013 - 2017. Thus the hypothesis of this study is not proven.

REFERENCES


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