

ABSTRACT

The corona outbreak which is increasingly widespread in various parts of the world is a serious threat to the global economy. In January 2020, the World Bank argued that growth in almost all emerging markets and developing economies was weaker than expected due to global trade tensions, a sharp decline in major economic and financial disruptions. When China's stock market reopened on February 3, the Shanghai Securities Composite Index fell nearly 8% in response. Dow Jones and Standard & Poor's showed that the value of corporate shares in the US fell 20% since mid-March 2020. The JCI fell from 5,150 to 4,892 levels, with bank shares taking the biggest hit, down 5.94%. This was caused by the Covid-19 Pandemic. Then the different results of research conducted by previous studies also lead to the reason this research was conducted. This Research will find out how Covid-19 Pandemic and stock market affect the Financial Market Index of Indonesia on The Indonesia Stock Exchange during the coronaviruses pandemic. The results show that the total active cases of Covid-19 in the United States (USAC) have a positive impact on the Indonesian Financial Market Index (JKFINA), the total active cases of Covid-19 in China have a negative impact on the Indonesia Financial Market Index (JKFINA), DJIA has the reciprocal relationships with JKFINA. There is a link between the spread of Covid-19 in the United States and the United States Stock Index (DJIA). VAR estimation analysis data resulting from both variables are positive value to the financial markets in Indonesia (JKFINA).

Keywords: Covid-19, Export, Financial Market, International Standard, Stock Index, VAR