Analysis of Sharia Stock Performance with Conventional Stocks Before and During the Covid-19 Pandemic on the Indonesia Stock Exchange

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A R T I C L E I N F O	ABSTRACT
	This study aims to analyze the performance of Islamic stocks and conventional stocks before the Covid-19 pandemic and during the Covid-19 pandemic on the Indonesia Stock Exchange. The sample used is stocks listed on the Jakarta Islamic Index (JII) as a representation for Islamic stocks and stocks listed on the IDX30 Index as a representation for conventional stocks using purposive sampling technique. The data used is the monthly closing price for the period January 2018 to December 2021. This study uses Risk Adjusted Performance of the Sharpe ratio, Treynor ratio and Jensen alpha ratio to see the performance of the stock and using the Independent sample t test or Mann u Whitney test to see if there are any significant difference between Islamic stocks and conventional stocks. The results show that the performance of Islamic stocks outperformed conventional stocks both before the Covid-19 Pandemic and during the Covid-19 Pandemic, but the difference was not statistically significant.

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INTRODUCTION

The Covid-19 pandemic has attacked almost all countries in the world, on March 11, 2020, the world health organization (WHO) officially declared this corona virus (COVID-19) a "Global Pandemic" because more and more countries reported a spike in the increase in cases caused by the COVID-19 pandemic. Covid-19, the first case of Covid-19 in Indonesia was confirmed on March 2, 2020. The rapid spread of Covid-19 has had a major impact on economies and financial markets worldwide (Chen & Yeh, 2021), not only threatens human health, but also threatens the economy of a country.

The impact of the Covid-19 pandemic has significantly affected the growth of the capital market in Indonesia. The unprecedented spread of the coronavirus has destabilized the stock market. Covid-19 cases that continue to increase have caused the Composite Stock Price Index (JCI)

to experience a fairly deep decline, especially in the first quarter of 2020. At the opening of trading at the beginning of 2020 the JCI was at the level of 6,313 while in March 2020 the JCI touched its lowest level in 2020. March 23, 2020, which was 3,937 or decreased by around 37%, this happened because the majority of capital market participants carried out stock selling or panic selling caused by investor reactions to the spread of Covid-19 and the decline in stock prices on global exchanges (Rahim et al. , 2021)

In Indonesia, where most of the citizens embrace Islam, investment based on sharia has begun to be developed, where the investment integrates Islamic values, namely through a selection process (screening) in determining investment instruments. One of the means of investing based on sharia principles is through the Islamic capital market (Pranata & Nurzanah, 2015). There are differences between sharia and conventional shares, one of which is sharia shares are listed on the Sharia Securities List (DES) which is released every six months by the OJK. On January 1 2018, the list of sharia shares registered with DES amounted to 375 shares, while on December 31, 2021 it rose to 484 sharia shares, in the last four years there was an increase of 109 shares or about 22%. For more details, see Figure 1 below.
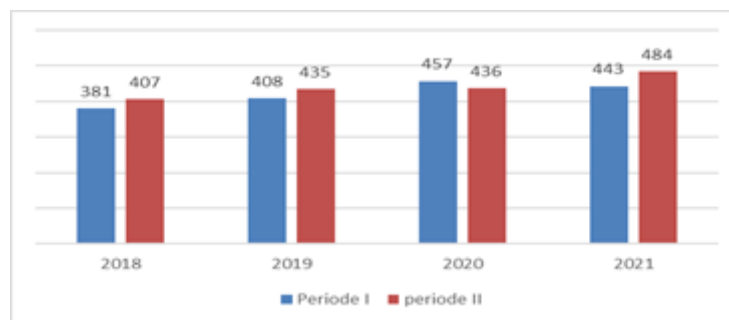

Figure 1. Development of Sharia Shares in 2018 to 2021

The development of sharia shares which are considered quite significant makes investors begin to look at sharia-based shares, sharia shares have good resilience when the economy is experiencing a crisis, this is expressed by (Albaity & Ahmad, 2008), because the Islamic capital market has a more powerful capability. good for adapting to external crisis disturbances. Islamic financial investment emphasizes its advantages at certain times, such as during a financial crisis. The financial crisis caused by COVID-19 is considered to have similarities with the previous financial crisis in 2008 (Subekti, 2022).

Based on several previous studies, financial instruments based on Islamic values have advantages over conventional financial instruments. The instability of the conventional capital market has also been recognized as one of the driving factors for the growth and development of the Islamic capital market. The study (Al-Yahyaee et al., 2020) shows that Islamic stock returns dominate conventional stock returns, especially in times of crisis. Research (Bugan et al., 2021) states that the Sharia index is a safe haven option, which means that investing in Islamic stocks is a safe haven for investors, especially during a crisis. This is also in line with research conducted by (Aarif et al.,

Until now (December, 2021) IDX has 40 Stock Indices, JII measures the price performance of 30 Islamic stocks that have good financial performance and high transaction liquidity listed on the IDX, while IDX-30 is an index that measures the price performance of 30 stocks that have high liquidity and large market capitalization and are supported by good fundamentals of companies listed on the IDX. The following is a graph of the development of the JII and IDX30 Index from January 2018 to December 2021.

Figure 2 JII and IDX30 Index Developments from 2018 to 2021

Based on Figure 2 above, it can be seen that the JII and IDX30 index stock movements, where stock price movements before the Covid-19 pandemic tended to fluctuate. At the beginning of January 2020 the JII Index was in position 642.80, when the Covid 19 Pandemic had entered Indonesia the JII Index decreased 15.68% to 476.39 in March 2020, as well as the IDX 30 Index decreased to 20.27% in March 2020 from 526.94 to 383.01 in March 2020, this is a result of the Covid-19 pandemic which has greatly affected economic activities both globally and domestically.

Stock portfolios need to be analyzed for their performance so that investors can find out which portfolios have good performance, so that they can be taken into consideration in making decisions when making investments. In measuring stock performance, it is not only calculated based on returns, but also considers the risks in it. Performance measurement that involves these two factors is called risk-adjusted return (KR & Fu, 2014). There are three performance measurement methods that are most widely applied in previous research in evaluating portfolio performance, namely by using the risk adjusted return sharpe ratio approach, Treynor ratio and Jensen alpha ratio (Jabeen & Kausar, 2021).

Previous research on the comparison of the performance of Islamic and conventional stocks has been carried out in a number of countries and Indonesia. However, there are mixed results from a number of previous scientific studies (research). Research (Pranata & Nurzanah, 2015) looks at the differences in returns and risks of Islamic and conventional stocks in different periods and countries, proving that there are no significant differences in returns and risks of Islamic and conventional stocks. Research conducted by (Al Rahahleh et al., 2021) reveals that the performance of Islamic stocks is superior to conventional stocks on the Dow Jones Islamic Index (DJII), this is in line with studies (Alam & Ansari, 2020) in India, (Albaity & Ahmad, 2008) in Malaysia, (Aarif et al., 2020) in Bangladesh and (Trabelsi et al.,

RESEARCH METHOD

This study uses quantitative methods, namely research methods based on the philosophy of positivism, used to examine certain populations or samples. In general, the sample is selected at random. data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing predetermined hypotheses (Sugiyono, 2017). Because this study analyzes comparisons, the nature of this study uses a comparative method, namely comparing the existence of a variable or more in two or more different samples (Sugiyono, 2017).

Population and Research Sample

The population in this study are all companies listed on the JII Index and the IDX 30 Index for the 2018 to 2021 period. the samples in this study are companies listed on the JII Index as a representation of sharia shares and companies listed on the IDX30 index as a representation of

conventional/non sharia shares. In this study, the sample was selected using the purposive sampling method from the entire research population as many as 95 companies, 23 companies were selected that met the criteria as samples in this study, namely 13 companies for sharia shares and 9 companies for conventional shares.

Method of collecting data

This study uses two methods, namely the method of literature study and documentation. The literature study method is carried out to collect a number of references to strengthen the theoretical framework, while the documentation method is used to collect a number of data required by the research. The data source used here is secondary data in the form of financial reports from 2018 to 2021 obtained from the official website of the Indonesia Stock Exchange. The data in this study is historical data on the monthly closing prices of stocks listed on the JII Index and the IDX 30 Index for the period January 2018 to December 2021 on the website www.investing.com, and Government Securities (SUN) to measure risk-free returns, then processed using SPSS software.

Data analysis method

This study uses a quantitative approach, using several analyzes, namely the Measurement of Risk Adjusted Returns to calculate the performance of sharia and conventional stock portfolios, as well as hypothesis testing t-test (independent-samples T-test) or Mann Whitney test to statistically compare the performance of Islamic stocks and conventional both before the Covid-19 Pandemic and during the Covid-19 Pandemic.

RESULTS AND DISCUSSIONS

Descriptive Results

This study aims to analyze the comparison of the performance of Islamic stocks and conventional stocks in two different periods, namely before the Covid-19 Pandemic and during the Covid-19 Pandemic, based on the sampling technique used, a sample of 22 companies from 95 companies was obtained. The sample selection was carried out based on certain criteria using purposive sampling method while for data processing using SPSS version 26. The stock portfolio in this study were companies listed on the JII Index as a representation of sharia shares consisting of 13 companies, as well as companies listed on the JII Index. IDX30 index as a representation of conventional stocks consisting of 9 companies.

Table 1. Descriptive analysis of Islamic and Conventional Stocks for the period 2018 to 2021

Measurement	Sharia Shares in JII	Conventional Stock at IDx 30
Before the covid-9 pandemic (2018 to 2019)		
Mean	0.5%	-10.93%
Std. Deviation	32.38%	28.30%
Beta	1.278	1.6911
Before the covid-9 pandemic (2020 to 2021)		
Mean	-29.12%	-32.85%
Std. Deviation	23.51%	33.31%
Beta	1.0918	1.7260

Source: Author's Data Process

Based on Table 1 above, it shows that there is a difference in the average return of Islamic stocks on the JII index with conventional stocks on the IDX30 Index, namely the return of Islamic stocks is greater than conventional stocks before the Covid-19 pandemic 0.57% > -10.93%, p. The

same thing happened during the Covid-19 Pandemic where the return of Islamic stocks was also greater than conventional stocks 5.99% > -12.66%. Security risk is calculated by standard deviation. Based on Table 4.1 above, the risk of Islamic stocks is greater than conventional stocks before the Covid-19 pandemic, namely 32.38% > 28.30%, this is in accordance with the high risk high return capital market theory. However, during the Covid-19 pandemic, the risk of conventional stocks is greater than Islamic stocks 47.55% > 43.59%.

Performance Analysis of Sharia Stocks Listed on the Jakarta Islamic Index (JII) and Conventional Stocks Listed on IDX30 Before the Covid-19 Pandemic

Table 2. Performance Analysis of Sharia Stocks Listed on the Jakarta Islamic Index (JII) and Conventional Stocks Listed on IDX30 Before the Covid-19 Pandemic

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Excess Return	Standard Deviation	Sharpe Ratio
Adro	-0.2112	0.0710	-0.2822	0.3587	-0.7867
Antm	-0.0436	0.0710	-0.1146	0.4586	-0.2500
Brpt	0.7200	0.0710	0.6490	0.4809	1.3496
Excel	0.0276	0.0710	-0.0434	0.3720	-0.1168
Icbp	0.1365	0.0710	0.0655	0.1759	0.3723
Inco	-0.0154	0.0710	-0.0864	0.4602	-0.1878
Indf	0.0117	0.0710	-0.0593	0.2252	-0.2632
Klbf	-0.0142	0.0710	-0.0852	0.2243	-0.3798
Ptba	0.1202	0.0710	-0.1912	0.3239	-0.5903
Tlkm	-0.0026	0.0710	-0.0736	0.1677	-0.4390
Untr	-0.2656	0.0710	-0.3366	0.2714	-1.2403
Unvr	-0.1263	0.0710	-0.1973	0.1976	-0.9981
Wika	-0.0228	0.0710	-0.0938	0.4933	-0.1902
IHSG (Market)	-0.0245	0.0710	-0.0955	0.1009	-0.9459
Average	0.0057	0.0710	0.0710	0.3238	-0.2862

The Sharpe ratio measures portfolio performance and adjusts to the risk, which means the higher the Sharpe ratio value, the better the company's financial performance. The results of table 2 above show that the average sharpe ratio of sharia shares listed on the JII index was negative during the period before the Covid-19 pandemic, which was -0.2862, this value was better than the overall market average value (JCI) which was -0. 9459. The company with the highest performance based on the Sharpe ratio is PT. Barito Pacific Tbk with a value of 1.3496. This is because PT. Barito Pacific Tbk has the highest average return value compared to thirteen other Islamic stock companies, namely 72% during the pre-Covid-19 pandemic. While the company with the lowest performance based on the Sharpe ratio is PT. United Tractors Tbk with a score of -1, 2403. This is because PT. United Tractors Tbk has the lowest average return compared to thirteen other Islamic stock companies, namely -26.56%.

Table 3. Performance of Islamic stocks on the Jakarta Islamic Index (JII) before the Covid-19 Pandemic based on Treynor Ratio

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Excess Return	Beta	Treynor ratio
Adro	-0.2112	0.0710	-0.2822	1.4729	-0.1916

Antm	-0.0436	0.0710	-0.1146	2.6696	-0.0429
brpt	0.7200	0.0710	0.6490	0.5551	1.1691
excel	0.0276	0.0710	-0.0434	0.5872	-0.0740
icbp	0.1365	0.0710	0.0655	0.4943	0.1325
Inco	-0.0154	0.0710	-0.0864	2.5725	-0.0336
indf	0.0117	0.0710	-0.0593	0.8984	-0.0660
Klbf	-0.0142	0.0710	-0.0852	1.3232	-0.0644
ptba	0.1202	0.0710	-0.1912	0.7918	-0.2415
Tlkm	-0.0026	0.0710	-0.0736	0.1622	-0.4539
Untr	-0.2656	0.0710	-0.3366	0.4231	-0.7958
Unvr	-0.1263	0.0710	-0.1973	0.8396	-0.2350
Wika	-0.0228	0.0710	-0.0938	3.7958	-0.0247
IHSG (Market)	-0.0245	0.0710	-0.0955	1.0000	-0.0955
Average	0.0057	0.0710	0.0710	1.2758	-0.0709

Measurement of stock performance using the treynor ratio is almost the same as the sharpe ratio based on excess return (Rp–Rf), but in this treynor ratio using beta (β) as the divisor, which is systematic risk or often also called market risk. Based on table 3, the average value of the treynor ratio for sharia shares before the Covid 19 pandemic was -0.0709, this value is better than the market average value (JCI) which is -0.0955. Based on the measurement of the Treynor ratio, the company with the highest performance is PT. Barito Pacific Tbk because the company's stock return is greater than the risk-free return of 64.90% and the Beta results from PT. Barito Pacific Tbk below the market Beta is 0.5551 which means the systematic risk of PT. Barito Pacific Tbk is less than market risk. Meanwhile, the company with the lowest performance based on the Treynor ratio is PT. United Tractors Tbk, this is because PT. United Tractors Tbk has the lowest return compared to thirteen other Islamic stock companies, namely -26.56%.

Table 4. Performance of Islamic stocks on the Jakarta Islamic Index (JII) before the Covid-19 Pandemic based on Jensen Alpha Rasio Ratio

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Excess Return	Beta	Jensen Alpha Ratio
Andro	-0.2112	0.0710	-0.0245	1.4729	-0.1416
Antm	-0.0436	0.0710	-0.0245	2.6696	0.1402
brpt	0.7200	0.0710	-0.0245	0.5551	0.7020
excel	0.0276	0.0710	-0.0245	0.5872	0.0126
icbp	0.1365	0.0710	-0.0245	0.4943	0.1127
Inco	-0.0154	0.0710	-0.0245	2.5725	0.1591
indf	0.0117	0.0710	-0.0245	0.8984	0.0265
Klbf	-0.0142	0.0710	-0.0245	1.3232	0.0411
ptba	0.1202	0.0710	-0.0245	0.7918	-0.1156
Tlkm	-0.0026	0.0710	-0.0245	0.1622	-0.0581
Untr	-0.2656	0.0710	-0.0245	0.4231	-0.2963
Unvr	-0.1263	0.0710	-0.0245	0.8396	-0.1171
Wika	-0.0228	0.0710	-0.0245	3.7958	0.2685
IHSG (Market)	-0.0245	0.0710	-0.0245	1.0000	0.0000
Average	0.0057	0.0710	-0.0245	1.2758	0.0565

Meanwhile, the Jensen ratio for Islamic stocks before the Covid-19 pandemic had a positive average value of 0.1102, meaning that the average return generated by investing in Islamic stocks was greater than the market return. The higher the value of the Jensen alpha ratio indicates that the portfolio has a good risk-adjusted return. Based on the Jensen alpha ratio, the company with the highest score is PT. PT. Barito Pacific Tbk with a value of 0.7020 While the lowest is at PT. United Tractors Tbk with a value of -0.2963.

Table 5. Performance of conventional stocks on the IDX30 Index Before the Covid-19 Pandemic based on Sharpe Rasio Ratio

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Excess Return	Beta	Jensen Alpha Ratio
ASII	-0.0548	0.0573	-0.1120	0.4020	-0.2787
BBNI	-0.0331	0.0573	-0.0904	0.5271	-0.1715
BBRI	-0.0417		-0.0990	0.3643	-0.2718
BBIN	-0.0398	0.0573	-0.0971	0.7758	-0.1251
BMRI	-0.0369	0.0573	-0.0942	0.3889	-0.2421
GGRM	-0.2689	0.0573	-0.3262	0.3935	-0.8288
HMSP	-0.3285	0.0573	-0.3857	0.3331	-1.1580
PGAS	-0.1062	0.0573	-0.1634	0.6339	-0.2578
SMGR	-0.2295	0.0573	-0.2868	0.4609	-0.6222
IHSG (Market)	0.0550	0.0573	-0.0023	0.1954	0.0118
Average	-0.1266	0.0573	-0.1839	0.4755	-0.4396

Based on table 5 the average value of the sharpe ratio of conventional stocks listed on the IDX30 index was negative during the Covid-19 Pandemic, which was -0.4396 as well as the excess returns of nine conventional stocks on IDX30 which had negative exceess returns during the Covid-19 pandemic, meaning investment returns on stocks below the risk-free investment return. The company with the highest performance based on the Sharpe ratio is PT. State Savings Bank (Persero) with a value of -0.1251. While the company with the lowest performance based on the Sharpe ratio is PT. HM Sampoerna Tbk with a value of -1.1580, this is because the return of PT. HM Sampoerna Tbk was negative during the Covid-19 Pandemic which was -32.85%.

Table 6. Performance of conventional stocks on the IDX30 index during the Covid-19 pandemic based on the Treynor Ratio

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Excess Return	Beta	Jensen Alpha Ratio
ASII	-0.0548	0.0573	-0.1120	1.3137	-0.0853
BBNI	-0.0331	0.0573	-0.0904	2,722	-0.0416
BBRI	-0.0417	0.0573	-0.0990	1.4971	-0.0661
BBIN	-0.0398	0.0573	-0.0971	2.8905	-0.0336
BMRI	-0.0369	0.0573	-0.0942	1.5196	-0.0620
GGRM	-0.2689	0.0573	-0.3262	0.8817	-0.3699
HMSP	-0.3285	0.0573	-0.3857	0.9593	-0.4021
PGAS	-0.1062	0.0573	-0.1634	2.8647	-0.0570
SMGR	-0.2295	0.0573	-0.2868	1.4349	-0.1999

Code	E(rp)	Risk Free	Return market	Beta	Jensen Alpha Ratio
IHSG (Market)	0.0550 -	0.0573	-0.0023	1.0000	-0.0023
Average	0.1266	0.0573	-0.1839	1.7260	-0.1464

Based on the treynor ratio, the average treynor ratio for conventional stocks during the Covid 19 pandemic is -0.1464 this value is below the market value, which is -0.0023, meaning that during the Covid-19 pandemic the average value for conventional stocks at IDX30 is below the overall market value (JCI). Based on the Treynor ratio, the company with the highest performance is PT. State Savings Bank (Persero). Meanwhile, the company with the lowest performance based on the Treynor ratio is PT. HM Sampoerna Tbk, this is because PT. HM Sampoerna Tbk has the lowest return compared to nine other conventional stock companies, namely -32.85%.

Table 7. Performance of conventional stocks on the IDX30 index during the Covid-19 pandemic based on the Treynor Ratio

Code	Sharia stock performance before the COVID-19 pandemic based on the Sharpe ratio				
	E(rp)	Risk Free	Return market	Beta	Jensen Alpha Ratio
ASII	-0.0548	0.0573	0.0550	1.3137	-0.1090
BBNI	-0.0331	0.0573	0.0550	2,722	-0.0854
BBRI	-0.0417	0.0573	0.0550	1.4971	-0.0956
BBIN	-0.0398	0.0573	0.0550	2.8905	-0.0904
BMRI	-0.0369	0.0573	0.0550	1.5196	-0.0907
GGRM	-0.2689	0.0573	0.0550	0.8817	-0.3241
HMSP	-0.3285	0.0573	0.0550	0.9593	-0.3835
PGAS	-0.1062	0.0573	0.0550	2.8647	-0.1568
SMGR	-0.2295	0.0573	0.0550	1.4349	-0.2835
IHSG (Market)	0.0550 -	0.0573	0.0550	1.0000	0.0000
Average	0.1266	0.0573	0.0550	1.7260	-0.1799

Based on the Jensen Alpha ratio, conventional stocks before the Covid-19 Pandemic had a negative average value of -0.1799, which means that the performance of conventional stocks at IDX30 was below the overall market performance during the Covid-19 Pandemic. Based on the Jensen alpha ratio the company with the highest is PT. Bank Negara Indonesia, because it has a higher average return of -3.31%. While the lowest company performance is PT. HM Sampoerna Tbk, which has the lowest return compared to nine other conventional stock companies, is -32.85%.

Hypothesis testing

Hypothesis testing in this study used the t-test (independent-samples T-test) for data that were normally distributed and the Mann-Whiteney test for data that were not normally distributed. This hypothesis test was conducted to determine whether there was a significant difference in performance between Islamic stocks on the JII index and conventional stocks on the IDX30 index before the Covid-19 pandemic and during the Covid-19 pandemic. This comparison is seen from the comparison of each method of measuring stock performance. Test the hypothesis of the performance measurement of Islamic stocks on the JII index and conventional stocks on the IDX30 index before the Covid-19 pandemic. Before carrying out statistical tests using the Independent Sample t-test, the data must pass the normality test and homogeneity test. The normality test in this study used the Shapiro-Wilk test. The normality test aims to check whether the data used in the study are normally distributed or not. Meanwhile, the homogeneity test

(Levene's test) aims to show that the data used in this study came from homogeneous (same) populations and variances.

Table 9. Normality Test of Sharia Stocks and Conventional Stocks Before the Covid-19 Pandemic

Shapiro-Wilk . Normalization Test	Sharia Shares in JII			Convertible Shares on iDX30		
	Hapae Ratio	Treynor ratio	Alpha Jeans Ratio	Shape Ratio	Trenor Ratio	Jansen Alpha Ratio
Statistics	898	785	891	941	941	976
Df	13	13	13	9	9	9
Sig	124	005	100	592	929	941
Conclusion	Normal	Abnormal	Normal	Normal	Normal	Normal

Based on Table 8 above, the performance data of Islamic stocks and conventional stocks before the Covid-19 pandemic was normally distributed using the Sharpe Ratio with a significance value of 0.124 for Islamic stocks and 0.592 for conventional stocks which can be seen in the Sig column. the value is > 0.05. Likewise, the Jensen Alpha Ratio method has data normally distributed with a significance value of 0.100 > 0.05 for Islamic stocks and 0.929 > 0.05 for conventional stocks. However, by using the Treynor ratio, the significance value of sharia shares at JII is not normally distributed, namely 0.005 <0.05, so that further testing based on the Treynor Ratio is carried out using the Mann-Whiteney Test.

Hypothesis testing of the performance measurement of Islamic stocks on the JII index and conventional stocks on the IDX30 index during the Covid-19 Pandemic

Table 10. Heteroscedasticity Test

Shapiro-Wilk . Normalization Test	Sharia Shares in JII			Convertible Shares on iDX30		
	Hapae Ratio	Treynor ratio	Alpha Jeans Ratio	Shape Ratio	Trenor Ratio	Jansen Alpha Ratio
Statistics	988					
Df	13	13	13	13	13	13
Sig	999	002	091	026	005	015
Conclusion	Normal	Abnormal	Normal	Abnormal	Abnormal	Abnormal

Based on Table 10 almost all data are not normally distributed during the Covid-19 Pandemic, it can be seen in the Sig column. the value is less than 0.05, except for the performance assessment data using the Sharpe Ratio and Jensen Alpha Ratio on Islamic stocks, with a value of Sig. 0.999 > 0.05 and 0.091 > 0.05. so that further testing is carried out with the Mann-Whitene Test.

Discussion
a. Performance of Islamic stocks listed on the Jakarta Islamic Index (JII) and conventional stocks listed on IDX30 Before the Covid-19 Pandemic
Sharpe's ratio shows that stocks with higher Sharpe's ratios have greater excess returns with the same risk, which means that the greater the value of Sharpe's ratio, the better the financial performance. Although the average sharpe ratio is equally negative between sharia shares and conventional shares, the sharpe ratio owned by sharia shares at JII is better than the sharpe ratio held by conventional shares at IDX30 -0.2862>-0, 6774. It can be concluded that before the Covid-19 pandemic, the financial performance of Islamic stocks was better than conventional stocks based on the Sharpe ratio. A high Treynor ratio indicates that the return generated by the investment is greater than the level of risk. In contrast to the Sharpe ratio, the Treynor ratio only considers systematic risk. Based on table 4.16 before the Covid-19 pandemic, the treynor ratio owned by

Islamic stocks was better than the treynor ratio held by conventional stocks, namely -0.0709>
0.1180.

The results of this study are in line with research (Jabeen & Kausar, 2021) which evaluates
portfolio performance by using the risk adjusted return sharpe ratio, Treynor ratio and Jensen
alpha ratio on the Pakistan Stock Exchange, where overall Islamic stocks on KMI-30 outperform
conventional stocks. on KSE-30 on the Pakistan Stock Exchange. Likewise, research (Alam &
Ansari, 2020) on the Indian Stock Exchange shows that Islamic stocks provide slightly superior
performance compared to conventional stocks.

**b.   The performance of Islamic stocks listed on the Jakarta Islamic Index (JII) and conventional
stocks listed on IDX30 during the Covid-19 pandemic**.

The Treynor ratio presents a measure of stock performance using systematic risk in the
denominator, the inclusion of this measure is more appropriate to use during crisis periods, where
systematic risk plays a more important role in determining returns on certain securities, because
rational investors are expected to diversify their portfolios to maintain risk. systematic (Jawadi et
al., 2014). Based on table 4.17 during Covid-19 based on the treynor ratio, conventional stocks have
a better value than Islamic stocks, namely -0.1464 > -0.2208. This finding is in line with a study
(Kurniawan & Asandimitra, 2014) which states that conventional indexed stocks perform better on
the Indonesia Stock Exchange.

Based on the results of the analysis above, the performance of conventional stocks was better
than Islamic stocks during the Covid-19 pandemic based on the treynor ratio, this is in line with
previous research conducted by Setiawan (2017) which stated that based on the treynor ratio,
conventional stocks outperformed Islamic stocks on the Indonesia Stock Exchange. Meanwhile,
based on the Sharpe and Jensen alpha ratios, Islamic stocks outperformed conventional stocks
during the Covid-19 pandemic conducted by (Aarif et al., 2020) who stated that Islamic stock
performance was better than conventional stocks, especially during a crisis as well as research
(Jawadi et al. 2014) which stated that during the financial crisis the performance of Islamic stocks
dominated conventional stocks. The same thing was also expressed by (Bugan et al).

From the results above, it can be concluded that in general, the performance of Islamic stocks
is better than conventional stocks on the Indonesia Stock Exchange both before the Covid-19
Pandemic and during the Covid-19 Pandemic, this is because based on the assessment of the
performance of the shares, Risk Adjusted Return, Sharpe ratio, Treynor ratio and Jensen alpha
ratio, Islamic stocks listed on the JII Index overall outperform conventional stocks on IDX30, but
there is no statistically significant difference. Therefore, the Screening of Islamic stocks by the
Financial Services Authority (OJK) does not make the performance of these stocks decreased, on
the contrary, Islamic stocks performed better than conventional stocks.

**c.   Analysis of differences in the performance of Islamic stocks listed on the JII index with
conventional stocks listed on the IDX30 index before the Covid-19 Pandemic and during
the Covid-19 Pandemic**

Based on the independent sample test using the Sharpe ratio, it shows that there is no
significant difference between the performance of sharia shares listed on JII and conventional
shares listed on IDX30 before the Indonesian Covid-19 pandemic, as well as using the Treynor ratio
and Jensen alpha ratio. The hypothesis shows that there is no significant difference between the
performance of Islamic and conventional stocks on the Indonesia Stock Exchange before the Covid-
19 Pandemic, this finding is in line with research (Aarif et al., 2020) on the Dhaka Stock Exchange
which states that the overall performance of Islamic stocks (DSEX) outperformed conventional
stocks (DSE) on the Dhaka Stock Exchange but the results were not statistically significant. The
results of this study are also similar to research (Alam & Ansari, 2020) on the Indian Stock
Exchange which states that Islamic stocks provide slightly superior performance compared to
conventional stocks but there is no statistically significant difference and research by Bayram &
Abdullah Othman (2019) on the Stock Exchange. The Turkish Securities stated that there was no

statistically significant difference between the performance of the Islamic stock KATILIM 50 and the conventional stock BIST 100 on the Turkish Stock Exchange.

The results of the hypothesis test show that there is no significant difference between Islamic stocks and conventional stocks, during the Covid-19 pandemic using the Sharpe ratio, Treynor ratio and Jensen alpha ratio. The results of this study are also in line with research (Trabelsi et al., 2020) which compares the performance of Islamic and conventional indices during normal and crisis periods on the MSCI Islamic stock index and its conventional counterparts in the United States, the results show differences in performance between conventional, sharia portfolios. , and mixed but not statistically significant. Therefore, investors will not be harmed by choosing Islamic stocks over conventional stocks.

CONCLUSION

This study examines the performance of Islamic stocks and conventional stocks listed on the Indonesia Stock Exchange (IDX) and analyzes their performance during two different periods, namely before the Covid-19 Pandemic and during the Covid-19 Pandemic, the Independent sample t test and the Mann-Whitney test. used to see a statistical comparison of performance between the Islamic stock and the conventional stock. Based on data processed during the period January 2018 to December 2021, Islamic stock returns on the JII index outperformed conventional stock returns on the IDX30 index both before the Covid-19 pandemic and during the Covid-19 pandemic. In terms of risk, Islamic and conventional stocks are almost the same for the entire study period, The results of the measurement of return, risk, and beta of Islamic and conventional stocks are used to calculate the performance of Islamic and conventional stocks through performance measurement using the Sharpe ratio, Treynor ratio and Jensen alpha ratio. Based on the findings, Islamic stocks listed on the JII Index overall outperformed conventional stocks on IDX30, but there was no statistically significant difference. From the comparison results of Sharpe, Treynor and Jensen alpha ratios for Islamic and conventional stocks, the results of the performance assessment of Islamic stocks on the Jakarta Islamix Index (JII) are greater than conventional stocks on the IDX30 Index. This shows that the performance of Islamic stocks is better than conventional stocks, both before the Covid pandemic and during the Covid-19 pandemic.

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