

Psychology of Muslim Investors in Stock Market During COVID-19 Pandemic

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Abstract. *The main purpose of this study is to analyze and evaluate the psychology of Muslim investors in stock investments during COVID-19 pandemic. This research uses data collected through online questionnaires conducted in May 2020, and employ Path Analysis to make sense of the data. This study finds that the psychology of Muslim investors investing in stock markets during the COVID-19 pandemic is irrational and intuitive. Muslim investors react quickly without resorting to any fundamental/technical analysis. Muslim investors are willing to take risks and cut losses in this situation. In addition, the psychology of Muslim investors with respect to religiosity is at the second level of Homo Islamicus' self-interest, namely Al-Nafs Al-Lawamah.*

Keywords: *Psychology of Muslim investors, stock investment, COVID-19*

Abstrak. *Tujuan utama penelitian ini adalah untuk menganalisis dan mengevaluasi psikologi investor muslim dalam investasi saham pada saat pandemi COVID-19. Penelitian ini menggunakan path analisis. Pengumpulan data dilakukan melalui kuesioner online pada Mei 2020. Studi ini menemukan bahwa psikologi investor Muslim yang berinvestasi di saham selama pandemi COVID-19 tidak rasional dan intuitif. Investor Muslim bereaksi cepat tanpa didasarkan pada analisis fundamental / teknis apa pun. Investor Muslim bersedia mengambil resiko dan melakukan cut loss dalam situasi ini. Selain itu, psikologi investor Muslim dalam aspek religiusitas berada pada level kedua dari kepentingan diri Homo Islamicus yaitu Al-Nafs Al-Lawamah.*

Kata Kunci: *Psikologi investor Muslim, investasi saham, COVID-19*

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Introduction

Covid-19 pandemic has caused far-reaching changes in various aspects of life, including economic, legal, political, social, educational and others. The spread of corona virus (COVID-19) in various countries is a serious concern for Heads of State across the world. In Indonesia, President Joko Widodo urged the public to implement Physical Distancing and Work From Home (WFH) in order to accelerate the handling of the COVID-19 pandemic. This was supported by Minister of Health Regulation No.9 of 2020 concerning the Guidelines for PSBB. The implementation of Physical Distancing and Work From Home (WFH) certainly makes companies' revenues decrease. The economy and finance of the state have not yet given clear directions and policies (Hafizh et al., 2020). This resulted in a significant decrease in the Jakarta Composite Index, especially in March and April, which caused the movement of the Jakarta Composite Index to be paused for 30 Minutes (Trading Halt) because it had decreased below 5% in one day. IHSG weakened below the 4000 level which was 3,937 (Citradi, 2020).

This situation provides considerable concern and consideration for investors to invest their capital in the Indonesia Stock Exchange (IDX). This is supported by the statement of former executive of the Indonesia Stock Exchange (BEI), who suggested that the behavior of investors and domestic securities is like 'herds of wild animals' (Agustian, 2009). The behavior of domestic capital market players in Indonesia tends to follow the behavior of others (Septyanto, 2013b). This suggests that Subjective Norm is the basis for stock investment decisions on the Indonesia Stock Exchange (Adhikara et al., 2014; Dihin Septyanto & Joko, 2016). Subjective norm is the encouragement of others and the environment to take certain actions.

Prospect Theory explains that an investor tends to be influenced by his psychology in risking profits rather than losses. The fall in share prices during the COVID-19 pandemic made investors bolder in risk than profit (Sugianto et

al., 2020). Components in this theory are regret aversion, loss aversion and mental accounting (Mamun et al., 2015; Nyoman et al., 2017; Sarwar & Afaf, 2016; Waweru et al., 2008). Psychology includes aspirations, cognitions, emotions, culture, and perception of justice (Shefrin & Statman, 2011). Meanwhile, Ajzen explained that attitude, Subjective Norm, perceived behavior control influences one's intention to do something (Ajzen, 2005). Adhikara's research includes news, accounting information, unsystematic risk, Subjective Norms, policies, and consideration of investor confidence (Adhikara et al., 2014; Adhikara, Maslichah, 2013). Agustin's research includes religiosity and non-religiosity, which are based on sharia principles (Agustin, 2014).

The phenomenon of significant stock price declines during the COVID-19 pandemic caused psychological aspects to play an important role in stock investment decisions. Various studies have been conducted testing the psychological factors that affect stock investment decisions. Paramita et al. found that the psychological aspect directs the irrational behavior of stock investors in biased decision making (Paramitha et al., 2018). Dhaoui et al's research found that investors are more often pessimistic than optimistic in stock transactions (Dhaoui et al., 2013). This will cause the stock price to get out of control. Furthermore, risk perception, loss aversion, herding behavior are also part of investor psychology that influences stock investment decisions (Ahyaruddin et al., 2017; Alquraan, T., Alqisie, A., & Shofa, 2016; Bakar & Yi, 2016; Benjamin et al., 2017; Fenny Cathlyn & Astuti, 2017; Kengatharan, 2019; Khairunizam & Isbanah, 2019; Pradhana, 2018; Sheikh & Riaz, 2012).

The fluctuation of stock price movements on the Indonesian stock exchange which is very volatile, this is a serious concern for researchers. Previous studies have focused on investor psychology in various stock exchanges before the existence of the COVID-19 pandemic. This study presents an analysis and description of how Muslim investor psychology invests in the shares of the COVID-19 pandemic. Judging from the Subjective Norm variable, sharia principles, risk, perceived behavior control and stock investment decision. The hypotheses in this study are:

- H1 : Subjective norm affect on the perceived behavior control
- H2 : Sharia principles affect on the perceived behavior control
- H3 : Risk influences affect on control behavior
- H4 : Perceived behavior control affect on stock investment decision
- H5 : Subjective norm affect on the stock investment decision
- H6 : Sharia principles affect on the stock investment decision
- H7 : Risk affect on the stock investment decision
- H8 : Subjective norm affect on stock investment decisions through perceived behavior control
- H9 : Sharia principles affect on stock investment decisions through perceived behavior control
- H10 : Risk affect on the stock investment decision through perceived behavior control

Literature Review

This theory was put forward by Daniel Kahneman and Amos Tversky (Lubis, 2013). Prospect Theory explains that an investor tends to be influenced by his psychology in risking profits rather than losses. This theory illustrates that an investor will be more determined in taking risks than achieving success (Lubis, 2013). Components in this theory are regret aversion, loss aversion and mental accounting.

Regret Aversion Theory explains how the psychology of an investor regrets for the wrong decisions that have been made. The mistake caused great regret for investors regarding buying and selling at the right time and choosing the right stock he was supposed to do. This regret theory makes a Muslim investor tend to be conservative because he is too antipathic to the economic situation and this will cause investors to eventually change their attitude to herding behavior because he needs the support of others to sell/buy shares at the right time (Michael, 2006)

Loss Aversion Theory explains the psychology of an investor who feels hurt / sad/disappointed when he suffered a loss greater than feeling happy when he experienced profits even though in the same amount (Tilson, 2005). Illustration, if in a stock portfolio owned by a Muslim investor there are shares TLKM which experienced a potential loss of 10%, JSMR shares experienced a potential profit of 10%. Then Muslim investors will feel sadder to see his TLKM stock portfolio compared to happy seeing his JSMR shares.

Theory of Mental Accounting explains how investor psychology makes the costs and benefits of a decision he made (Hagstrom, 1999). This situation makes investors tend to think critically about mental accounting that can make a comparison of the benefits he will get compared to the risk he will receive in choosing a share. When the stock price gives a small profit for him, then he is hesitant in acting, but this mental accounting situation can lead investors to be wiser in making stock investment decisions. Illustration, a stock investor will always look at the price movement of a stock and compare the price with PBV and PER of the stock and then compare it with similar stocks and make a calculation of the costs and benefits that he will receive.

Theory of Planned Behavior was put forward by Icek Ajzen, which is based on the assumption that humans are rational creatures who always use information that is available systematically that is influenced by one's conscious intention towards a behavior (Ajzen, 2005). This theory states that attitudes, subjective norms, and behavioral control perceptions together form individual behavioral intentions and behaviors. 1) Attitudes towards behavior, i.e. Positive or negative individual evaluations of certain behavioral performance. 2) Subjective norms, namely individual perceptions of social normative pressures originating from social referrals both friends, analysts and stakeholder policies that support or encourage behavior to make a decision. 3) Perception of behavioral control, namely individual beliefs about the consequences of certain behaviors. This concept is based on subjective probabilities that behavior will produce positive results given (Ajzen, 2005).

Methods

This research approach uses a quantitative research approach with survey methods. Data sources use primary data. The population in this study are Muslim investors who are listed as stock investors in Indonesia. Because of the unknown population of Muslim investors listed on the Indonesia Stock Exchange (IDX). The determination of the sample was carried out using the Roscoe method, where the number of variables studied multiplied by a minimum sample of 10. Then the researchers determined the number of samples of this study by 5 variables multiplied by 25 samples to 125 samples / respondents. This is done to get maximum results from research. Roscoe states, the proper sample size in the study is between 30-500 samples (Sugiyono, 2012). So that the research sample is feasible and represents the population.

Sampling was carried out using purposive sampling technique. The research sample criteria are: 1. Muslim, 2. Investors have stock accounts and 3. Investors have been doing stock transactions for more than 1 year. Data collection techniques by distributing questionnaires via Google forms in May 2020 through online media affiliated with sharia investor groups such as; Whatsapp group, Instagram and Telegram Group. The respondents who filled out this questionnaire were sourced from various provinces in Indonesia, namely North Sumatra, Riau, DKI Jakarta, West Java, Banten, Yogyakarta, West Kalimantan, East Nusa Tenggara, West Nusa Tenggara, Jambi, Central Java, Maluku, Aceh and East Java, South Sulawesi, Lampung. The analysis technique used is Path analysis with analysis tools using SPSS Version 25.

Operational variables are divided into three, namely:

Independent Variable	: Subjective Norm, Sharia principles, Risk,
Dependent Variable	: Stock investment decision
Intervening Variable	: Perceived behavior control

Subjective norms are investor perceptions of the social referral dimension. Dimensions of social referral are references, references given by the public or related parties in it about a stock. The indicators of this subjective norm are the influence of regulators, friends, mass media and analysts.

Sharia principle in its operation is the fulfilment of sharia values in every sharia financial institution, which refers to the Al-Qur'an and Hadith as its main source. The rules in the provisions contained in both the product, the mechanism, the transaction and the regulations are determined based on the DSN-MUI fatwa (Arifin, 2009). The dimension of sharia principles is sharia compliance. Sharia compliance is the fulfilment of all sharia principles in stock transaction activities.

Risk, in this case, is related to the size of the capital invested by investors. The Risk Dimension adopted in this study is sourced from Adhikara's research; namely, the risk dimension is not systematic. The unsystematic risk dimension is an investor's confidence regarding the financial statement items that are considered to have the potential loss from an outcome (Adhikara et al., 2014).

Perception of behavior control is a view from within an investor in assessing his ability whether he can be able or unable to do something. This view of investor confidence is supported by the knowledge, experience and information that he got from outside. The dimension in this variable is ability. Ability is an assessment or measure of what a Muslim investor can do.

Stock investment decisions in the operations of this study are decisions taken by an investor to take action to sell or buy or to wait and see the situation of stock price movements in the COVID-19 period. Stock investment decisions have a long-term time dimension meaning decisions taken must be considered well because they have long-term consequences also exceed one year (Soetrisno, 2007). This instrument was adopted and developed from Tandelin research (Tandelilin, 2010).

Regression analysis equation the paths of this study are as follows:

$$Y_1 = p_{Y_1X_1}X_1 + p_{Y_2X_2}X_2 + p_{Y_3X_3}X_3 + \varepsilon_1$$

$$Y_2 = p_{Y_2X_1}X_1 + p_{Y_2X_2}X_2 + p_{Y_2X_3}X_3 + p_{Y_2Y_1}Y_1 + \varepsilon_2$$

The scheme of this research framework is shown in figure 1.

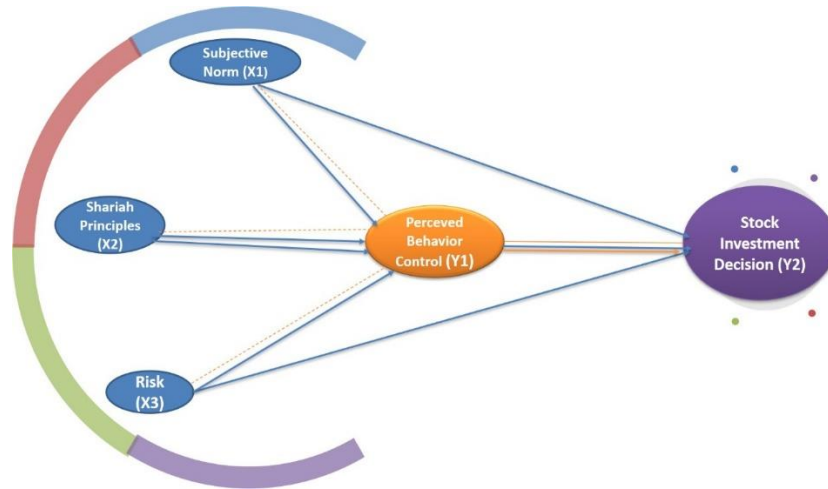


Figure 1. Framework

Note: X1= Subjective Norm (NS); X2= Sharia principles (PS); X3= Risk (R);
Y1= Perceived behavior control (PBC); Y2= Stock investment decision (SID).

Results and Discussions

Characteristics of research respondents under the heading 'Psychology of Muslim investors in investing stocks during the COVID-19 Pandemic' are summarized in table 1. The respondents are: 1. Muslim, 2. The investors who have stock accounts and 3. The Investors who have been doing stock transactions for more than 1 year. Table 1 shows that characteristics of respondents in this study meet the criterion of the research that is 100% Muslim. Roscoe states, the proper sample size in the study is between 30-500 samples (Sugiyono, 2012). So that the research sample is feasible and represents the population. Men dominated the sex of the respondents amounted to 79 people or as much as 63.2%. The work of Muslim Investors is dominated by 54 students or 43.2%. The majority of respondents in this study were millennial investors as many as 86 people or 68.8% who transacted for more than 1 year. The length of time an investor's stock transactions are dominated millennial investors.

Table 1. Characteristics of Respondents

Religion	Frequency	%
Islam	125	100%
Gender	Frequency	%
Men	79	63.2%
Woman	46	36.8%
Work	Frequency	%
College Student	54	43.2%
PNS	10	8%
Lecturer	14	11.2%
Private	20	16%
Businessman	8	6.4%
Other	19	15.2%
Age	Frequency	%
<30 years	86	68.8%
30-40 years	20	16%
40-50 years	14	11.2%
>50 years	5	4%
Old Stock Transaction	Frequency	%
1-3 years	104	83.2%
3-5 years	17	13.6%
5-7 years	4	3.2
>7 years	0	0

Source: Processed research data

Descriptive statistics of variables in the study with the title 'Psychology of Muslim investors in investing stocks during the COVID-19 Pandemic' are presented in table 2.

Table 2. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Subjective Norm	125	4.00	20.00	15.1280	2.97293
Sharia Principles	125	7.00	25.00	21.5440	3.96864
Risk	125	13.00	35.00	26.5040	4.52880
Perceived Behavior Control	125	11.00	30.00	22.2480	3.87435
Stock Investment Decision	125	14.00	30.00	22.9920	3.49769
Valid N (listwise)	125				

Source: Processed research data

The R table of this study is the Degree of Freedom (DF) = N-2 where DF = 125-2 = 123 then with a significance of 0.05, the r table is 0.1757. The

validity test results show that all items of the statement for each variable are declared valid. The reliability test results also showed that all variables were declared reliable because they had a Cronbach Alpha that was greater than 0.600. (see Appendix)

Classical Assumption Test

The normality test results of this research data can be seen from figure 2 below.

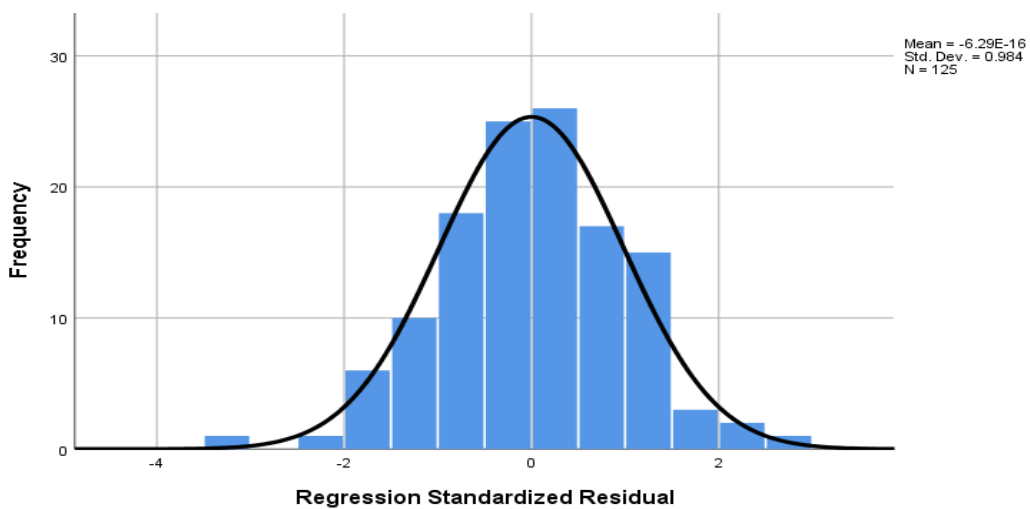


Figure 2. Histogram

Source: Processed research data

The results of the normality test show that all variables are normally distributed; this is because the histogram curve forms a bell or parabolic pattern.

Multicollinearity Test is shown by Tolerance column and column VIF Column. Multicollinearity is not found as Tolerance values are more than 10 percent (Tolerance > 0.01) and the VIF values are less than 10 (VIF < 10).

Table 3. The Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Subjective Norm	.869	1.151
Sharia Principles	.878	1.139
Risk	.817	1.223

Perceived Behavior Control	.890	1.124
A. Dependent Variable: Stock Investment Decision		

Source: Processed research data

Heteroscedasticity test results show that the data distribution does not show symptoms of heteroskedasticity because the data distribution is spread and does not form a certain pattern.

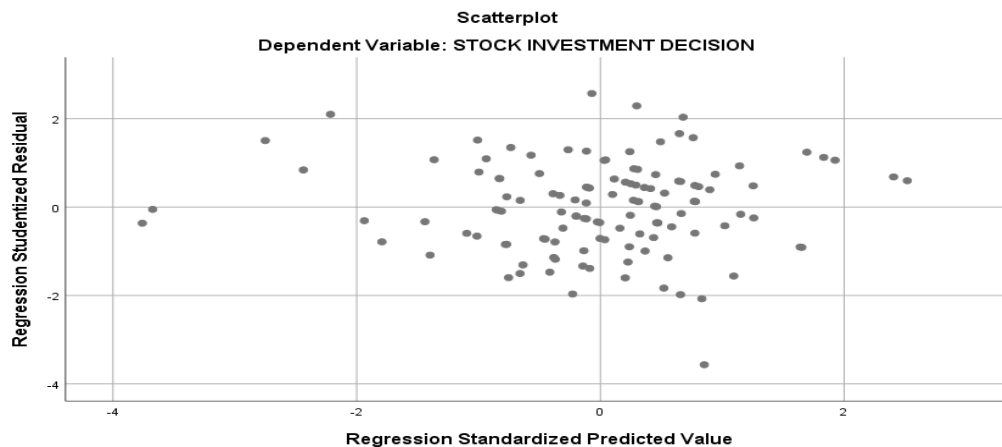


Figure 3. Heteroskedasticity

Source: Processed research data

Model 1

Model I (first) regression analysis was used to determine the strength of the relationship of the independent variable to the mediating variable (intervening). In the regression analysis of model I, the structural equation is:

$$PBC = pSN + pSP + pR + \epsilon_1$$

Simultaneously, the three subjective norm variables, sharia principles, risk have a probability of 5.004 which means that all four variables together have a significant effect on Perceived Behavior Control at sig 0.003 < 0.05. In addition, the magnitude of R Square is 0.110 or 11.0% which means Perceived Behavior Control can be explained by the subjective norm, sharia principles, and risk by 11.0%. Other variables explain the rest. (see Appendix)

Based on the results of the t test, the regression equation that reflects the variables in this study is

$$\text{PBC} = 13.241 + 0.120\text{SN} + 0.042\text{SP} + 0.237\text{R} + 0.943$$

Table 4. T-Test Results (Equation I)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	13.241	2.547		5.199	.000		
Subjective Norm	.120	.119	.092	1.008	.315	.876	1.141
Sharia Principles	.042	.089	.043	.466	.642	.879	1.137
Risk	.237	.078	.277	3.034	.003	.880	1.137

A. Dependent Variable: Perceived Behavior Control

Source: Processed research data

Model II

Model II (second) regression analysis was used to determine the strength of the relationship of the independent variable to the dependent variable. In the regression analysis of model II the structural equation is:

$$\text{SID} = p\text{SN} + p\text{SP} + p\text{R} + p\text{PBC} + \epsilon_1$$

Simultaneously, the four subjective norm variables, sharia principles, risk have a probability of 17,890, which means the four variables together have a significant effect on Stock Investment Decision at sig 0,000 < 0.05. In addition, the results show that the magnitude of R Square is 0.374 or 37.40% which means Stock Investment Decision variables can be explained by subjective norm, sharia principles, risk and perceived behavior control by 37.40%.

Table 5. T-Test Results (Equation II)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5.165	2.143		2.411	.017		
Subjective Norm	.253	.091	.215	2.779	.006	.869	1.151

Sharia Principles	.141	.068	.160	2.076	.040	.878	1.139
Risk	.211	.062	.273	3.416	.001	.817	1.223
Perceived Behavior Control	.241	.069	.267	3.487	.001	.890	1.124

A. Dependent Variable: Stock Investment Decision

Source: Processed research data

Based on the results of the t test, the regression equation that reflects the variables in this study is:

$$SID = 5.165 + 0.253SN + 0.141SP + 0.211R + 0.241PBC + 0.791$$

Table 6. Results of Analysis of Direct and Indirect Effects

Hypothesis	Model	Standardized Coefficient Beta	T	Sig	R ²	Conclusion
Structural equation I (X ₁ , X ₂ , X ₃ to Y ₁)						
H1	X1= PX1Y1	0.120	1.008	0.315		X ₁ does not affect Y ₁
H2	X2= PX2Y1	0.042	0.466	0.642	0.110	X ₂ does not affect Y ₁
H3	X3= PX3Y1	0.237	3.034	0.003		X ₃ Affect Y ₁
Structural equation II (X ₁ , X ₂ , X ₃ , Y ₁ ke Y ₂)						
H4	Y1= PY1Y2	0.241	3.487	0.001		Y ₁ Affect Y ₂
H5	X1= PX1Y2	0.253	2.779	0.006		X ₁ Affect Y ₂
H6	X2= PX2Y2	0.141	2.076	0.040	0.374	X ₂ Affect Y ₂
H7	X3= PX3Y2	0.211	3.416	0.001		X ₃ Affect Y ₂
Indirect Affect						
	Variable	Direct	Indirect	Total	Criteria	Conclusion
H8	Subjective Norm	0.253	0.028	0.281	Direct Effect> Indirect Effect	Y ₁ is not intervening variable
H9	Sharia Principles	0.141	0.010	0.151	Direct Effect> Indirect Effect	Y ₁ is not intervening variable
H10	Risk	0.211	0.057	0.268	Direct Effect> Indirect Effect	Y ₁ is not intervening variable

Effect of subjective norm (X1) on perceived behavior control (Y1)

This study found that subjective norm does not affect perceived behavior control. Significance value was obtained for 0.315 > 0.05 and t-count is smaller than t-table (1.008 < 1.675), then the conclusion is that H0 is accepted

and H_a is rejected. In the theory of planned behavior, Subjective Norm is a social reference given by friends, analysts, policy makers (OJK and BEI) as well as the environment which is used as a social reference in consideration of Muslim investor confidence in valuing a stock. The situation of IHSG price movements during the COVID-19 period experienced a significant decline, especially in March and April, which caused the movement of the IHSG to be paused for 30 Minutes (Trading Halt) because it had decreased below 5% in one day. The existence of Trading Halt makes Muslim investor psychology out of control. This makes the policies of stakeholders such as OJK, the Indonesia Stock Exchange not be taken into consideration for Muslim investors. The difference in the findings was caused by the condition of the capital market during the Covid-19 pandemic that could not be controlled properly. This was based on the findings of the inability of Muslim investors to control their perceptions in valuing a stock. This result is different from the conducted by Ilham Masrurun (2015), where subjective norm affect perceived behavior control. (Yanto, 2015).

Effect of sharia principles (X2) on perceived behavior control (Y1)

This study found that the sharia principles does not affect perceived behavior control. Significance value obtained was $0.642 > 0.05$ and t-count was smaller than t-table ($0.466 < 1.675$), then the conclusion was that H_0 was accepted and H_a was rejected. Spiritual morality of Muslims at least forms the basis of sharia compliance for their beliefs in terms of determining investment decisions they do. As Muslims, of course the behavior and attitude of a Muslim investor is inseparable from the teachings of Islam. Muslims in investing in shares should have the attitude of Homo Islamicus. Homo islamicus is an attitude that distinguishes Muslims from other people by making God as the main goal in every action and will be held accountable by Allah SWT.

In this study, sharia principles in the investment activities of a Muslim investor include at least 5 indicators namely: 1) Does not contain usury, 2) Does

not contain gharar, 3) Does not contain maysir, 4) Avoids haram, 5) Avoids the element of doubt. This study is in line with the research of Sugianto (2020) and Agustin (2014) who found that Muslim investors often ignore sharia principles as a basis for consideration of their decisions (Agustin, 2014; Sugianto et al., 2020). The behavior of Muslim investors is divided into 2 namely investors who consider religion and ones not considering religion. For investors who are considering religion in transaction behavior stocks prefer stocks ones entered in the list of sharia index, fine index JII and ISSI and growing with the long term. While the behavior of Muslim investors who don't consider having religion mix stock composition and properties the investment is short term.

Effect of risk (X3) on perceived behavior control (Y1)

This study found that risk affect perceived behavior control. Significance value obtained was $0.003 < 0.05$ and t-count were greater than t-table ($3.034 > 1.675$), then the conclusion was that H_0 was rejected and H_a was accepted. Muslim investors dare to take risks if he believes the investment he will do will get a greater return than the risk he receives. And vice versa, Muslim investors dare to make a loss if he feels the stock he has will experience a large loss. As a study conducted by Roth in 2007 which explained that investors would feel more hurt if they experience loss (loss) rather than getting a gain (profit) in the same amount this is often referred to as loss aversion (Roth, 2007). Loss aversion is one of the behavioral economic concepts in the form of a person's judgment to avoid losses because they know that the pain of loss is greater than the satisfaction of getting an opportunity/profit equal or more. This result is support by research conducted by Septyanto and Adhikara (2013). In terms of responding risk, investors are risk averter. this is done by investors to match their stock portfolios (Septyanto, 2013a).

Effect of perceived behavior control (Y1) on stock investment decision (Y2)

This study found that perceived behavior control affect stock investment decision. The significance value obtained is $0.001 < 0.05$ and t-test is

greater than t-table ($3.487 > 1.657$), then the conclusion is H_0 is rejected and H_a is accepted. Commerce behavior is a perception of the strength of factors that make it easier or harder for investors do a behavior. Stock investment decisions do not always behave in ways that are consistent with assumptions made according to the understanding of the information received. But it can also be influenced by psychological factors that exist in him and his confidence in taking a stock investment decision. Based on research conducted by Magdalena and Susanti, emotions can influence an investor's decision in making investment decisions (Magdalena & Susanti, 2015). When emotions are bad (bad mood) as a result, investor behavior becomes unstable and can make wrong investment decisions and vice versa, when investor behavior is stable (good mood), investors can make investment decisions properly and correctly. Based on research conducted can it is classified that Muslim investors in the pandemic COVID-19 era belong to the type of intuitive investor, the type of investor who makes decisions based on instinct and tends to act based on feelings.

Effect of subjective norm (X1) on stock investment decision (Y2)

This research found that subjective norm effect on stock investment decision. The significance value obtained was $0.006 < 0.05$ and t-count was greater than t-table ($2.779 > 1.657$), then the conclusion was that H_0 was rejected and H_a was accepted. According to Azjen, in the theory of planned behavior, the more trusting Muslim investors with regard to social referrals, the Muslim investors will tend to take action to shape their behavior, the more trusting Muslim investors are about these obstacles then he will undo his intentions and not take any action (Ajzen, 2005). In this case, stock investors are emotionally out of control. The existence of selling action in almost all sectors of the stock makes Muslim investors also become followers of the behavior of others without looking at or considering whether what they are doing is right or wrong. In terms of responding to social referrals both sourced from friends, stock analysts, regulators and mass media (Dhaoui et al., 2013; Untari, 2017).

This is in accordance with research conducted by Adhikara (2014) the result of her research show that the subjective norms and revisions belief as the basis for taking share decisions (Adhikara et al., 2014). Facts in the field, based on CNN news informs that the shares of PT Mitra Keluarga Kary Advisor tbk (MIKA) fell 5.2%. after reporting that there were two patients in the hospital who were positive for corona / COVID-19. this happens because of investor anxiety that is not based on accurate analysis (CNN Indonesia, 2020).

Effect of sharia principles (X2) on stock investment decisions (Y2)

This research found that the sharia principles affect the stock investment decision. The significance value obtained was $0.040 < 0.05$ and the t-test was greater than t-table ($2.076 > 1.657$), so the conclusion was that H_0 was rejected and H_a was accepted. The rationality of Muslim investors is based on the spirituality of Islamic values inherent in him as a form of servitude to Allah SWT. So that the fluctuations in stock prices that are not in accordance with the market price are not merely caused by the following-up situation of Muslim investors in investing in the pandemic COVID-19. When it should be combined with the beliefs and obedience of the teachings of religious norms inherent in Muslim investors. This is supported by research Metwally (1985) in his research journal entitled 'The Role of the Stock Exchange in an Islamic Economy' which explains that behavioral behavior in the stock market aims to eliminate uncertain stock price movements by: 1. Prohibiting speculation, 2. Only allows cash purchases, and 3. Eliminating management malpractice (Metwally, 1985).

Effect of risk (X3) on stock investment decisions (Y2)

This research found that risk has effect on stock investment decision. Significant value obtained by $0.001 < 0.05$ and t-test is greater than t-table ($3.416 > 1.657$), then the conclusion is that H_0 is rejected and H_a is accepted. In modern investment decision making, knowing one's risk tolerance is very important in developing financial plans and investments in addition to knowing one's financial goals, time horizons, and stability. The important role

of estimating financial risk tolerance for investors and financial planners is to reduce reactions to market fluctuations. From the type of investor seen from his willingness to bear investment risk, Muslim investors in this study are included in the type of risk averter investor. Risk averters are investors who do not like risk or avoid risk. This type of investor will avoid a large risk and divert investment in low risk stocks. So investors often make a loss if he believes that the shares he has can experience a deeper decline. This is in line with Tandelilin which says that one of the basic investment decisions is risk (Marsis, 2013; Tandelilin, 2010).

Effect of Subjective Norm (X1) on stock investment decisions (Y2) through perceived behavior control (Y1)

This study found that subjective norm does not affect stock investment decisions through perceived behavior control. This can be seen from the direct effect is greater than the indirect effect ($0.253 > 0.028$), the conclusion is that H_0 is accepted and H_a is rejected. This means that Muslim investors do not make recommendations from friends, mass media, stock analysts as a basis for consideration for investors in providing support for their behavior. This can be due to the fact that investors will consider aspects other than subjective norms in making stock investment decisions. In online news Kontan (2020) and CNBC Indonesia (2020) provides news about sluggish sales from the property sector so that many stock investors sell shares in the property sector they own at that time. This causes the property sector's share price to decline (Kontan.co.id, 2020; Sidik, 2020). In this case, a Muslim investor does not necessarily sell shares in his property sector, this could be because Muslim investors still think this weakening is only temporary. This is supported by Sugianto's research (2020) which found that subjective norm does not affect stock investment decisions through perceived behavior control.

Effect of sharia principles (X2) on stock investment decisions (Y2) through perceived behavior control (Y1)

This study found that the sharia principles does not affect stock investment decisions through perceived behavior control. This can be seen from the direct effect is greater than the indirect effect ($0.141 > 0.010$), then the conclusion is that H_0 is accepted and H_a is rejected. The behavior of Muslim investors who do not make sharia compliance the basis for their investment decisions is generally caused by a number of factors such as the lack of investor knowledge regarding the provisions of the sharia stock category, movement of sharia stocks, which in this case is seen from the movements of ISSI, JII and JII 70 which seem stagnant compared with the movement of the IHSG, and the lack of familiarity of Islamic stocks among Muslim investors. So it is important to educate investors especially those who are Muslim to find out the Sharia Securities List category. However, the revision, evaluation and improvement for Muslim investors requires increased awareness and respect towards higher self-interest, namely *al-Nafs al-Muthmainnah* which discusses Islamic law and spiritual morals that are not related to servitude to Allah SWT. Then this will bring a Muslim investor to reach *falah*, namely the happiness of the world and the hereafter. Homo Economicus with common stock investors as Homo Economicus.

Effect of risk (X3) on stock investment decisions (Y2) through perceived behavior control (Y1)

This study found that risk does not affect the stock investment decision through the perception of behavioral control. This is seen from the direct effect is greater than the indirect effect ($0.211 > 0.057$), then the conclusion is that H_0 is accepted and H_a is rejected. This means that indirectly, risk does not affect the stock investment decision making through individual perceived control behavior because Muslim investors often react quickly to a risk, but this does not rule out the possibility of other subjectivity considerations or other psychological factors that are more dominant will influence the decision of Muslim investors in making decisions without considering the risks that will be borne in the future. Investor risk tolerance is not static and can change from

time to time (Koonce, 2004; Sarwar & Afaf, 2016). When psychological and economic factors change, its position in the risk-return spectrum also changes. Risk tolerance is an investment principle that is difficult to understand and is a complex concept (Benjamin et al., 2017; Nofsinger, 2005). Every investor has different risk tolerance and his attitude towards risk is also different. Types of investors based on their willingness to manage risk: 1. Risk seekers, namely investors who are able to take risks, 2. Risk averters, namely investors who are unable to take risks, 3. Moderate risk, namely investors who are neutral towards risk (Lubis, 2013)

Conclusion

Indonesia's economic and financial conditions during the COVID-19 pandemic are unstable and difficult to control. This condition has an impact on the psychology of Muslim investors. Muslim investors find it difficult to filter information and control themselves in valuing the right stocks. The psychology of Muslim investors investing in stocks during the COVID-19 pandemic is irrational and intuitive. Muslim investors react quickly without being based on any fundamental / technical analysis.

This result is based on the findings that first, subjective norms and Islamic principles have no effect on perceptions of behavior control. Risk affects perceptions of behavioral control. Second, perceptions of behavioral control, subjective norms, sharia principles and risks affect stock investment decisions. Third, subjective norms, principles and Islamic risk do not affect the perception of behavior control investment decisions. Muslim investors are willing to take risks and cut losses in this situation. Muslim investors responded negatively to the movement of shares on the IDX. Panic selling resulted in a trade cessation policy by the OJK and the IDX. Investors ignore the financial information that the company releases every quarter and semester. This is due to panic by Muslim investors seeing the rapid spread and increase of positive patients with COVID-19, lock-down Policy, Work From Home and physical distancing. However, the psychology of Muslim investors in the aspect of religiosity is at

the second level of Homo Islamicus' self-interest, namely *Al-Nafs Al-Lawamah*. *Al Nafs Al-Lawamah* is characterized by the emergence of intuitive awareness and sharia principles.

Next research can add relevant variables and research with different methods. Thank you to all parties and respondents who contributed to the completion of this scientific article. Hopefully, this scientific article will benefit readers. The research sample is dominated by students who are still learning to invest in stocks. The majority of Muslim investors are millennial investors so they tend to have unstable and inexperienced emotional stability. It is hoped that further research can take a sample of more experienced investors and increase the number of variables relevant to the research.

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Appendices

Appendix 1. The Reliability Test

Variable	Cronbach's Alpha	Koesfisien Alpha	Note
Subjective Norm	0.674	0.600	Reliable
Sharia Principles	0.901	0.600	Reliable

Risk	0.812	0.600	Reliable
Perceived Behavior Control	0.745	0.600	Reliable
Stock Investment Decision	0.685	0.600	Reliable

Source: Processed research data

Appendix 2. The Validity Test

Variable	Indicator	R Count	R Table	Note
Subjective Norm	SN1	0.752	0.1757	Valid
	SN2	0.648		
	SN3	0.796		
	SN4	0.682		
Sharia Principles	SP1	0.881	0.1757	Valid
	SP2	0.734		
	SP3	0.856		
	SP4	0.884		
	SP5	0.882		
Risk	R1	0.773	0.1757	Valid
	R2	0.680		
	R3	0.686		
	R4	0.579		
	R5	0.761		
	R6	0.664		
	R7	0.742		
Perceived Behavior Control	PBC1	0.711	0.1757	Valid
	PBC2	0.445		
	PBC3	0.683		
	PBC4	0.761		
	PBC5	0.730		
	PBC6	0.679		
Stock Investment Decision	SID1	0.710	0.1757	Valid
	SID2	0.692		
	SID3	0.669		
	SID4	0.650		
	SID5	0.668		
	SID6	0.397		

Source: Processed research data

Appendix 3. F Test Results (Equation I)

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	205.433	3	68.478	5.004	.003 ^b
	Residual	1655.879	121	13.685		
	Total	1861.312	124			

A. Dependent Variable: Perceived Behavior Control

B. Predictors: (Constant), Risk, Sharia Principles, Subjective Norm

Appendix 4. R² Test Results (Equation I)

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error Of The Estimate	Durbin-Watson	
1	.332 ^a	.110	.088	3.69932	1.922	

A. Predictors: (Constant), Risk, Sharia Principles, Subjective Norm

B. Dependent Variable: Perceived Behavior Control

Source: Processed research data

Appendix 5. F Test Results (Equation II)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	566.694	4	141.674	17.890	.000 ^b
	Residual	950.298	120	7.919		
	Total	1516.992	124			

A. Dependent Variable: Stock Investment Decision

B. Predictors: (Constant), Perceived Behavior Control, Sharia Principles, Subjective Norm, Risk

Source: Processed research data

Appendix 6. R² Test Results (Equation II)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.611 ^a	.374	.353	2.81410	1.767

A. Predictors: (Constant), Perceived Behavior Control, Sharia Principles, Subjective Norm, Risk

B. Dependent Variable: Stock Investment Decision

Source: Processed research data