ABSTRACT

This study aims to examine and determine the analysis of the effect of investor sentiment proxied by Trading Volume Activity (TVA) and financial distress proxied by the Zmijewski X-Score model on company returns in the LQ45 index listed on the Indonesia Stock Exchange (IDX) during the pandemic COVID-19 with earnings per share (EPS) as a moderating variable.

The sample used in the research conducted by the author is the shares of companies included in the LQ45 index during the years 2019–2021, namely 45 companies listed on the IDX during the research period through the purposive sampling method. The analytical technique used is multiple linear regression analysis with moderated regression analysis (MRA).

Based on the results of the research that has been conducted by the author, it is found that investor sentiment in the form of the ratio of trading volume activity (TVA) has a positive and significant influence on the company's stock returns. Meanwhile, the results of financial distress proxied by the Zmijewski model (X-Score) show that these variables do not have a significant effect on stock returns. The results of the moderating analysis show that earnings per share (EPS) can positively moderate the relationship between investor sentiment in the form of the ratio of trading volume activity (TVA) to stock returns. Other results show that earnings per share (EPS) can moderate the effect of the Zmijewski X-Score model on stock returns in a positive direction.

Keywords: Investor Sentiment, Trading Volume Activity (TVA), Financial Distress, Zmijewski X-Score Model, Earning Per Share (EPS), Return, Moderated Regression Analysis (MRA).