

ABSTRACT

This research aims to analyze the existence of the Ramadan effect on sharia stocks companies in the consumer non-cyclicals sector listed in the Indonesian Sharia Stock Index (ISSI) during the period 2019-2023. Ramadan effect is a phenomenon in which there is a change in the pattern of stock price movements during the month of Ramadan due to changes in investor sentiment and trading activity. Ramadan due to changes in investor sentiment and trading activity. To test this phenomenon, the study used the paired sample t-test method on the abnormal return data of Islamic stocks to see if there is a significant difference in the abnormal return before, during, and after the month of Ramadan. significant difference in abnormal returns before, during, and after Ramadan. Ramadan.

The results showed that there was no significant difference in abnormal returns between before and during Ramadan, during and after Ramadan, or after and before Ramadan. In other words, the abnormal return movement of sharia stocks in the consumer non-cyclicals sector during Ramadan tends to be stable and does not show any significant spike or decline. This indicates that Ramadan does not have a strong enough impact on the movement of abnormal stock returns in this sector, either due to company fundamentals or investor trading patterns that remain consistent during the period

The implication of the results of this study is that investors cannot rely on the momentum of Ramadan as an investment strategy to benefit from stock price movements. Based on the analysis of differences in abnormal returns before, during, and after Ramadan, the results of this study indicate that there are no significant changes that indicate the influence of Ramadan on stock price movements in the ISSI. In other words, stock price fluctuations in the index are more influenced by other factors outside the Ramadan period, so the existence of Ramadan itself cannot be considered as a factor that affects stock returns consistently.

Keywords: Ramadan effect, abnormal return, Ramadan, sharia stocks, Indonesia Sharia Stock Index (ISSI)