

The Relationship Between Stock Trading Volume And The Performance Of The Composite Stock Price Index, With Company Profit And Loss As A Moderating Variable, On The Indonesia Stock Exchange For The Period 2020-2024

Indah Silvia Situmorang ¹, Dr. Reka Maiyarni ², & Salman Jumaili ³

¹ Student, Faculty of Economics and Business, University of Jambi, Jambi, Indonesia

^{2,3} Lecturer, Faculty of Economics and Business, University of Jambi, Jambi, Indonesia

Abstract

This study examines the relationship between stock trading volume and the Composite Stock Price Index and investigates the moderating role of corporate profit and loss among companies listed on the Indonesia Stock Exchange during 2020-2024. The sample consists of 64 companies with 320 observations. Data were analyzed using panel data regression and Moderated Regression Analysis (MRA). The results show that stock trading volume has a positive and significant relationship with the IHSG. Corporate profit and loss significantly moderates this relationship in a weakening direction, indicating that the influence of trading volume on the IHSG becomes less pronounced when profit and loss information is considered. Additional tests reveal that the relationship between trading volume and the IHSG is stronger in loss-making companies than in profitable firms. These findings support Signal Theory and Efficient Market Theory, emphasizing the importance of profit and loss information in investor decision-making and market price formation.

Keywords: Stock Trading Volume, Composite Stock Price Index, Company Profits and Losses, Moderation

2005

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

INTRODUCTION

The capital market is a crucial component of a country's economy, serving as a means of raising funds and investing. Through the capital market, companies obtain funding to expand their businesses, while investors gain the opportunity to invest to generate profits. One indicator used to describe the condition of the Indonesian capital market is the Jakarta Composite Index (JCI), an index that reflects the overall movement of stock prices on the Indonesia Stock Exchange (IDX). Changes in the JCI are often used as an indicator of capital market performance because they reflect investors' perceptions of economic conditions, company prospects, and emerging market information.

One factor often associated with the JCI's movement is stock trading volume. Trading volume indicates the number of shares traded within a given period and reflects the level of transaction activity occurring in the market. Higher trading volume indicates greater investor activity, potentially influencing stock price and market index movements. Therefore, stock trading volume is often used as an indicator of market liquidity and investor response to available information.

The relationship between stock trading volume and the Jakarta Composite Index (JCI) has been extensively studied by previous researchers. Herlina and Widjaja (2018) found that trading volume had a positive and significant effect on the JCI. Research by Rahmadani and Manurung (2024) also showed that increased trading volume was followed by increases in stock prices and the JCI. Furthermore, Situmorang (2024) found that trading volume influenced JCI movements in both the short and long term. These research findings indicate that stock trading activity is one factor that can influence market index developments.

However, empirical evidence in Indonesia suggests that the relationship between stock trading volume and the Jakarta Composite Index (JCI) is not always consistent. This can be seen in the development of stock trading volume, the JCI, and the average net profit and loss of issuers during the 2020-2024 period, as presented in Table 1.



Table 1. Data on Stock Trading Volume, the Jakarta Composite Index (JCI), and Average Net Profit/Loss of IDX Issuers for 2020-2024

Year	2020	2021	2022	2023	2024
Total Stock Trading Volume (Billion Shares/Year)	2,752.4	5,096.4	5,885.8	4,730.2	4,747.0
IHSG Year-End Closing	5,979	6,581	6,850	7,272	7,079
Average Net Profit/Loss of IDX Issuers (Million)	487,410	881,416	968,739	578,671	673,259

Source: Indonesia Stock Exchange and BPS (2025)

Table 1 shows that during the 2020-2022 period, stock trading volume increased, followed by an increase in the Jakarta Composite Index (JCI). This indicates a direct relationship between trading activity and market index developments. However, this relationship changed in the following period. In 2023, stock trading volume decreased compared to the previous year, but the JCI actually increased. Conversely, in 2024, trading volume increased, but the JCI declined. This phenomenon demonstrates that JCI movements are not always determined by the magnitude of stock trading activity.

In addition to trading volume and the Jakarta Composite Index (JCI), the data in Table 1 also shows changes in companies' profit and loss conditions during the study period. The average net profit of listed companies increased from 487,410 million rupiah in 2020 to 968,739 million rupiah in 2022, then decreased to 578,671 million rupiah in 2023 and slightly increased to 673,259 million rupiah in 2024. These changes in profit conditions indicate fundamental changes in companies that can influence investor perceptions of investment prospects. When companies record high profits, investors tend to respond positively, resulting in increased trading activity, which can lead to increased share prices and strengthening the JCI. Conversely, when profit performance declines, investors tend to be more cautious, so increased trading activity is not always followed by an index increase.

This phenomenon can be explained through *Signaling Theory and the Efficient Market Hypothesis*. *Signaling Theory* states that information published by a company will serve as a signal to investors in making investment decisions. The income statement is one of the fundamental pieces of information that investors pay most attention to because it reflects a company's performance and prospects. Profit is viewed as a positive signal (*good news*) that can increase investor confidence and encourage stock buying activity,



while losses are viewed as negative signals (*bad news*) that can increase investor caution or encourage selling. Thus, a company's profit and loss can influence investor responses to stock trading activity.

Meanwhile, the Efficient Market Hypothesis states that stock prices and market indices reflect all available information in the market. In an efficient market, the JCI movement is influenced not only by high stock trading volume but also by fundamental information received by investors. Therefore, an increase in trading volume is not always followed by an increase in the JCI if the information received by the market is negative. Conversely, the JCI can continue to increase even if trading volume decreases if investors respond to positive information deemed relevant. Both theories suggest that company profit and loss information has the potential to influence the strength or weakness of the relationship between stock trading volume and JCI movement.

Previous research on the relationship between stock trading volume and the Jakarta Composite Index (JCI) has yielded mixed results. Some studies found a positive and significant relationship, while others showed that the effect of trading volume on the JCI was not always significant, particularly in market conditions influenced by external factors and economic uncertainty. These differing results indicate a research gap that requires further investigation.

Furthermore, most previous research has focused on the direct influence of stock trading volume on the Jakarta Composite Index (JCI) without considering the role of fundamental company information. However, a company's profit and loss situation can influence investor perceptions and decisions, potentially strengthening or weakening the relationship between stock trading activity and index movements. Research examining the role of company profit and loss as a moderating variable in this relationship is still relatively limited, particularly for companies listed on the IDX80 index during the post-pandemic period.

Therefore, this study aims to analyze the relationship between stock trading volume and the development of the Jakarta Composite Index (JCI), with corporate profit and loss as a moderating variable for companies included in the IDX80 index for the 2020-2024 period. The IDX80 index was selected based on its characteristics, which are stocks with high liquidity and large market capitalization, making it more representative of the dynamics of the Indonesian capital market and the movement of the JCI.



LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Efficient Market *Hypothesis*

Efficient Market Hypothesis, proposed by Hartono (2017), explains that security prices reflect all available information in the market and are able to react quickly to new information. In an efficient market, information received by investors is immediately reflected in changes in stock prices and trading activity. Therefore, investors find it difficult to consistently generate abnormal profits because stock prices already reflect their fair value based on available information.

In this study, stock trading volume is viewed as a form of market response to information received by investors. The stronger the investor response to information, the higher the trading activity in the market. This activity can then influence stock price movements and ultimately be reflected in changes in the Jakarta Composite Index (JCI). Therefore, the efficient market theory is used to explain the relationship between stock trading volume and the JCI and how company profit and loss information can influence this relationship.

Signaling Theory

Signaling theory, according to Hartono (2017), explains that information published by a company provides signals to investors in making investment decisions. Information containing value (*information content*) is responded to by the market through changes in stock prices and trading activity. In this context, corporate profits are viewed as a positive signal reflecting good company performance and prospects, while corporate losses are viewed as a negative signal indicating increased corporate risk.

In this study, stock trading volume reflects investors' responses to signals received from the market and the company. When a company reports profits, investors tend to respond positively, which can increase stock trading activity. Conversely, when a company reports losses, investors tend to be more cautious in making investment decisions. Therefore, signaling theory is used to explain the role of a company's profit and loss situation in moderating the relationship between stock trading volume and the Jakarta Composite Index (JCI).

Composite Stock Price Index (IHSG)

The Jakarta Composite Index (JCI) is an index that includes all companies listed on the Indonesia Stock Exchange as components in its calculation. The Indonesia Stock Exchange has the authority to add or remove one or more listed companies from the JCI

2009

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

calculation (Nur, 2022). The Jakarta Composite Index (JCI) reflects the aggregate price movements of all stocks listed on the stock exchange, thus serving as a benchmark for investors in evaluating stock price fluctuations and capital market dynamics. In practice, JCI movements are heavily influenced by stocks with high liquidity and large market capitalization, such as those included in the IDX80 index. These stocks contribute significantly to transaction value and trading activity on the Indonesia Stock Exchange. Therefore, changes in price and trading volume of IDX80 stocks tend to be more quickly reflected in JCI movements. In this study, JCI data was obtained from the official IDX website (idx.co.id, 2025).

Stock Trading Volume

Trading volume is an important indicator reflecting the activity of the number of shares traded on the capital market. Low trading volume often indicates investor uncertainty about the stock in question. Conversely, high trading volume reflects strong investor interest in the stock. Stock trading volume serves as a tool for analyzing market reactions to information, which can be observed through changes in trading volume in the capital market (Khoirayanti & Sulistiyo, 2020).

Company Profit and Loss

A company's profit and loss reflects a situation where total operating expenses or costs exceed total revenue, resulting in a net loss on the income statement. According to Kieso, Weygandt, & Warfield (2020) in their work entitled "Intermediate Accounting," the income statement plays a crucial role in depicting a company's financial performance over a specific period. This report can provide positive (profit) or negative (loss) signals to investors.

Relationship between Stock Trading Volume and the IHSG

Stock trading volume reflects the level of transaction activity conducted by investors in the capital market. Higher trading volumes indicate higher buying and selling activity in the market. High trading activity indicates increased investor interest, which can drive share prices higher and impact the Jakarta Composite Index (JCI). Research by Saifudin et al. (2025), Situmorang (2024), and Rahmadani and Manurung (2024) indicates a positive relationship between stock trading volume and the JCI.

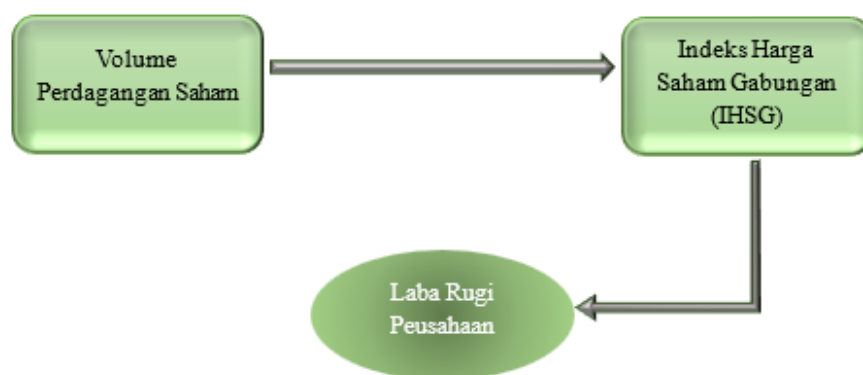


The Role of Company Profit and Loss as a Moderating Variable

A company's profit and loss is fundamental information that can influence investors' investment decisions. Sunaryo (2022) explains that increased stock trading volume does not always reflect favorable market conditions. In a context where companies are experiencing losses, increased trading volume can be triggered by declining investor confidence in the company's prospects. A company's profit or loss can influence investor responses to stock trading activity. Investors consider not only high stock trading volume but also the company's performance before making investment decisions. Therefore, a company's profit or loss is thought to moderate the relationship between stock trading volume and the Jakarta Composite Index (JCI) .

Research Model

The research model is used to explain the relationship between independent variables and dependent variables theoretically.



Gambar 1. Model Penelitian

Hypothesis

Based on the previous description, the hypothesis in this study is:

- H1 : Stock trading volume is positively related to the Composite Stock Price Index.
- H2 : The company's profit and loss conditions moderate the relationship between stock trading volume and the Composite Stock Price Index.

RESEARCH METHODOLOGY

Population and Sample

This quantitative research utilizes secondary data in the form of annual company financial reports and capital market data obtained from the Indonesia Stock Exchange (IDX) and official company websites. The population comprised all companies listed on the IDX80 index during the 2020-2024 period. The sampling technique used is purposive sampling, which selects samples based on specific criteria. The criteria used include:

1. companies included in the IDX80 index during the research period;
2. companies that consistently publish annual financial reports during the 2020-2024 period; and
3. companies that have complete and accessible stock trading volume data, IHSG, and profit and loss reports during the research period.

Based on these criteria, a number of companies were obtained that met the requirements to be used as research samples.

Operational Definition of Variables

This study uses three variables, namely stock trading volume as the independent variable, the Composite Stock Price Index as the dependent variable, and company profit and loss as the moderating variable.

1. Stock Trading Volume (X) is the number of shares traded in a certain period which reflects the level of investor transaction activity in the capital market.
2. The Composite Stock Price Index (Y) is an indicator that reflects the price movements of all shares listed on the Indonesia Stock Exchange.
3. Company Profit and Loss (Z) is a moderating variable measured using a dummy variable, where companies that make a profit are given a value of 1 and companies that experience a loss are given a value of -1.

Data Analysis Techniques

EViews 12 software. The analytical method used was panel data regression to examine the relationship between stock trading volume and the Jakarta Composite Index (JCI) and the role of corporate profit and loss as a moderating variable. The regression model used in this study is:

$$IHSG = \beta_0 + \beta_1 Vol + \beta_2 L/R + \beta_3 (Vol \times L/R) + \epsilon$$

Information:

L/R = Company profit and loss dummy variable

2012

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

$VOL \times L / R$ = Interaction variable (moderation)

β_3 = Moderation coefficient

Hypothesis Testing

Hypothesis testing was conducted using a partial t-statistical test with a significance level of 5% ($\alpha = 0.05$). The hypothesis is accepted if the probability value is less than 0.05. Furthermore, to test the role of corporate profit and loss as a moderating variable, Moderated Regression Analysis (MRA) was used to create an interaction variable between stock trading volume and corporate profit and loss. A moderating variable is considered influential if the interaction coefficient has a probability value of less than 0.05.

Profit and Loss Observation Test

To strengthen the moderation findings, this study also conducted observational tests based on the conditions of companies experiencing profits and losses separately. The test was conducted by dividing the sample into two groups: profitable companies and loss-making companies. This analysis aimed to determine whether profit conditions could strengthen the relationship between stock trading volume and the Jakarta Composite Index (JCI) and whether loss conditions could weaken this relationship.

RESULTS AND DISCUSSION

Data Analysis Model Selection

Panel data regression models were selected using the Chow test, the Hausman test, and the Lagrange Multiplier (LM) test. The test results indicated that the most appropriate model for this study was **the Random Effects Model (REM)**. Therefore, all hypothesis testing was conducted using the Random Effects model, which was selected as the best model.

Table 1. Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	8	0.097853 (59,237)	1,0000

2013

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

Cross-section Chi-square	1	65.40367	59	1,0000

Source: (Results of *Eviews Data Processing*)

The results of the Chow Test analysis obtained a probability value for the *Cross-section Chi-square* of 0.2642, where the value obtained was > 0.05 , so the *Common Effect Mode I* (CEM) regression model is more appropriate to use.

Table 2. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross-section	57.733742	3	0.0001

Source: (Results of *Eviews Data Processing*)

Then, the results of the Hausman Test analysis obtained a probability value in the *random cross-section* of 0.0000, where the value obtained was < 0.05 , so the *Fixed Effect Model* (FEM) regression model was more appropriate to use.

Table 3. Lagrange Multiplier Test Results

	Cross-section	Time	Both
Breusch-Pagan	28.46355	8470.622	8499.086
	(0.0000)	(0.0000)	(0.0000)
Honda	-5.335124	-5.335124	61.30676
	(1,0000)	(0.0000)	(0.0000)
King Wu	-5.335124	-5.335124	87.94278
	(1,0000)	(0.0000)	(0.0000)
Standardized Honda	-5.235172	104.7156	61.54100
	(1,0000)	(0.0000)	(0.0000)
Standardized King Wu	-5.235172	104.7156	97.25137
	(1,0000)	(0.0000)	(0.0000)
Gourieroux, et al.	--	--	8470.622
			(0.0000)

Source: (Results of *Eviews Data Processing*)



The results of the Lagrange Multiplier Test analysis obtained a probability value for the *Breusch-Pagan Cross-section* of 0.0968, where the value obtained was < 0.05 , so the *Random Effect Model* (REM) regression model was more appropriate to use.

Classical Assumption Test

The classical assumption test was conducted to ensure that the regression model used in this study met the statistical feasibility criteria, so that the obtained estimation results could be interpreted validly and without bias. Research conducted by Syamsiah & Setiawati (2024) showed that the classical assumption test is still conducted in panel data analysis to ensure that the model is free from statistical problems. Therefore, in this study, multicollinearity and heteroscedasticity tests were conducted to ensure that the regression model used was suitable for further analysis

Table 4. Multicollinearity Test Results

	Stock Trad. Vol (X)	Profit and Loss (Z)	Interaction (X*Z)
Stock Trad. Vol. (X)	1,000,000	0.098569	0.225369
Profit and Loss (Z)	0.098569	1,000,000	0.899862
Interaction (X*Z)	0.225369	0.899862	1,000,000

Source: (Results of *Eviews Data Processing*)

The *correlation* value between Stock Trading Volume and Profit and Loss is 0.09 < 0.90 , so there is no multicollinearity problem, then the *correlation value* between Stock Trading Volume and Interaction Variable (XZ) is 0.22 < 0.90 , so there is no multicollinearity problem, then the *correlation value* of Profit and Loss and Interaction Variable (XZ) is 0.89 < 0.90 , so there is no multicollinearity problem.

Table 5. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	59.33701	29.57405	2.006388	0.0457
Stock Trad. Vol. (X)	-0.271268	1.447548	0.187398	0.8515

2015



Profit and Loss (Z)	17.93993	29.57405	0.606611	0.5445
Interaction (X*Z)	-0.979611	1.447548	-	0.4991

Source: (Results of *Eviews Data Processing*)

Based on the table above, it is known that the probability of the variables Stock Trading Volume, IHSG, and Profit and Loss has a value > 0.05 . This indicates that there are no symptoms of heteroscedasticity in the regression model used.

HYPOTHESIS TESTING

Test of the Direct Relationship between Stock Trading Volume and the IHSG

A direct correlation test was conducted to determine the relationship between stock trading volume and the Jakarta Composite Index (JCI) without using moderating variables. This test aimed to determine whether increased stock trading activity was associated with the JCI in the companies included in the study sample. The results of the direct correlation test are shown in the following table:

Table 6. Results of Direct Relationship Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8734.730	36.11506	241,8584	0.0000
Stock Trad. Vol. (X)	3.805454	1.723246	2.208305	0.0279
R-squared	0.017698	Mean dependent variable		8814,000
Adjusted squared R	0.014609	SD dependent var		66.01225
SE of regression	65.52830	Sum squared residual		1365479
F-statistic	0.017264	Durbin-Watson stat		0.810118
Prob(F-statistic)	0.017264			

Source: (Results of *Eviews Data Processing*)

Based on the results of the direct relationship test in Table 6 above, it is known that the stock trading volume variable has a coefficient value of 3.805454 with a

2016



probability value of $0.0279 < 0.05$. These results indicate that stock trading volume has a positive and significant relationship with the JCI. This means that the higher the stock trading volume, the higher the JCI tends to be. Furthermore, the t-statistic value of 2.208305 indicates that the stock trading volume variable is able to significantly explain the relationship with the JCI. This indicates that high stock trading activity reflects increased investor interest in the capital market, thus impacting the JCI's rise.

The F-statistic value is 0.017264 with a Prob (F-statistic) of 0.017264. This probability value is smaller than the significance level of 0.05 ($0.017264 < 0.05$), so it can be concluded that the research model is suitable for explaining the relationship between stock trading volume and the JCI. Furthermore, the R-squared value of 0.017698 indicates that the stock trading volume variable is able to explain variations in JCI changes by 1.76%, while the remaining 98.24% is explained by other variables outside this research model that are not included in the test.

Moderation Test of Company Profit and Loss Conditions with the Relationship between Stock Trading Volume and the IHSG

The moderation test in this study was conducted using the interaction variable between stock trading volume and company profit and loss using a Moderated Regression Analysis (MRA) approach. The company's profit and loss variable was measured using a dummy variable, where companies experiencing profits were assigned a value of 1, while companies experiencing losses were assigned a value of -1, and other additional tests were used. This test aimed to determine whether the company's profit and loss condition strengthened or weakened the relationship between stock trading volume and the Jakarta Composite Index (JCI) across the entire study sample. The results of the moderation test on the total sample are shown in the following table:

Table 7. Test Results (Dummy Profit = 1, Loss = -1)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8653.020	51.40244	168.3387	0.0000
Stock Trad. Vol. (X)	6.994476	2.515972	2.780029	0.0058
Profit and Loss (Z)	127.3260	51.40244	2.476848	0.0138
Interaction (X*Z)	-5.111325	2.515972	2.031551	0.0430
R-squared	0.083458	Mean dependent var		8814,000
Adjusted R-squared	0.074757	SD dependent var		66.01225

2017



SE of regression	63.49690	Sum squared residual	1274067
F-statistic	9.591394	Durbin-Watson stat	0.877981
Prob(F-statistic)	0.000004		

Source: (Results of *Eviews Data Processing*)

Based on the results of the total sample test in Table 7 above, it is known that the Stock Trading Volume (X) variable has a coefficient value of 6.994476 with a probability value of $0.0058 < 0.05$. These results indicate that stock trading volume has a positive and significant relationship with the JCI. This means that the higher the stock trading volume, the JCI tends to increase. The Profit and Loss (Z) variable, measured using a dummy profit = 1 and loss = -1, has a coefficient value of 127.3160 with a probability value of $0.0138 < 0.05$. A positive coefficient value indicates that the condition of companies that earn profits is positively and significantly related to the JCI compared to companies that experience losses.

Furthermore, the interaction variable between Stock Trading Volume and Profit and Loss (XZ) has a coefficient value of -5.111325 with a probability value of $0.0430 < 0.05$, so the interaction between stock trading volume and profit and loss is proven significant. The negative interaction coefficient indicates that the presence of a company's profit and loss reduces the relationship between stock trading volume and the JCI. The effect of stock trading volume, which was originally 6.994476, is reduced by 5.111325 after being moderated by the company's profit and loss, so that the net effect becomes 1.883151. These results indicate that the company's profit and loss acts as a moderating variable that weakens the positive relationship between stock trading volume and the JCI.

Furthermore, the F-statistic value of 9.591394 with a Prob (F-statistic) of 0.000004 < 0.05 indicates that the research model is suitable for use. These results indicate that the variables of stock trading volume, company profit and loss, and their interaction are simultaneously significantly related to the JCI. Furthermore, the R-squared coefficient value of 0.083458 indicates that the variables of stock trading volume, company profit and loss, and their interaction are able to explain 8.35% of the JCI variation. Meanwhile, the remaining 91.65% is explained by other factors outside the research model that are not included in the study.

The additional tests referred to are as follows:



Table 8. Test Results (Profit Dummy = 1 and other than profit = 0)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8525.704	95.75783	89.03401	0.0000
Stock Trad. Vol. (X)	12.10580	4.707286	2.571716	0.0106
Profit (Z)	254.6320	102,8049	2.476848	0.0138
Interaction (X*Z)	-10.22265	5.031945	-2.031551	0.0430

Source: (Results of *Eviews Data Processing*)

Based on the test results in Table 8, it is known that the Stock Trading Volume (X) variable has a coefficient of 12.10580 with a probability value of $0.0106 < 0.05$. These results indicate that stock trading volume has a positive and significant effect on the JCI. The Profit and Loss (Z) variable has a coefficient of 254.6320 with a probability value of $0.0138 < 0.05$, thus indicating that the condition of companies that earn profits has a positive and significant effect on the JCI.

Meanwhile, the interaction variable between Stock Trading Volume and Profit and Loss (XZ) has a coefficient of -10.22265 with a probability value of $0.0430 < 0.05$. This value indicates that the interaction between stock trading volume and corporate profits has a significant effect on the JCI. A negative interaction coefficient indicates that corporate profits weaken the relationship between stock trading volume and the JCI. The effect of stock trading volume, which was originally 12.10580, decreased by 10.22265 after being moderated by corporate profits, so that the net effect became 1.88315.

Based on the results of the simultaneous test, the F-statistic value was obtained at 9.591394 with a Prob(F-statistic) value of $0.000004 < 0.05$. These results indicate that the variables Stock Trading Volume (X), Profit and Loss (Z), and the interaction variable (XZ) together have a significant effect on the JCI so that the regression model used is appropriate to explain the relationship between variables in this study.

Table 9. Test Results (Loss Dummy = 1 and other than Loss = 0)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.780336	0.037407	234.7246	0.0000
Stock Trad. Vol. (X)	1.88E-05	1.78E-05	1.059033	0.2904
Loss (Z)	-0.254632	0.102805	-2.476848	0.0138
Interaction (X*Z)	0.010223	0.005032	2.031551	0.0430

Source: (Results of *Eviews Data Processing*)

2019



Based on the results of the total sample test in Table 9 above, it is known that the Stock Trading (X) variable has a coefficient value of 0.0000188 with a probability value of $0.2904 > 0.05$. These results indicate that stock trading volume has no significant relationship with the JCI. The Profit and Loss (Z) variable has a coefficient value of -0.254632 with a probability value of $0.0138 < 0.05$. A negative coefficient value indicates that the condition of companies experiencing losses is negatively and significantly related to the JCI. This means that an increase in the number of companies experiencing losses tends to be followed by a decrease in the JCI.

Furthermore, the interaction variable between Stock Trading Volume and Profit and Loss (XZ) has a coefficient value of 0.010223 with a probability value of 0.0430. This probability value is smaller than 0.05, so the interaction between stock trading volume and the company's loss condition has a significant effect on the JCI. A positive interaction coefficient indicates that the company's loss condition strengthens the relationship between stock trading volume and the JCI. The effect of stock trading volume, which was originally 0.0000188, increased by 0.010223 after being moderated by the company's loss condition, so that the net effect becomes 0.0102418. Furthermore, the F-statistic value of 9.591394 with a Prob (F-statistic) of $0.000004 < 0.05$ indicates that the research model is suitable for use. These results indicate that the variables of stock trading volume, company profit and loss, and their interaction simultaneously have a significant relationship with the JCI.

Table 10. Results of Profit and Loss Value Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.650752	0.051072	169.3826	0.0000
Stock Trad. Vol. (X)	0.007082	0.002500	2.833412	0.0049
Profit & Loss (Z)	4.73E-05	1.80E-05	2.621777	0.0092
Interaction (X*Z)	-1.90E-06	8.79E-07	-2.165712	0.0311

Source: (Results of *Eviews Data Processing*)

Based on the test results in Table 10, the stock trading volume variable (X) has a coefficient value of 0.007082 with a probability value of 0.0049. This probability value is smaller than the significance level of 0.05 ($0.0049 < 0.05$), so it can be concluded that stock trading volume is positively and significantly related to the JCI. The profit and loss variable (Z) has a coefficient value of 0.0000473 with a probability value of 0.0092. This

2020



probability value is smaller than 0.05 ($0.0092 < 0.05$), so the company's profit and loss is positively and significantly related to the JCI.

Furthermore, the interaction variable of stock trading volume and profit and loss (XZ) has a coefficient value of -0.00000190 with a probability value of 0.0311. This probability value is smaller than 0.05 ($0.0311 < 0.05$), so the interaction variable is significantly related to the JCI. The negative interaction coefficient indicates that the company's profit and loss is able to moderate the relationship between stock trading volume and the JCI by weakening the relationship. This is evident from the relationship between stock trading volume, which was originally 0.007082, reduced by 0.00000190 after being moderated by the company's profit and loss, so that the net effect becomes 0.0070801. Based on the results of the simultaneous test, the F-statistic value was obtained at 10.00953 with a Prob(F-statistic) value of 0.000003. This probability value is smaller than the significance level of 0.05 ($0.000003 < 0.05$), so it can be concluded that the variables of stock trading volume, profit and loss, and the interaction between stock trading volume and profit and loss together have a significant effect on the JCI.

Table 11. Results of Profit Observation Test

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	8.640531	0.071279	121.2205	0.0000
Stock Trad. Vol. (X)	0.00 0969	0.001739	0.556878	0.5776
Profit & Loss (Z)	5.81E-05	2.51E-05	2.317071	0.0205
R-squared	0.019612	Adjusted R-squared		0.012610
Rw-squared	0.030630	Adjust Rw-squared		0.030630
Akaike info criterion	287.2180	Schwarz criterion		298.8762
Deviance	0.948249	Scale		0.057994
Rn-squared statistic	6.794586	Prob(Rn-squared stat.)		0.033464

Source: (Results of *Eviews Data Processing*)

Based on the test results in Table 11, the Stock Trading Volume (X) variable has a coefficient value of 0.000969 with a probability value of 0.5776. This probability value is greater than the significance level of 0.05 ($0.5776 > 0.05$), so that stock trading volume is not significantly related to the JCI in companies that are in a profitable condition. The Profit (Z) variable has a coefficient value of 0.0000581 with a probability value of 0.0205.



This probability value is smaller than 0.05 ($0.0205 < 0.05$), so that company profits are positively and significantly related to the JCI.

The Rn-squared statistic value of 6.794586 with a Prob (Rn-squared statistic) of 0.033464 indicates that the model used is statistically significant at the 5% significance level. The R-squared value of 0.019612 indicates that the variables in the model are only able to explain the variation of the JCI by 1.96%, while the remaining 98.04% is explained by other factors outside the study.

Table 12. Results of Loss Observation Test

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	8.102393	0.177027	45.76937	0.0000
Stock Trad. Vol. (X)	0.012776	0.004533	2.818146	0.0048
Profit (Z)	-0.000146	6.15E-05	-2.377654	0.0174
R-squared	0.296102	Adjusted R-squared		0.254697
Rw-squared	0.414285	Adjust Rw-squared		0.414285
Akaike info criterion	45.71692	Schwarz criterion		51.33745
Deviance	0.115620	Scale		0.053427
Rn-squared statistic	17.15691	Prob (Rn-squared stat.)		0.000188

Source: (Results of *Eviews Data Processing*)

Based on the test results in Table 12, the Stock Trading Volume (X) variable has a coefficient value of 0.012776 with a probability value of 0.0048. This probability value is smaller than the significance level of 0.05 ($0.0048 < 0.05$), so that stock trading volume is positively and significantly related to the JCI in companies experiencing losses. The Profit (Z) variable has a coefficient value of -0.000146 with a probability value of 0.0174. This probability value is smaller than 0.05 ($0.0174 < 0.05$), so it is negatively and significantly related to the JCI.

The Rn-squared statistic value of 17.15691 with a Prob (Rn-squared statistic) of 0.000188 indicates that the model is statistically significant at the 5% significance level. The R-squared value of 0.296102 indicates that the variables in the model are able to explain 29.61% of the JCI variation, while the remaining 70.39% is explained by other factors outside the study.



DISCUSSION

The Relationship Between Stock Trading Volume and the Composite Stock Price Index

The research results show that stock trading volume has a positive and significant relationship with the Jakarta Composite Index (JCI). This finding indicates that the higher the stock trading activity in the capital market, the higher the JCI's movement. High trading volume reflects increased investor interest in stock transactions, thus driving stock price changes, which are ultimately reflected in market index movements. These findings align with the Efficient Market *Hypothesis*, which explains that investors respond quickly to information available in the market through trading activity. Furthermore, the study's findings support Signaling Theory, which states that high stock trading activity can be a positive signal regarding market conditions.

The results of this study are in line with research by Saifudin et al. (2025) who found that an increase in stock trading volume reflects increasing investor interest, which has a positive impact on the movement of the JCI. Situmorang (2024) showed that stock trading volume has a good long-term and short-term relationship with the JCI. Rahmadani and Manurung (2024) found that stock trading volume has a positive and significant influence on stock prices or the JCI. Thus, the results of this study confirm that stock trading volume has a positive relationship with the Jakarta Composite Index (JCI). The higher the trading activity in the market, the stronger the movement of the Jakarta Composite Index (JCI). Therefore, trading volume can be used as an indicator in analyzing capital market dynamics.

The Role of Corporate Profit and Loss in Moderating the Relationship between Stock Trading Volume and the IHSG

The results of the study indicate that corporate profit and loss moderate the relationship between stock trading volume and the Jakarta Composite Index (JCI), weakening it. Additional tests also indicate that the relationship between stock trading volume and the JCI tends to be weaker for profitable companies compared to loss-making companies. This finding indicates that a company's financial condition influences investor response to stock trading activity in the capital market. For profitable companies, increased trading volume is not always followed by an increase in the JCI because investors tend to take advantage of rising stock prices to realize capital gains through selling. Conversely, for loss-making companies, increased trading volume may reflect

2023

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

increased investor buying interest at relatively low stock prices, thus strengthening the relationship between stock trading volume and the JCI.

This research finding aligns with Signaling Theory, which explains that earnings information is a positive signal regarding a company's performance and prospects, which investors use in making investment decisions. When a company earns profits, investors rely not only on stock trading activity but also consider the company's fundamental information, thus weakening the effect of stock trading volume on the Jakarta Composite Index (JCI). The results of this study also support the Efficient Market Theory, which states that information available in the market is immediately reflected in stock prices. However, once market-absorbed earnings information has been released, changes in stock trading volume are not always accompanied by comparable changes in the Jakarta Composite Index (JCI). Therefore, the availability of company earnings information can reduce the sensitivity of the relationship between stock trading volume and the JCI.

This research is supported by Sunaryo's (2022) research, which states that increased stock trading volume does not always reflect positive market conditions because it can be influenced by investor selling to realize profits. Furthermore, Anggraini et al. (2025) found that high trading volume is not always accompanied by increased stock prices because it is influenced by non-fundamental factors and changes in investor behavior.

CONCLUSION

Based on the research results, several conclusions can be drawn. Stock trading volume is positively and significantly related to the Jakarta Composite Index (JCI). A company's profit and loss moderates the relationship between stock trading volume and the JCI, weakening the relationship. Additional testing results indicate that the relationship between stock trading volume and the JCI tends to be stronger for companies experiencing losses than for companies making profits.

Suggestions from this study: For future researchers, it is recommended to use a larger sample size and consider the balance of observations between companies experiencing profit and loss so that the research results are more representative. For companies, it is hoped that they can maintain financial performance and improve the quality of information conveyed to investors, because the condition of the company's profit and loss has been proven to influence investor responses to stock trading activities in the capital market. For investors, it is recommended not only to pay attention to stock trading volume in making investment decisions, but also to consider the company's fundamental

2024

IJEBIR, Volume 05 Issue 04, 2026



Copyright at authors some right reserved this work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

condition, especially the company's profit and loss information, because this information can affect the strength of the relationship between stock trading activity and the movement of the JCI.

REFERENCES

- Amelia, R., & Kuswanto, R. (2025). The Impact of BI 7-Day Reverse Repo Rate Announcements on the IDX80 Index from 2023 to 2024. *Journal of Business and Entrepreneurship*, 01-12.
- Andriansyah, D., Sumantri, F., Chaerina, Damayanti, AD, Pangestu, RP, Septiani, I., & Soliha, SL (2022). The Effect of Stock Trading Volume, Dow Jones Index and Money Supply on the Composite Stock Price Index (IHSG) of the Indonesia Stock Exchange (IDX) in 2018-2020. *Wahana Pendidikan Scientific Journal*, 144-154.
- Anggraini, W., Silaban, AC, & Arfan, A. (2025). Trading Volume Analysis And Price Before Share And After Stock Split And The Implications To Liquidity Indonesian Capital Market (Empirical Study In Companies Listed On The Idx In 2022 – 2024). *Digital Innovation: International Journal Of Management*, 2 (4), 111–118. <https://International.Arimbi.Or.Id/Index.Php/Digitalinnovation/Article/View/522/447>
- Hartono, J. (2017). *Portfolio Theory and Investment Analysis*. Yogyakarta: Bpfe.
- Haryanto. (2020). The Impact of Covid-19 on the Movement of the Rupiah Exchange Rate and the Composite Stock Price Index (IHSG). *The Indonesian Journal of Development Planning*, 151-163.
- Herlina, & Widjaja, I. (2018). The Effect of BI Rate, Inflation, Exchange Rate Fluctuations, and Stock Trading Volume on the Composite Stock Price Index for the 2009-2017 Period. *Journal of Business Management and Entrepreneurship*, 2 (4), 25–32. <https://Doi.Org/10.24912/Jmbk.V2i4.4860>
- Mufidah, F., Susyanti, J., & Slamet, AR (2018). The Effect of Stock Trading Volume, Inflation Rate, Interest Rate, Exchange Rate, and Tax Rate on the Composite Stock Price Index. *E–Journal of Management Research, Management Study Program*, 46–59.
- Mutakif, F., & Nurwulandari, A. (2012). The Effect of Stock Trading Volume, Exchange Rates, and the Hang Seng Index on the Movement of the Composite Stock Price Index. *Audi Journal of Accounting & Business*, 7 (2), 178–192. <https://Download.Garuda.Kemdikbud.Go.Id/Article.Php?Article=1351039&Val=942025>



- 5&Title=The Effect of Stock Trading Volume, Exchange Rates, and the Hang Seng Index on the Movement of the Composite Stock Price Index
- Novitasari, E. (2020). The Effect of Inflation, Birate, Stock Trading Volume, and Exchange Rate on the Composite Stock Price Index on the Indonesia Stock Exchange for the 2008-2017 Period. *Science of Management and Students Research Journal*, 2 (1), 15–22. <https://Doi.Org/10.33087/Sms.V2i1.65>
- Nur, C. (2022). Analysis of the Influence of the Composite Stock Price Index (Ihsg), Exchange Rate, and Economic Growth Rate on Stock Trading Volume (Manufacturing Companies Listed on the Sharia Securities List) [Sunan Kalijaga State Islamic University]. <https://Digilib.Uin-Suka.Ac.Id/>
- Rahmadani, P., & Manurung, AH (2024). Analysis of the Effect of Trading Volume on Stock Prices on the Indonesia Stock Exchange. *Cerdika: Indonesian Scientific Journal*, 4 (2), 173–182. <https://Doi.Org/10.59141/Cerdika.V4i2.757>

