

Introduction

Composite index or capital market refers to a country's economy. The capital market is a consideration for predicting and determining economic conditions, (Bissoon, Seetannah, Babajee, Ramdhany, & Seetah, 2016). A composite index is one of the indexes often observed by investors when making investments because, in general, the composite index is a picture of all activities in the capital market on the stock exchange of each country. Several factors influence the movement of composite stock prices, namely internal and external factors. Internal factors include the inflation rate, the exchange rate of each country's currency, and the interest rate, while external examples are the *Dow Jones index*, *Hang Seng*, and *Shanghai Stock Exchange*. In addition, several other factors exist, such as a country's global economic or political conditions. In this study, there is another factor, namely the COVID-19 outbreak that occurred in 2020, which affected most countries in Southeast Asia. Since the World Health Organization declared the coronavirus a global pandemic, the Indonesian government has appealed to its people to return to their home countries, (Pradana , Syahputra, Wardhana, Kartawinata, & Wijayangka, 2020). This is followed by the news that COVID-19 has affected not only health but also the economic growth of the country. Coupled with the issue of the global crisis that has spread to ASEAN countries, it can affect the movement of the capital market index. In this study, the author also provides a picture of the development of the performance of the ASEAN capital market, especially Indonesia, Malaysia, Singapore, Thailand, Vietnam, and the Philippines, from 2020 to 2023 based on each country's average daily composite index. The trend of the composite index over time is shown in Figure 1.

The graph shows a significant decline in all index during 2020, coinciding with the onset of COVID-19. This study examines various aspects of economic development in Southeast Asia, specifically focusing on six ASEAN countries. These nations have capabilities comparable to those of European countries. The study aims to identify which sectors could stimulate economic growth in each country, even during the pandemic. Within these six nations, there are groups classified as high, middle, and low-income, each with the potential to evolve into developed countries. The data indicates that each country has experienced varying average daily values from 2020 to 2023.

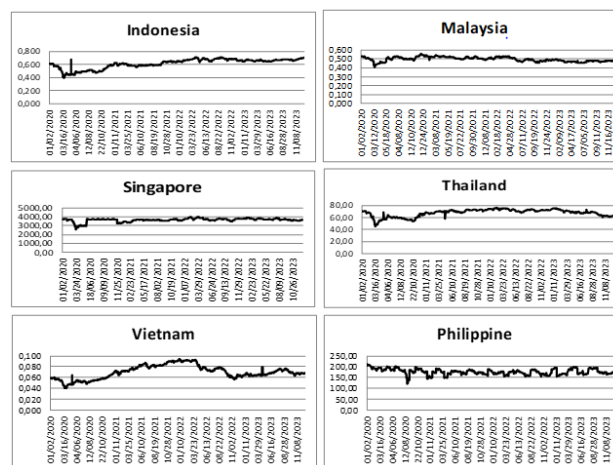


Fig. 1: Composite Index of 6 Countries in ASEAN 2020 – 2023

The pandemic has had a profound impact on the global financial market. Notably, Singapore's composite index recorded the highest value, with only a decline of around

10% compared to other countries. This resilience can be attributed to several sectors driving Singapore's economic growth. In contrast, Malaysia experienced the sharpest decline of 25%, indicating a reduced attractiveness of its capital market during the recovery phase, likely due to pressures from both domestic and external factors.

ASEAN is a region of interest to investors; its strategic location, strong economic growth, and a demographic dominated by the younger generation make the Southeast Asian region a target for foreign investors. Even when the COVID-19 outbreak hit, ASEAN countries could still survive with each country's mainstay sectors. The International Monetary Fund (IMF) estimates global economic growth in 2024 at 2.9%, while the Asian Development Bank (ADB) estimates Southeast Asia's economic growth will grow by 4.6% in 2023 and 5.0% in 2024. With these projections, Southeast Asia is considered a promising region for investment. This study aims to inform readers, both investors and other stakeholders, whether there are differences in the composite index values between these countries and what sectors are the mainstays of each country so that later readers will also know how the economic growth of these countries was during the period 2020 to 2023. Economic growth is an important indicator for assessing the performance of an economy, especially as a tool for analyzing the results of the economic development process in a country or region. Based on the background and phenomena that have occurred over the past four years, where a health crisis (Covid Pandemic) has hit all countries in the world, including the Southeast Asia region, several hypothetical frameworks have been formulated, as follows:

H0: ASEAN countries have no significant difference in the composite index.

H1: ASEAN countries have a significant difference in the composite index.