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THE IMPACT OF THE CORONAVIRUS (COVID-19) PANDEMIC ON INVESTORS' BEHAVIOUR IN THE LIGHT OF BEHAVIOURAL FINANCE

The aim of the research was to find out the opinions of stockbrokers working at the Warsaw Stock Exchange regarding the behaviour of Polish investors in the face of the coronavirus (COVID-19) pandemic. The research was carried out among 51 stockbrokers representing brokerage houses with a long history of operations. It has been found that psychological conditions of people and stock market sentiments play an important role in the decision-making process, and irrational investor behaviours, including largely herd effects, are particularly evident during the pandemic. The research shows that the occurrence of the coronavirus has not reduced the activity of Polish investors. Thus, significantly growing interest in shares of companies listed on the Warsaw Stock Exchange has been noted. The behaviour and attitude of market participants towards risk were volatile during the developing pandemic, which manifested itself in rapid buying of overvalued assets or rapid selling of assets.

Keywords: coronavirus pandemic, behavioural finance, investment decisions

JEL codes: G01, G11, G41

Introduction

Investment decisions on stock exchanges are conditioned by many factors, both economic and non-economic in nature.¹ Among them, psychological determinants are important and constitute an area of research in behavioural finance. Behavioural finance is defined as a science that explains economic decisions of investors on the basis of studies of individual and social cognitive and emotional tendencies². Proponents of this discipline believe that the human mind sometimes misperceives reality and incoming data, and investors are not always able to correctly value securities³.

¹ More information about this subject is presented in the article by: M. Juszczak, M. Wasilewski, Czynniki kształtujące decyzje inwestorów na rynku kapitałowym. Zeszyty Naukowe Uniwersytetu Szczecińskiego nr 855, Finanse, Rynki finansowe, Ubezpieczenia nr 74, Czas na pieniądz. Rynek kapitałowy, wycena przedsiębiorstw, inwestycje, Szczecin 2015; M. Juszczak, M. Wasilewski, Znaczenie czynników behawioralnych w podejmowaniu decyzji inwestycyjnych na rynku kapitałowym. Zeszyty Naukowe SGGW w Warszawie, Ekonomika i Organizacja Gospodarki Żywnościowej, Warszawa 2015.

² K. Opolski, T. Potocki, T. Świst, Teorie inwestycyjne w zarządzaniu bogactwem na przykładzie instytucji Wealth Management Bank i Kredyt, nr 5, 2010, s. 78.

³ A. Szyszka, Finanse behawioralne. Nowe podejście do inwestowania na rynku kapitałowym. Wydawnictwo Uniwersytetu Ekonomicznego a Poznaniu, Poznań 2009, s. 34.

The theory related to the incorrect interpretation of reality was developed by A. Tversky and D. Kahneman, according to whom limited rationality is determined by time pressure and complexity of information⁴. Investors in their activities often disregard rational methods of conduct, allowing for so-called heuristics, i.e. simplified processes of data analysis. Heuristics can be useful, as they are an important tool facilitating analysis in the case of complex information. On the other hand, they are a source of severe and systematic inference errors. It is indicated that, under conditions of risk and uncertainty, investors make systematic errors due to both their beliefs and preferences (Table 1).

Table 1. Selected mistakes (heuristics) made by investors

Name of the effect	Description
Freshness effect	Being strongly influenced by recent events or experiences and by the most recent information, compared to information that appeared earlier
Loss aversion	Choosing less risky assets than recommended
Narrow framing effect	Decision making influenced by how information is presented
Mental accounting	Categorizing assets into different segments based on financial objectives
Herd behaviour	Following the crowd or the latest investment trends
The status quo effect	Fear of change; commitment to the status quo
Accessibility heuristics	Making decisions solely on the basis of readily available information
Overconfidence	Overconfidence in own abilities leading to excessive trading

Source: Author's own study based on Szyszka (2009), Ostaszewski (2013).

A common phenomenon is *overconfidence* in assessing investment opportunities, defined as an unjustified belief in the correctness of one's own judgements and overestimation of one's skills⁵. Such behaviour leads to overconfidence in stock market positions, i.e. when the confidence level of investors in their knowledge and skills rises, the frequency of their transactions also increases. Psychology studies prove the occurrence of *the phenomenon of selective attribution*, which consists in attributing successes, even accidental ones, to one's own person, while explaining failures to independent factors⁶. Apart from the incorrect perception of one's own skills and experience, representativeness errors have a significant impact on the incorrect revaluation of financial instruments. It is common to underestimate the importance of the size of the research sample, which results in the *gambler's error*, otherwise known as the gambler's delusion. This error depends on perceiving regularities in random sequences and treating independent random events as dependent⁷.

At the same time, the present study indicates that analyses and descriptions often have a significant impact on the context in which a given situation is perceived and on investment decisions. A distortion in the perception and processing of information is the so-called *narrow framing effect*, whereby a particular problem or phenomenon is analysed in isolation from its wider context. This effect can be reflected in *mental accounting*, which manifests itself in the misallocation of resources, i.e. in the improper diversification and maintenance of inefficient stock portfolios. Mental accounting assumes that we record

⁴ A. Tversky, D. Kahneman, Judgment Under Uncertainty: Heuristics and Biases. Science, vol. 185, no. 4157, 1974, s. s. 1124-1131.

⁵ P. Zielonka, Behawioralne aspekty inwestowania na rynku papierów wartościowych. CeDeWu, Warszawa 2008, s. 49.

⁶ A. Szyszka, Zachowania inwestora a teoria rynku kapitałowego. Ekonomista, nr 3, Polska Akademia Nauk – Komitet Nauk Ekonomicznych, Warszawa 2004, s. 382.

⁷ J. Ostaszewski (ed.), Finanse. Difin, Warszawa 2013, s. 53.

most transactions only in our head, remembering profitable transactions and forgetting loss positions⁸.

Another anomaly related to perceptual tendencies of investors is the *affect heuristics*. This phenomenon consists in evaluating situations and events solely on the basis of one's own intuition and judgments⁹. Decisions taken as a result of such actions are not fully rational because they are made using mental shortcuts. There is also a tendency for people to assign greater value to objects they currently possess than to analogous things that they do not (*the possession effect*). We also observe the effect of commitment to the current state of affairs, i.e. the *status quo effect*. People susceptible to this phenomenon do not undertake any actions but consistently persist with the previously made decision¹⁰. At the same time, the so-called *freshness effect* should be mentioned which shows that the information received as the last in the sequence, the freshest in memory, exerts the strongest effect.

In addition to the psychological determinants of reality perception that influence irrational decisions, errors in investor behaviour may derive from inconsistencies in their preferences. According to the prospect theory, decision makers are characterized by *risk aversion* when they are confronted with profit alternatives and risk taking propensity when they are forced to choose between loss-making plays. Furthermore, people dislike losses much more than they desire gains (*known as loss aversion*)¹¹. In the capital market, this phenomenon may take the form of too quick realization of profits by investors and too late closing of loss-making positions, termed the "*sunk cost effect*"¹².

Both literature theory and empirical studies indicate that people's emotional states significantly affect their investment decisions¹³. People who are in good moods are more optimistic in their evaluations and show greater willingness to take risk. In the case of people in a bad mood, evaluations are more pessimistic and the propensity to take risk decreases¹⁴. Economic history provides evidence challenging the assumption that markets are rational. Examples include speculative fevers and outbursts of panic, which should be considered through the prism of crowd psychology and *herd behaviour*¹⁵. It results in the creation of speculative bubbles, which are significant deviations of asset prices from their fundamental ones¹⁶.

⁸ M. Płuciennik, Psychologia Inwestowania. E-book, 2014, www.investhelp.pl [dostępny 4.10.21], s. 16.

⁹ M. Czerwonka, B. Gorlewski, Finanse behawioralne. Zachowania inwestorów i rynku. Szkoła Główna Handlowa w Warszawie, Warszawa 2012, s. 105.

¹⁰ H. K. Baker, G. Filbeck, J.R. Nofsinger, Finanse behawioralne. Co każdy powinien wiedzieć. Wydawnictwo Naukowe PWN S.A., Warszawa 2021, s. 120.

¹¹ A. Tversky, D. Kahneman, Prospect theory: An analysis of decisions under risk. *Econometrica*, vol. 47, no. 2, 1979, s. 269, 279.

¹² P. Zielonka, Czym są finanse behawioralne, czyli krótkie wprowadzenie do psychologii rynków finansowych. Materiały i Studia, Zeszyt nr 158, Narodowy Bank Polski, Warszawa 2003, s. 25.

¹³ Research in this area was conducted by a.o.: G. Loewenstein, C. Hsee, E. Weber, N. Welsh, Risk as Feeling, *Psychological Bulletin*, vol. 127, no. 2, 2001; M. Dowling, B. Lucey, The Role of Feelings in Investor Decision-Making, *Journal of Surveys*, vol. 19, no. 2, 2005; J. S. Lerner, S. Han, D. Keltner, Feelings and consumer decision making: Extending the appraisal-tendency framework. *Journal of Consumer Psychology*, vol. 17, no. 3, 2007; S. Rick, G. Loewenstein, The role of emotion in economic behavior. [w:] *Handbook of Emotions*, Lewis M., Haviland-Jones J.M., Feldman-Barrett L. The Guilford Press, New York. 2008.

¹⁴ A. Szyszka, Finanse behawioralne. Nowe podejście do inwestowania na rynku kapitałowym. Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Poznań 2009, s. 67.

¹⁵ Comp. e.g. G. Le Bon, Psychologia tłumy. Kaprocki B. (tłum.), Wydawnictwo Antyk, Kęty, 2004; H.B. Neill Neil H. B., 1954: *The Art of Contrary Thinking*. Caxton Press, 1954; Ch. Mackay, *Niezwykłe złudzenia i szaleństwa tłumów*. WIG PRESS, Warszawa 1999.

¹⁶ A. Sławiński, *Rynki finansowe*. PWE, Warszawa 2006, s. 159.

In conclusion, it should be noted that the development of behavioural finance, which postulates the need to take into account the frailty of human reason in the behaviour of investors, is the evidence to regard emotions as an important factor influencing investors' decisions. Since psychological factors are particularly strong during market turbulences and crises, it is interesting to examine the behaviour of stock market investors during the coronavirus (COVID-19) pandemic, referring to the achievements of behavioural finance.

Research methodology

The aim of the study was to determine the stockbrokers' opinions on the behaviour of investors operating on the Warsaw Stock Exchange (WSE) during the COVID-19 pandemic and to evaluate the impact of the situation associated with the coronavirus on the process of investment decision-making.

To achieve the main objective, the following research questions were developed:

1. What emotions and moods were dominant among investors in the face of the emerging crisis?
2. Did irrational investor behaviour increase during the pandemic period?
3. How do brokers assess the strength of the influence of selected factors, including behavioural ones, on investment decision-making before and during the pandemic?

Based on the descriptive-tabulation method, a survey was developed and carried out among a group of stockbrokers who work in the majority of brokerage houses currently operating in the market: the Brokerage Office of mBank, Brokerage House of PEKAO S.A, Brokerage Office of Bank BGŻ, Brokerage House of Bank of Environment Protection, Brokerage Office of Alior Bank, Brokerage Office of BNP Paribas Bank Polska, Brokerage Office of ING Bank Śląski, Brokerage House of Trade Bank, Millennium of the Brokerage House, Noble Securities SA, Brokerage House of Bank BPH, and Prosper Capital Brokerage House. The survey was conducted between 15 and 30 September 2021. The research was carried out among 51 stockbrokers identified on the basis of their activity on social media with a professional profile (LinkedIn).

The method of selecting and reaching survey respondents primarily resulted from the nature of the target group (employees of brokerage houses). Although there are registers of stockbrokers kept by the Polish Financial Supervision Authority (KNF)¹, it is not clear from those registers which of the stockbrokers listed there is actually engaged in this kind of business. In addition, there are no variables that would allow us to characterize the population, which is the basis for determining the representativeness of the sample. In fact, the register only contains data on the number of the stockbroker's license and the date of their registration on the list, which, however, cannot constitute criteria for the selection of the sample. The only identifiable criterion of this kind is the gender of the stockbrokers which can be identified by analysing their personal data; nevertheless it does not seem to be a variable that determines the opinions issued in the context of this research.

Another aspect, to some extent related to the above, is the issue of availability of contact data. On the one hand, the requirements of RODO, and on the other hand, the policy of brokerage houses, cause that direct contact details of stockbrokers are not made available, and brokerage houses themselves are not interested in carrying out the survey, which in a way characterizes the behaviour of their clients. This conditioned the method of implementation of the study which was based on the use of stockbrokers' activity on social media with a professional profile.

Study results

The research on the behaviour of Polish investors during the pandemic was based on a questionnaire conducted among stockbrokers who professionally operate on the Warsaw Stock Exchange and hold relevant qualifications in this area, authorising them to manage the investment portfolios of their clients.

The pandemic that has been ongoing for over 1.5 years has shown that, in the long run, a situation of increased risk can be conducive to investing. In the first phase of the COVID-19 outbreak, until around 20 February 2020, most investors pushed the emerging threat aside, and the stock market did not seem to react to the alarming news coming into Poland. It was only the news of the deaths in Italy that led to the first declines in stock indices, followed by a huge wave of sell-offs and stock discounts. Within a month, there were reductions in quotations of up to over 30% on most markets, and the minimum on the Warsaw Stock Exchange WIG index was recorded on 13 March 2020.¹⁷ The short-term market slump and one of the biggest and fastest sell-offs on stock exchanges in history were followed by a continuation of the stock market boom. The stock market is still in a long-term upward trend and the stock indices are setting new maximum levels.

Figure 1 presents the stockbrokers' opinions on investor activity during the COVID-19 pandemic. The survey confirmed that the situation did not limit investor activity on the Polish capital market. According to 45% of respondents, there was no major difference in investor activity at the Warsaw Stock Exchange compared with the pre-pandemic period. On the other hand, 43% of stockbrokers even indicated an increase in investor activity during the period in question.

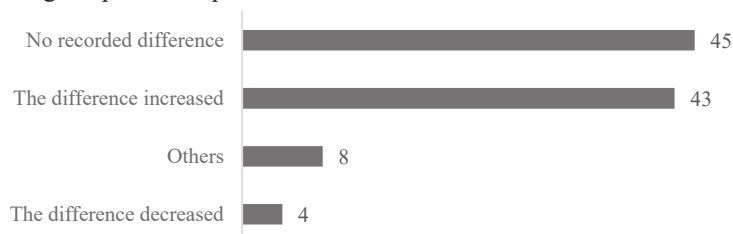


Figure 1. Stockbrokers' opinions on the activity of Polish investors during the COVID-19 pandemic (%)
Source: Author's own research.

Volatility and uncertainty in the market have encouraged market participants to invest, and especially to invest using mobile services. In 2020, there was a significant increase in user activity through investment applications that allow users to trade directly from their mobile phones. The number of users of mobile trading applications also increased.¹⁸

During the pandemic, volatility and indecision dominated the general sentiment on the Warsaw Stock Exchange. Figure 2 presents the stockbrokers' opinions on the behaviour of Polish investors during the COVID-19 pandemic. More than half of the

¹⁷ Orlik K., Psychologia inwestorów w czasach pandemii, Generali Investments, 2020. Retrieved: <https://generali-investments.pl/contents/display-article/klient-indywidualny/psychologia-inwestorow-w-czasach-pandemii>. Access: 02.10.2021

¹⁸ Hossa trwa mimo pandemii, a Polacy inwestują na potęgę, Wprost, 19.03.2020. Retrieved: <https://www.msn.com/pl-pl/finanse/najpopularniejsze-artykuly/hossa-trwa-mimo-pandemii-a-polacy-inwestuj%C4%85-na-pot%C4%99g%C4%99-wydali-miliardy-na-akcje-zagranicznych-sp%C3%B3%C5%82ek/ar-BB1eL8tS>. Access: 15.10.21.

respondents reported that investors were characterised by high mood swings (55%) during the pandemic. Market participants' indecision is evident in further responses, indicating rapid buying of overvalued assets (45%) or rapid selling of assets (35%). Only 16% of indications concerned more rational behaviour, i.e. refraining from sudden movements and investment decisions.

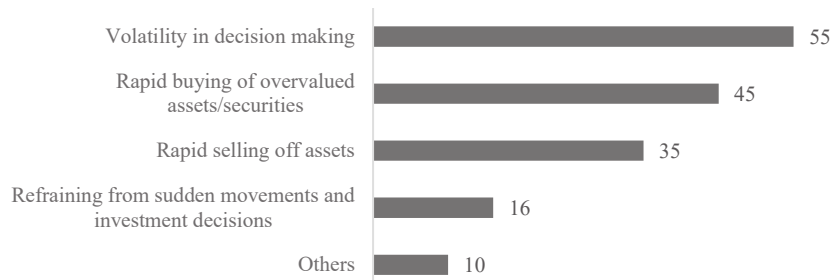


Figure 2. Stockbrokers' opinions on the behaviour of Polish investors during the COVID-19 pandemic (%)

Source: Author's own research.

In crisis situations and moments of increased risk, significant mood volatility of market participants is justified. Investors are driven alternately by fear and panic, and on the other hand, by greed and the need to make up for potential losses. The beginning of the pandemic on the Polish market was marked by rapid selling of shares, followed by almost equally rapid buying of overvalued securities. Such irrational behaviour of investors shows how important the role of psychological factors and behavioural analysis is in the valuation of listed assets.

It is important to keep in mind that investment decisions are generally complex in nature. The market valuation of shares is affected by many factors, of which investors are well aware. Investor behaviour and trends on the WSE depend largely on price trends on global stock markets, which in the period under review were shaped mainly by tensions related to the prolonged pandemic and the economic consequences. The year 2021 brought a strong increase in prices almost all over the world, related to the disturbed systemic balance after the first phase of the pandemic. Inflation recorded during this time was triggered by rising energy commodity prices and product shortages, which was rooted in a strong economic rebound. The volatile global economic situation during the COVID-19 pandemic may have been a factor sustaining investor uncertainty in financial markets.

In addition, it is worth noting that in circumstances of severe global stock market turbulence, there are usually significant disparities between the importance of incoming information and the reaction of investors to it, which is mainly influenced by human emotions. A study of the US market showed that investor behaviour seemed to repeatedly ignore health risks associated with the coronavirus, and that stock prices on the stock exchange during the pandemic did not always react in line with the assumptions of financial theory (stock prices on the stock exchange did not always reflect all available information). This thus contradicted the efficient market hypothesis. At the same time, it was emphasized that when extreme circumstances emerge, economic and financial factors alone may not be sufficient to explain the market participants' behaviour¹. Bansal also pointed to the importance of behavioural factors, indicating the phenomena most relevant

to the course of the COVID-19 pandemic, i.e. the effect of overconfidence, risk aversion, herd behaviour or availability heuristics²².

Most investors in the markets are naturally risk averse. This characteristic causes a risk averse investor to choose the less risky investment from among investments with the same expected return.¹⁹ In practice, this means that people, given a choice between a certain payment and a lottery with an expected value of the same amount, prefer a certain payment. Figure 3 presents the stockbrokers' opinions on investor attitudes towards risk during the COVID-19 pandemic.

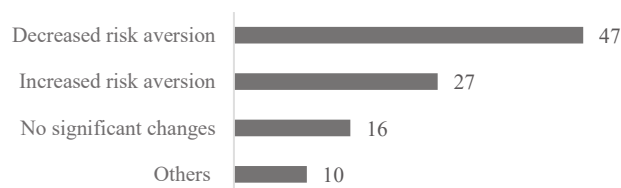


Figure 3: Stockbrokers' opinions on investor attitudes towards risk during the COVID-19 pandemic (%)
Source: Author's own research.

About half of the respondents' answers (47%) suggest that a decrease in risk aversion among stock market investors was observed during the pandemic. There were fewer answers regarding an increase in risk aversion during the period in question (27%). The remaining 10% of responses indicate that the decisions of investors on the Warsaw Stock Exchange were made in a more deliberate manner and on the basis of thorough market analyses rather than in a haphazard manner. The coronavirus pandemic caused that a group of investors got used to the new situation and made more courageous investment decisions. The risk taken is always associated with the expectation of increased profits (above average rates of return), so some investor motives for taking market opportunities or making a profit on markets/companies that benefit from the pandemic seem justified.

Table 3 presents the stockbrokers' opinions regarding the impact of selected psychological effects on investor behaviour during the COVID-19 pandemic.

Stockbrokers considered herd behaviour to be the strongest psychological effect influencing investors during the pandemic. A total of 90% of respondents indicated that this factor had at least a moderate impact on the behaviour of market participants in the examined period, while 70% of respondents described this impact as high. The uncertainty in the market caused by the outbreak of the coronavirus is conducive to the lemming-like rush effect. This means that investors take decisions primarily based on the behaviour of others, ignoring previously established goals. Such actions contribute to the formation of speculative bubbles which often deepen the crisis. A similar effect is achieved by the accessibility heuristics. According to 64% of stockbrokers, this effect determines investor behaviour to a moderate degree. This may mean that a significant number of market participants tend to make decisions and assessments that correspond with events that are easy to recall. At the same time, brokers underlined the importance of the freshness effect - 86% of respondents reported that this factor had at least a moderate impact on investor behaviour; according to 62%, it affected investment decisions to the highest extent. A disproportionately high impact of recent events on stock market participants' behaviour may cause a loss of confidence in the markets and deepen a possible recession. At the

¹⁹ Jajuga K., Jajuga T., *Inwestycje. Instrumenty finansowe, aktywa niefinansowe, ryzyko finansowe, inżynieria finansowa*. PWN, Warszawa, 2015, s. 195-196.

same time, it is important to emphasize that investors will operate under the exaggerated influence of the coronavirus as long as it remains dangerous to the functioning of society and economy.

Table 3. Stockbrokers' opinions regarding the impact of selected psychological effects on investor behaviour during the COVID-19 pandemic (%)

Specification	High	Moderate	Low	Hard to say
Freshness effect	62	24	0	14
Loss aversion	30	44	12	14
Narrow framing effect	0	48	24	28
Mental accounting	8	32	14	46
Herd behaviour	70	20	0	10
The status quo effect	4	26	32	38
Accessibility heuristics	0	64	14	22
Overconfidence	0	48	30	22

Source: Author's own research.

The psychological effect highlighted by stockbrokers in their responses was loss aversion. On average, one in three respondents (30%) felt that this phenomenon strongly influenced their investment decisions during the pandemic, while 44% of stockbrokers described this impact as moderate. Feeling the loss of a certain amount of money more strongly than gaining the same amount of money can cause a paralyzing fear of engaging in capital market transactions. The experience of loss often makes investors completely withdraw from the market so as not to be disappointed again after another failure. The phenomenon of short-term loss aversion is reflected in more frequent scrutiny and updating of the investment portfolio, which is reflected in further research results (Figure 6). Investors check their investments at short intervals and update their portfolios according to the current benchmark. The more often this situation occurs, the higher the risk-aversion of the participants in the market game is observed.

According to stockbrokers, other factors that significantly affected investment decisions during the pandemic were the narrow-framing effect and overconfidence. Nearly half of the respondents (48%) indicated that these phenomena affected investor behaviour to a moderate degree during the coronavirus outbreak. The framing effect, depending on how the information is presented, can evoke positive or negative connotations. In light of the pandemic, this effect can cause people to focus their attention primarily on negative news, while ignoring information about positive aspects, such as the countermeasures being taken. The resulting pessimism prompts investors to withdraw from the market. On the other hand, the effect of overconfidence in financial markets leads to overinvestment when investors believe they have better information than others, and to underestimation of the risk for their portfolios. However, in times of falling quotations this behaviour is associated with increased losses and reduced asset values.

More frequent changes in the composition of investment portfolios was evidently characteristic of investors during the coronavirus outbreak, as shown in Figure 4. More than half of respondents (51%) reported that investors changed their investment portfolios more frequently during the pandemic compared to the preceding period. Frequent updating

of portfolios by investors is not beneficial, as it can lead to selling of declining assets and rapid realization of losses, which in turn is negatively reflected in the value of investment portfolios.

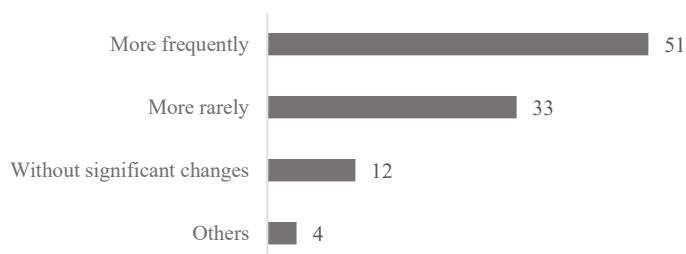


Figure 4: Stockbrokers' opinions on the frequency of changes in the investment portfolio composition compared to the pre-COVID-19 pandemic period (%)

Source: Author's own research.

More rare control of assets by investors was less common during the pandemic, as indicated by 33% of respondents. Lower frequency of changes in the composition of the investment portfolio in a period of high uncertainty seems to be more rational because it increases the probability of avoiding wrong decisions, made under the influence of emotions, and thus increases the chance of obtaining higher rates of return to investment.

The present research demonstrates that the pandemic was conducive to investing on the Warsaw Stock Exchange. Table 4 presents the stockbrokers' opinions on the demand for particular types of investments at the time studied.

Table 4. Stockbrokers' opinions on the demand for different types of investments during the COVID-19 pandemic (%)

Specification	Decrease in investors' interest	No significant changes noted	Increased investors' interest	Hard to say
Raw materials	32	68	0	0
Shares	0	22	78	0
Currencies	0	88	0	12
Investment funds	0	68	32	0
Treasury bonds	0	70	30	0
Derivatives	0	74	26	0

Source: Author's own research.

For most assets listed on the Warsaw Stock Exchange, the pandemic did not adversely affect investor demand. The vast majority of stockbrokers indicated no significant changes in the interest of capital market participants in most of the available investments, i.e. currencies (88%), derivatives (74%), treasury bonds (70%), raw materials or investment funds (68% each). Polish investors were most interested in shares - 78% of stockbrokers reported an increase in these assets. This is confirmed by the upward trend in the stock market that has continued since the second half of March 2020. The COVID-19 pandemic has induced an increase in global demand for vaccines and protective measures, i.e. masks, and gloves, which gave an opportunity for the accelerated growth of biotechnology companies (e.g. Pfizer, AstraZeneca). High demand for the above-mentioned products and

hopes for the control of the pandemic pushed up the share prices of some companies. Stockbrokers' predictions for the future performance of the Warsaw Stock Exchange are positive. However, the situation in the capital markets over the coming months will depend not only on the course of the pandemic, but also on other factors, e.g. the pace of unfreezing of the economies or central bank policy.

At the same time, it should be emphasized that due to the limitation of empirical studies, further research is planned in the analysed research area. Future analyses will consider the study of the impact of the COVID-19 pandemic on the financial market, taking into account the existing data. It seems interesting to extend the research in question, bearing in mind, among other things, the sensitivity of selected global and national indices and individual sectors of the economy to the information on the appearance of coronavirus and a prolonged pandemic.

Conclusions

The aim of the research was to find out the opinions of stockbrokers operating on the Warsaw Stock Exchange on investor behaviour in the face of the COVID-19 pandemic. The research attempted to assess the impact of risk and uncertainty-related situations on the investment decision-making process. On the basis of the conducted research the following conclusions were formulated:

1. Investors, especially in times of turbulence and uncertainty, are particularly prone to emotional reactions and irrational behaviour as a result of various psychological mechanisms. In the period of the COVID-19 pandemic, in particular, herd behaviour based on crowd psychology and the so-called freshness effect have become more evident, which may result in a loss of confidence in the capital market.
2. Investors often changed the composition of their investment portfolios, which can be particularly associated with the phenomenon of so-called short-sighted loss avoidance, and the overreaction of investors to short-term losses.
3. The attitude of market participants to risk was variable: on the one hand, an increase in risk aversion was observed, on the other, investors took speculative actions, motivated by the desire to achieve above-average profits.
4. The pandemic did not reduce the activity of Polish investors, who were often more active than before the pandemic, looking for investment opportunities. The activities of market participants were changeable, which was manifested in particular by rapid purchases of overvalued securities and rapid sale of assets. At the same time, an increased interest in shares of companies listed on the Warsaw Stock Exchange was visible.

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Wpływ pandemii koronawirusa (COVID-19) na zachowania inwestorów w świetle finansów behawioralnych

Streszczenie

Celem badań było poznanie opinii maklerów papierów wartościowych pracujących na GPW w Warszawie, dotyczących zachowań polskich inwestorów w obliczu pandemii koronawirusa COVID-19. Badaniami objęto grupę 51 maklerów giełdowych, reprezentujących domy maklerskie o długiej historii działania. Stwierdzono, że uwarunkowania psychologiczne ludzi i nastroje panujące na giełdzie odgrywają istotną rolę w procesie decyzyjnym, a nieracjonalne zachowania inwestorów, w tym w dużej mierze efekty stadne, są podczas pandemii szczególnie widoczne. Z badań wynika, że pojawienie się koronawirusa nie wpłynęło na obniżenie aktywności polskich inwestorów. Odnotowano tym samym wyraźny wzrost zainteresowania akcjami spółek notowanych na GPW S.A. Zachowania i stosunek uczestników rynku do ryzyka był zmienny w obliczu rozwijającej się pandemii, co przejawiało się m.in. szybkim kupowaniem przecenionych walorów czy gwałtowną wyprzedzą aktywów. Za najważniejszy czynnik wpływający na kształtowanie notowań w trakcie pandemii COVID-19 uznano ogólne zmiany na rynku krajowym i na rynkach globalnych.

Słowa kluczowe: pandemia koronawirusa, finanse behawioralne, decyzje inwestycyjne

Kody JEL: G01, G11, G41

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