

The Impact of Fundamental Factors on The Share Price Of Manufacturing Companies in the Pulp and Paper Sub-Sector on the Indonesian Stock Exchange 2017-2021

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ABSTRACT

This research aims to obtain the empirical evidence about inflation effect, interest rates, exchange rates, price to earnings ratio (PER) and return on equity (ROE) about Stock Price of Manufacturing Companies in Pulp and Paper Sub-Sector on Indonesia Stock Exchange (IDX). This research uses time series data, that is data from 2017 to 2019. The results of this research indicate that the price to earnings ratio (PER) variables, and return on equity (ROE) variables partially influence stock price of manufacturing companies in Pulp and Paper sub-sector on Indonesia Stock Exchange. Whereas the inflation variables, interest rates and exchange rate has no partial effect on stock price of manufacturing companies in Pulp and Paper sub-sector on Indonesia Stock Exchange. Simultaneously, all variables namely inflation, interest rates, exchange rates, price to earnings ratio (PER) and return on equity (ROE) affect the stock price of manufacturing companies in Pulp and Paper sub-sector on Indonesia Stock Exchange. The implication of this research is the investors can consider about inflation, interest rates, exchange rates, price to earnings ratio (PER) and return on equity (ROE) in making decisions of stock investment in order to minimize all the risks and maximize the profits.

Keywords: Stock Price, Inflation, Interest Rates, Exchange Rates, Price to Earnings Ratio (PER), Return On Equity (ROE)

INTRODUCTION

The capital market plays a very important role in a country's economy because it performs economic and financial functions. The rapid development of the capital market can make investors more flexible in carrying out their investment activities in the selection of investment portfolios in securities than the amount invested.

Figure 1.1 Number of Single Identification Investors (SID)



Source : PT Kustodian Sentral Efek Indonesia (KSEI, 2022)

From Figure 1.1, we can see that the number of investors with unique identities in the country of Indonesia has continued to increase over the years. In 2016, the number reached 894,116 investors, which increased to 2,484,354 investors in 2019. Then in 2021 there were 7,849,337, which increased by 84.28% compared to the previous year. The state of the capital market, which was once foreign to the community, is now a profitable investment for the community.

Manufacturing is the process of producing physical products. Manufacturing is the process of transforming materials into physical products through a series of energy-intensive activities, each of which causes changes in the properties and chemistry of the materials. Related to some of the characteristics that manufacturing companies have, specifically: management of raw materials into finished products, consumers do not participate in the production process, tangible or visible production results, and there is a dependence on consumers to find more products. The business functions of an industrial or manufacturing company include production functions, marketing functions, and administrative and general functions. Manufacturing companies have many sectors, one of the sectors is the basic industry and chemical sector. Manufacturing companies in the basic chemical industry sector make a good contribution to the economy.

This study analyzes the influence of factors that affect stock prices. Analysis that can be done in stock research analysis of fundamental factors that can help in decision making. Fundamental factors are factors that are directly related to the performance of the company itself. Macro factors are indicators that explain the global economy that affect a country, especially companies and markets in the future. Macroeconomic variables that are often associated are inflation rates, interest rates, exchange rates, and products. These variables can reflect the economy of a country in the capital market. Micro factors are indicators that affect the internal company, such as financial and non-financial.

METHODS

This type of research is included in quantitative research with an associative approach. In this study, statistical data on inflation, interest rates, exchange rates, price/earnings ratio, and return on equity are used to show the magnitude of the influence on stock prices. Research using an associative approach, an associative approach is research that aims to determine the relationship between two or more variables, according to the researcher (Sugiyono, 2016; Handida & Sholeh, 2019). This study shows a causal relationship, a cause-and-effect relationship between independent and dependent variables.

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Subjects, Objects, and Research Sites

Research subjects are sources of information from which researchers/research data originate. Limiting the research subject to objects, things, or people to which data for research variables are attached, as well as those at issue (Suharsimi Arikunto, 2016; Kristini, 2020). Based on this explanation, the subject of this research is the pulp and paper sub-sector manufacturing companies on the Indonesia Stock Exchange for the period 2017-2021.

The subject of research is an attribute or characteristic or value of people, objects or activities that have certain variations determined by researchers to study and then draw conclusions (Arikunto, 2014; Nilawati, 2019). Based on this explanation, the objective of this research is to examine the relationship between the influence of fundamental factors on stock prices.

The research location in this research is on the Indonesia Stock Exchange (IDX), which provides information on company financial reports by accessing the official website of the Indonesia Stock Exchange, namely www.idx.co.id location selection on the IDX because the IDX is the first stock exchange in Indonesia which is considered to have data on financial information about companies that are complete and have been organized quite well.

Population and Research Sample

Population is an area of objects or subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions, according to (Sugiyono, 2016; Nizar, 2018). The population in this study is all manufacturing companies in the pulp and paper subsector listed on the Indonesia Stock Exchange for the period 2017-2021, namely 8 companies.

The sample is representative of the study population, according to (Arikunto,S, 2019; Riinawati, 2021). The sample in this study is a sample of all manufacturing companies in the pulp and paper subsector listed on the IDX for the period 2017-2021. The sampling technique used is saturated sampling, where all members of the population are sampled. This technique is used for populations that have relatively few members.

Table 1.1 Research Sample List

No.	Kode Emiten	Emiten Name	Listing Date
1.	ALDO	Alkindo Naratama Tbk	12 July 2011
2.	FASW	Fajar Surya Wisesa Tbk	01 December 1994
3.	INKP	Indah Kiat Pulp & Paper Tbk	16 July 1990
4.	INRU	Toba Pulp Lestari Tbk	18 June 1990
5.	KDSI	Kedawung Setia Industrial Tbk	29 July 1996
6.	SPMA	Suparma Tbk	16 November 1994
7.	SWAT	Sriwahana Adityakarta Tbk	08 June 2018
8.	TKIM	Pabrik Ketas Tjiwi Kimia Tbk	03 April 1990

Sourche : www.idx.co.id (2022)

Types of data and data sources

The type of data used in this research is classified as secondary data. According to (Sugiyono, 2016; Teri, 2021) Secondary data is data that does not directly provide data to the data collectors. Time series is a type of data that is collected from a sequence of times over a period of time. The data used in this study are data on inflation, interest rates, exchange rates, gross domestic product, and company stock prices from 2017 to 2021.

This study uses data collection methods, namely literature study and documentation. Literature study is related to theoretical studies and other references related to the values, culture and norms that develop in the social situation under study, besides that literature study is very important in research, this is because research cannot be separated from scientific literature. (Sugiyono, 2016; Solekhah et al., 2018). This study collects data in the form of statistical data on the movement of company stock prices, inflation, interest rates, exchange rates and gross domestic

product obtained from the publication of the official website of Bank Indonesia and the Indonesia Stock Exchange.

Technical Data Analysis

According to (Sugiyono, 2016; Erika Puspitasari, 2019) Data analysis is an activity after data have been collected from all respondents or other data. Activities in data analysis are; grouping data based on variables and types of respondents, tabulating data based on variables studied, performing calculations to answer problem formulations, and performing calculations for hypotheses that have been proposed. Several analysis techniques were used in this study: descriptive statistical analysis, quantitative analysis, classical assumption test, normality test.

RESULTS AND DISCUSSION

Results

The history of the Indonesia Stock Exchange dates back to the 19th century when the Dutch East Indies government opened plantations in Indonesia. On December 14, 1912, stock trading was inaugurated with the Vereniging voor de Effectenhandel, which was a branch of the Amsterdam Effectenbeurs - Amsterdam Stock Exchange in the Netherlands. The function of managing the stock exchange was handed over to the private sector, marked by the privatization of the Jakarta Stock Exchange on July 13, 1992, complementing the Surabaya Stock Exchange which was first established on June 16, 1989. PT Bursa Efek Jakarta is the predecessor of PT Bursa Efek Indonesia.

Until PT Bursa Efek Indonesia was officially established on November 30, 2007, it was a merger of Surabaya Stock Exchange and Jakarta Stock Exchange. After the merger of BEJ and BES into IDX, the application of technology remains one of the exchange's focus areas. Currently, JATS Next-G uses the X-stream INET trading system, which has been implemented in exchanges in developed countries. IDX shareholders are securities companies that are members of the exchange. On the other hand, in 2021 IDX managed to get an award from the Directorate General of Taxes for the high compliance and contribution of tax revenue at KPP Entered Exchange Company.

Vision and Mission of Indonesia Stock Exchange

Vision : To become a competitive stock exchange with world-class credibility.

Mission: To create a trustworthy and credible financial market infrastructure to realize an orderly, fair and efficient market accessible to all stakeholders through innovative products and services.

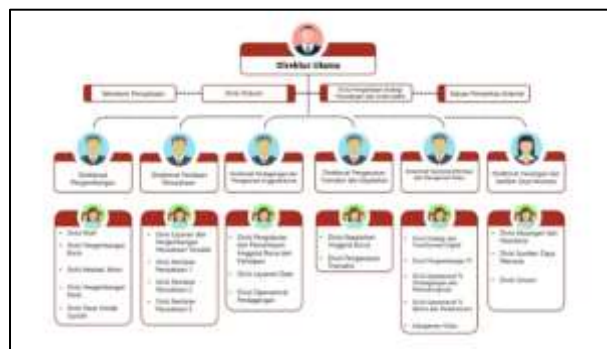


Figure 1.2 Organizational Structure of the Indonesia Stock Exchange (IDX)

Sourche : idx.co.id (2022)

Descriptive Analysis

Descriptive analysis is an analysis in which data is collected, classified, and then analyzed and interpreted objectively to provide information and an overview of the topic discussed. The estimation results of the variables of this study are as follows:

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Table 1.2 Descriptive Analysis Results
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Inflasi	40	1.68	3.61	2.6003	.26286
Suku Bunga	40	3.50	6.00	4.5000	.32522
Nilai Tukar	40	13.480	14.409	13.99003	.113874
PER	40	-.56	13.85	1.0515	2.27659
ROE	40	-.13	.33	.1105	.07609
Harga Saham	40	103	11550	3421.17	3929.423
Valid N (listwise)	40				

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Based on Table 1.2, several things can be described as follows:

1. The independent variable inflation (X1) has a minimum value of 1.68%, which occurred in 2020, and a maximum value of 3.61%, which occurred in 2017.
2. The independent variable interest rate (X2) has a minimum value of 3.50% that occurred in 2021 and a maximum value of 6.00% that occurred in 2018.
3. The independent variable exchange rate (X3) has a minimum value of 13,480 IDR which occurred in 2017 and a maximum value of 14,409 IDR which occurred in 2018.
4. The independent variable Price Earnings Ratio (X4) has a minimum value of -0.56%, which is owned by PT. Toba Pulp Lestari Tbk in 2019 and a maximum value of 13.85% which will be owned by PT. Toba Pulp Lestari Tbk in 2021. The standard deviation value of 2.28265, which is greater than the mean value, means that the mean value of 1.0253 is a poor representation of the overall data.
5. The independent variable return on equity (X5) has a minimum value of -0.13% for PT Toba Pulp Lestari Tbk in 2019, and a maximum value of 0.33% for PT Fajar Surya Wisesa Tbk in 2018. The standard deviation value of 0.07990, which is smaller than the mean value, means that the mean value of 0.1050 is a good representation of the overall data.
6. The independent variable share price (Y) has a minimum value of Rp 0 owned by the company PT Sriwahana Adityakarta Tbk in 2017 and a maximum value of Rp 11,550 owned by the company PT Indah Kiat Pulp and Paper Tbk in 2018. The standard deviation value of 3966.482 which is greater than the mean means that the mean value of 3335.65 is a poor representation of the overall data.

Normality Test

Normality testing in this study uses Kolmogorov-Smirnov. By looking at the Kolmogorov-Smirnov results from the significance value, it can be seen that the data used is normally distributed or not. The following are the results of the normality test for inflation, interest rates, exchange rates, price to earnings ratio, and return on equity on stock prices:

Table 1.3 Kolmogorov-Smirnov Normality Test

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.124	37	.166	.921	37	.012

a. Lilliefors Significance Correction

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Based on the results of Kolmogorov-Smirnov Normality Test in Table 1.3 by eliminating the numbers outside the box plot and converting the regression model into natural logarithmic form (Ln), it shows that the significance value is at 0.166 or greater than 0.050, so it can be concluded that the data have passed the normality test.

Multicorrelation Test

The multicorrelation test aims to test whether there is a correlation between the independent variables in the regression model. The method used to test for multicorrelation is the level of the tolerance value and the value of the Variance Inflation Factor (VIF), which results in a tolerance value > 0.1 and a VIF < 10 . The results of the multicollinearity test are as follows:

Table 1.4 Multicorrelation Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Inflasi	.196	5.093
Suku Bunga	.209	4.776
Nilai Tukar	.318	3.141
PER	.679	1.472
ROE	.699	1.430

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Based on Table 1.4 Multicollinearity Test, it is known that the tolerance value of the inflation variable is 0.196, the interest rate variable is 0.209, the exchange rate variable is 0.318, the PER variable is 0.679, and the ROE variable is 0.699, then when looking at the tolerance value of all independent variables > 0.10 , it is concluded that there is a correlation among the independent variables. While the VIF value of the inflation variable is 5.093, the interest rate variable is 4.776, the exchange rate variable is 3.141, the P/E variable is 1.472, and the ROE variable is 1.430, it can be seen from the VIF value of all independent variables < 10 , it can be concluded that there is no multicollinearity among the independent variables in the regression model. This means that all these independent variables are suitable for use as predictors.

Autocorrelation Test

The autocorrelation test aims to test whether or not the linear regression model has a correlation between confounding errors in period t and confounding errors in $t-1$ or the previous period. The autocorrelation test used in this study is the Durbin-Watson test. The results of the autocorrelation test are shown below:

**Table 1.5 Two-Step Cochrane-Orcutt Autocorrelation Test
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.778 ^a	.606	.584	6.26070	1.825

a. Predictors: (Constant), ROE, Nilai Tukar, Inflasi, PER, Suku Bunga

b. Dependent Variable: Harga Saham

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Based on the results of the autocorrelation test shown in Table 1.5 by converting the regression model to the Cochrane-Orcutt two-step procedure, it can be seen that the Durbin-Watson value of 1.825 lies between (du) and $(4-du)$, with a value of (du) of 1.7859 and $(4-du)$ of 2.2141. Therefore, we can conclude that the data no longer contains autocorrelation (already correlated).

Multiple Linear Regression Test

Multiple linear regression tests are used to determine the closeness of the relationship between stock prices (dependent variable) and influencing factors (independent variables). The results of the multiple linear regression analysis test can be seen as follows:

Table 1.6 Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.943	24.091		.454	.653
	Inflasi	-1.368	.945	-.208	-1.448	.158
	Suku Bunga	.654	1.402	.065	.467	.644
	Nilai Tukar	.803	9.469	.010	.085	.933
	PER	.918	.090	.785	10.154	.000
	ROE	1.789	.131	1.040	13.659	.000

Sumber : *Output* data diolah dari SPSS 13.00, 2023

On the basis of Table 1.6 of the resulting output, the equation of the multiple linear regression used in this study can be formulated as follows:

$$Y = 10.943 - 1.368 X_1 + 0.654 X_2 - 0.803 X_3 + 0.918 X_4 + 1.789 X_5 + e$$

Description:

Y	: Share price	X ₃	: Exchange rate
a	: Konstanta	X ₄	: Price to Earnings Ratio (PER)
b	: Regression coefficient	X ₅	: Return On Equity (ROE)
X ₁	: Inflation	e	: Error rate (<i>error</i>)
X ₂	: Interest rate		

Partial t test

According to Ghazali, (2012); Yurindera (2019) The t-test is used to test the extent to which the influence of each of the independent variables used in this study partially explains the dependent variable. When the significance probability value > 0.05 or $t_{hitung} < t_{tabel}$, then H_0 accepted and H_a rejected. The alternative hypothesis is rejected, which means that the independent variable does not have a significant effect on the dependent variable and vice versa.

Table 1.7 Test Results of t Statistics

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.943	24.091		.454	.653
	Inflasi	-1.368	.945	-.208	-1.448	.158
	Suku Bunga	.654	1.402	.065	.467	.644
	Nilai Tukar	.803	9.469	.010	.085	.933
	PER	.918	.090	.785	10.154	.000
	ROE	1.789	.131	1.040	13.659	.000

a. Dependent Variable: Harga Saham

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Table 1.7 shows the results of the (partial) t-test for each variable, namely

The effect of inflation on stock prices: The value of the t-test is less than the t-table (-1.448 < 1.689) and the significance value is greater than $\alpha = 0.05$ (0.158 > 0.05). This test concludes that the inflation variable (X1) has no significant effect on stock prices (Y).

Effect of interest rate on stock price: The value of the t-test statistic is less than the t-table (0.467 < 1.689) and the significance value is greater than $\alpha = 0.05$ (0.644 > 0.05). This test concludes that the interest rate variable (X2) has no significant effect on stock prices (Y).

Effect of exchange rate on stock price: The value of the t-test statistic is less than the t-table (0.085 < 1.689) and the significance value is greater than $\alpha = 0.05$ (0.933 > 0.05). This test

concludes that the exchange rate variable (X3) does not have a significant effect on stock prices (Y).

The effect of the price-earnings ratio on the share price: The value of the t-test is greater than the t-table ($10.154 > 1.689$) and the significance value is less than $\alpha = 0.05$ ($0.000 < 0.05$). This test concludes that P/E ratio variable (X4) has a significant effect on stock prices (Y).

Effect of return on equity on stock price: The value of the t-test is greater than the t-table ($13.659 > 1.689$) and the significance value is less than $\alpha = 0.05$ ($0.000 < 0.05$). This test concludes that the variable return on equity (X5) has a significant effect on stock prices (Y).

Simultaneous F-Test

According to Ghozali (2012:98) F statistical test basically shows whether all independent variables or independent variables included in the model have a common influence on the dependent variable or dependent variable. If the significance probability value > 0.05 or $F\text{-count} < F\text{-table}$, then H_0 accepted and H_a rejected. The rejection of the alternative hypothesis means that all the independent variables have a simultaneous effect on the dependent variable and vice versa.

Table 1.8 Results of the F Statistical Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	124.682	5	24.936	43.098	.000 ^b
	Residual	17.937	31	.579		
	Total	142.618	36			

a. Dependent Variable: Harga Saham

b. Predictors: (Constant), ROE, Nilai Tukar, Suku Bunga, PER, Inflasi

Sourche : *Output* data diolah dari SPSS 13.00, 2023

Table 4.9 shows the results of the F test (simultaneous) obtained an Fcount value of 43.098. Based on the comparison, $F_{hitung} > F_{tabel}$ ($43.098 > 2.45$) and the significance value is lower than 0.05 ($0.000 < 0.05$). So it can be interpreted that the independent variables (inflation, interest rates, exchange rates, PER and ROE simultaneously affect the dependent variable (stock price) of manufacturing companies in the pulp and paper sub-sector on the Indonesia Stock Exchange.

Discussion

The Effect of Inflation on Stock Prices: The first hypothesis states that the inflation variable partially affects the stock prices of manufacturing companies in the pulp and paper sub-sector on the Indonesia Stock Exchange in 2017-2021. Based on the test results, the regression coefficient value for the inflation variable is negative at -1.448 so that the tcount is smaller than the ttable ($-1.448 < 1.689$) and the significance value is greater than 0.05 ($0.158 > 0.05$). This shows that the first hypothesis of the inflation variable is rejected, which means that there is no partial influence between inflation on the stock prices of manufacturing companies in the pulp and paper sub-sector listed on the Indonesia Stock Exchange. In conclusion, if inflation increases, the share price of pulp and paper sub-sector manufacturing companies listed on the Indonesia Stock Exchange will decrease so that investors pay attention to the inflation rate in investing.

The effect of interest rates on stock prices: The first hypothesis states that interest rates partially affect the stock prices of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. The results of hypothesis testing show that the regression coefficient of the interest rate variable has a positive t-count value of 0.467, which is smaller than the t-table ($0.467 < 1.689$) and a significance value greater than $\alpha = 0.05$ ($0.644 > 0.05$). This shows that the first hypothesis of the interest rate variable is rejected, which means that there is no partial influence between interest rates on the stock prices of manufacturing companies in the pulp and paper subsector listed on the Indonesia Stock Exchange. In conclusion, an increase in interest rates that occurs will not cause the share price of manufacturing companies in the pulp and paper sub-sector to decline, so investors do not need to pay attention to interest rates when investing.

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The effect of exchange rate on stock price: The first hypothesis states that the exchange rate variable partially affects the stock price of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. Based on the test results, it is found that the t-test statistic value is smaller than the t-table ($0.085 < 1.689$) and the significance value is greater than $\alpha = 0.05$ ($0.933 > 0.05$). This shows that the first hypothesis of the exchange rate variable is rejected, which means that there is no partial effect of the exchange rate on the stock prices of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. In conclusion, when the exchange rate increases, the share price will also increase, so investors pay attention to the exchange rate in their investment.

The effect of price to earnings ratio (PER) on stock price: The first hypothesis states that the price to earnings ratio (PER) variable partially affects the stock price of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. The second hypothesis states that the price to earnings ratio (PER) variable partially affects the stock price of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. Based on the test results, it is found that the t-count value is greater than the t-table ($10.154 > 1.689$) and the significance value is less than $\alpha = 0.05$ ($0.000 < 0.05$). This shows that the first hypothesis of the price to earnings ratio (PER) variable is accepted, which means that there is a partial influence between the price to earnings ratio (PER) and the stock price of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. In conclusion, when the price to earnings ratio (PER) value is higher, the share price is also more expensive, so investors pay attention to the price to earnings ratio level when investing.

The effect of return on equity (ROE) on share price: The first hypothesis states that the return on equity (ROE) variable partially affects the variable stock price of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. Based on the test results, the regression coefficient value of the variable return on equity (ROE) is 13.659, so the t-count is greater than the t-table ($13.659 > 1.689$) and the significance value is less than 0.05 ($0.000 < 0.05$). This shows that the first hypothesis of return on equity (ROE) variable is accepted, which means that there is a partial influence between return on equity (ROE) on the share price of pulp and paper sub-sector manufacturing companies listed on the Indonesia Stock Exchange. The conclusion is that the high or low value of return on equity (ROE) has no effect on the share price of manufacturing companies in the pulp and paper sub-sector because the company does not benefit from the use of capital effectiveness, the company's value as indicated by the share price does not increase, so investors do not pay attention to ROE in investing.

The effect of inflation, interest rates, exchange rates, price earnings ratio (PER) and return on equity (ROE) on stock prices: The second hypothesis states that inflation, interest rates, exchange rates, price to earnings ratio (PER) and return on equity (ROE) simultaneously affect the stock prices of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021. Based on the test results, the positive F-value is 43.098, so F-count > F-table ($43.098 > 2.47$) and the significance value is less than 0.05 ($0.000 < 0.05$). This shows that the sixth hypothesis is accepted, which means that there is a simultaneous influence between inflation, interest rates, exchange rates, price earnings ratio (PER) and return on equity (ROE) on the stock prices of manufacturing companies in the pulp and paper subsector on the Indonesia Stock Exchange in 2017-2021.

CONCLUSION

Based on the results of the research and discussion presented previously, the conclusions of this study are as follows:

1. The results of this study indicate that inflation has no partial effect on the stock prices of manufacturing companies in the pulp and paper sub-sector listed on the Indonesia Stock Exchange. This means that with price adjustments due to inflation, consumers will also

experience an increase in consumption costs while eroding their income but not reducing the purchasing power of investors.

2. The results of this study indicate that interest rates have no partial effect on the share prices of manufacturing companies in the pulp and paper sub-sector listed on the Indonesia Stock Exchange. This means that high interest rates will cause a decrease in economic activity, increase interest expenses which will cause companies' profits to decrease, but will not cause investors to sell shares and transfer funds to the bond market or deposits.
3. The results of this study indicate that the exchange rate has no partial effect on the share price of pulp and paper sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This means that when the exchange rate increases, the share price will also increase so that investors pay attention to the exchange rate when investing.
4. The results of this study indicate that the price earnings ratio (PER) partially affects the stock price of manufacturing companies in the pulp and paper sub-sector listed on the Indonesia Stock Exchange. This means that a stock with a low P/E ratio is not necessarily a good investment, on the other hand, a stock with a high P/E ratio is also not necessarily considered expensive, it is necessary to analyze financial statements and consider other financial ratios.
5. The results of this study indicate that return on equity (ROE) partially affects the stock price of manufacturing companies in the pulp and paper sub-sector listed on the Indonesia Stock Exchange. This means that the high or low value of return on equity (ROE) has no effect on the share price of pulp and paper sub-sector manufacturing companies because the company does not benefit from the use of capital effectiveness, the company's value as indicated by the share price does not increase, so investors do not pay attention to ROE in investing.
6. The results of this study indicate that inflation, interest rates, exchange rates, price earnings ratio (PER), and return on equity (ROE) simultaneously affect the stock prices of pulp and paper sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This means that high or low inflation, interest rates, exchange rates, price to earnings ratio (PER), and return on equity (ROE) will affect the stock prices of pulp and paper sub-sector manufacturing companies listed on the Indonesia Stock Exchange.

The research results and conclusions that have been stated, this study has several limitations, so researchers provide suggestions for further research, namely as follows: Future researchers can examine other sectors and subsectors that are more sensitive to macro and microeconomic variables, so that research gets general results, Further research can use the period before and after the economic crisis and during the crisis, so that the results can show the consistency of the influence of factors that affect stock prices. And can also examine the long-term and short-term effects of these factors on stock prices to get more complex research results, Further research can add several other variables that affect stock prices, such as Gross Domestic Product (GDP), economic growth, earnings per share (EPS), dividend yield, debt-equity ratio (DER) and so on, Further research can use other research methods whose analysis is better than the variable analysis method in this study.

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