

STOCK PRICE DETERMINANTS AND IMPLICATIONS ON COMPANY VALUE (A STUDY OF THE LQ45 STOCK GROUP CONSISTENTLY LISTED ON THE INDONESIA STOCK EXCHANGE 2011-2022)

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Abstract

The study aims to determine the effect of Debt to Equity, Debt to Assets, Return on Equity and Earning Per Share, inflation, BI Rate interest rates, economic growth, rupiah exchange rates and world oil and their effect on stock prices and the effect of stock prices on company value in the LQ45 stock group listed consistently on the Indonesia Stock Exchange in 2011-2022. The method used in the study is the verification method. The sample in this study was 15 companies, selected by purposive sampling method. Data analysis used panel data analysis techniques. In general, this study concludes that internal factors partially: Debt to Equity and Debt to Assets have a negative and significant effect on stock prices, Return on Equity has a positive and significant effect on stock prices, EPS has a positive but not significant effect on stock prices. While external factors partially: Inflation, Interest Rates, World Oil and Dummy Covid-19 have a negative and significant effect on stock prices, Economic Growth and have no effect on stock prices, Rupiah exchange rate has a positive and significant effect on stock prices. Simultaneously, internal and external factors influence stock prices. Then, stock prices have a positive and significant influence on company value.

Keywords: Company Value, Stock Prices, Internal Factors and External Factors

Abstrak

Penelitian bertujuan untuk mengetahui pengaruh Debt to Equity, Debt to assets, Return on Equity dan Earning Per Share, inflasi, suku bunga BI Rate, pertumbuhan ekonomi, kurs rupiah dan minyak dunia dan pengaruhnya terhadap harga saham dan pengaruhnya harga saham terhadap nilai perusahaan pada kelompok saham LQ45 yang terdaftar konsisten di Bursa Efek Indonesia tahun 2011-2022. Metode yang digunakan dalam penelitian adalah metode verifikatif. Sampel dalam penelitian ini yaitu sebanyak 15 perusahaan, yang dipilih dengan metode purposive sampling. Data analisis menggunakan Teknik analisis data panel. Secara umum penelitian ini menyimpulkan bahwa faktor internal secara parsial : Debt to Equity dan Debt To Assets berpengaruh negatif dan signifikan terhadap harga saham, Return On Equity berpengaruh positif dan signifikan terhadap Harga Saham, EPS berpengaruh positif tetapi tidak signifikan terhadap harga saham. Sedangkan faktor Eksternal secara parsial : Inflasi, Suku Bunga, Minyak Dunia dan Dummy Covid-19 berpengaruh negatif dan signifikan terhadap Harga Saham, Pertumbuhan Ekonomi dan tidak berpengaruh terhadap Harga Saham, Kurs Rupiah berpengaruh positif dan signifikan terhadap Harga Saham. Secara simultan faktor internal dan faktor eksternal berpengaruh terhadap Harga Saham. Kemudian harga saham berpengaruh positif dan signifikan terhadap nilai perusahaan.

Kata Kunci: Nilai Perusahaan, Harga Saham, Faktor internal dan Faktor Eksternal

Introduction

The capital market is an indicator of a country's economic success. This is related to several macroeconomic factors that influence stock price movements in the capital market, in addition to

other influencing factors such as the company's financial fundamentals and technical aspects. Improving macroeconomics indicates a growing economy of a country which can increase investment enthusiasm in the capital market. This can be proven by the increase in the number of investors from 2011 to 2022, the number of investors increased almost 14-fold, where in 2022 the number of investors reached 4,044,000 SID (Single Investor Identification). The increase in the number of investors that continues to grow from year to year is not without reason, investors examine the increase in stock prices, especially the LQ45 stock group, where the increase in stock prices will have an impact on the company's value. One measuring tool that can define company value is Tobin's Q.(Toni & Silvia, 2021:17). The Tobin'Q value of LQ45 group stocks from 2011-2022 fluctuated but the Tobin'Q value was consistent with the minimum and maximum limits determined by the Tobin'Q value ($Q < 1$ = Undervalued, $Q \approx 1$ = Fair valued, $Q > 1$ = Overvalued). Maximizing company value through owner prosperity as indicated by increasing share prices (Anggia & Suteja, 2019:1).

One factor influencing a company's value is its share price. The LQ45 group's share price consistently grew by 139% from 2011 to 2022, or more than 12% per year. Share prices are influenced by both internal and external factors.(Pasaribu et al., 2019:443)In this study, internal factors are measured by the Debt to Equity Ratio, Debt to Assets Ratio, Return on Equity, Earning Per Share, and external factors are measured by inflation, interest rates, economic growth, the rupiah exchange rate, and world oil prices. Table 1 shows the average internal factors and stock prices of the LQ45 stock group studied in 2011–2022.

Table 1. Average Internal Factors

VARIABLES	YEAR											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DER (%)	25.2	245.58	237.73	232.96	225.32	203.65	203.01	203.57	204.51	223.45	223.91	214.28
DAR (%)	52.67	51.80	51.89	53.27	54.50	51.44	50.64	51.85	53.29	53.46	53.69	52.62
ROE (%)	7.99	7.84	6.98	6.99	5.66	5.70	5.68	5.89	5.95	4.89	4.64	6.47
EPS (RP)	217	183	195	206	189	191	164	185	192	178	163	197
STOCK PRICE (RP)	6510	6439	6779	8024	8459	9378	9365	9386	9408	8995	6321	6617

Source: IDX 2011-2022

Table 1 shows the consistent fluctuations in the Debt-to-Equity Ratio, Debt-to-Assets Ratio, Return on Equity, Earnings per Share, and share prices among LQ45 stocks on the Indonesia Stock Exchange from 2011 to 2022. Share prices fluctuated according to the Debt-to-Equity Ratio, Debt-

to-Assets Ratio, Return on Equity, Earnings per Share, and share prices. In Table 2, the average external factors and stock prices of shares in the LQ45 stock group which were the object of research in 2011-2022 are shown.

Table 2. Average External Factors

VARIA BLES	YEAR											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
INFLATION	5.15	4.28	7.15	6.73	5.96	3.50	3.83	3.13	2.97	2.01	1.54	4.61
INTEREST RATE	6.56	5.75	6.63	7.56	7.50	5.75	4.50	5.31	5.56	4.13	3.50	4.19
ECONOMICS DEPARTMENT	2.57	2.69	2.66	2.30	2.49	2.59	2.56	2.60	2.38	3.53	1.96	1.97
EXCHANGE RATE	8795	9457	10756	11912	13658	13289	13376	14290	14142	14603	14335	14906
WORLD OIL	95	93	99	88	47	47	52	65	59	31	71	93
STOCK PRICE (RP)	6510	6439	6779	8024	8459	9378	9365	9386	9408	8995	6321	6617

Source: IDX 2011-2022

Table 2 shows the consistent fluctuations in inflation, interest rates, economic growth, the rupiah exchange rate, global oil prices, and stock prices among LQ45 stocks on the Indonesia Stock Exchange from 2011 to 2022. Stock prices fluctuate according to the fluctuations in inflation, interest rates, economic growth, the rupiah exchange rate, and global oil prices. In addition to the external factors mentioned above, the researcher included the Covid-19 Dummy variable as part of the research variables due to the abnormal conditions caused by the Covid-19 pandemic during the 2019-2021 study period.

In this study, researchers chose the LQ45 index as the object of research because the LQ45 Index is an index containing 45 stocks that have gone through a selection process with high liquidity and several other criteria such as market capitalization, liquidity, company fundamental conditions, access to information that facilitates analysis, and company growth prospects. The results of this study are expected to help shareholders in observing the behavior of internal factors (debt to equity ratio, debt to assets ratio, return on equity ratio, earnings per share) and external factors (inflation, interest rates, economic growth, rupiah exchange rate, world oil) of the company towards stock prices that

can increase the value of the company, so that this condition can help shareholders what factors can increase and decrease the value of the company.

Research Method

This study uses a quantitative approach taken from data that has been published by related institutions. The data used in this study are time series and cross section data or commonly called panel data. The data is time series because the data in this study is data in a certain time interval, the data of this study is 2011 to 2022. While cross section data is data in a certain period of several LQ45 group companies listed on the Indonesia Stock Exchange (IDX) from 2011 to 2022. The research population is all LQ45 group companies that are consistently listed on the Indonesia Stock Exchange from 2011 to 2022. The sampling technique in this study used a non-probability sampling technique with a purposive sampling approach. Fifteen LQ45 companies were sampled in this study. The analytical method used was verification analysis (to test the hypothesis) with a panel data regression approach. In this study, internal factors were measured by the debt-to-equity ratio (X1), debt to assets ratio (X2), return on equity (X3), earnings per share(X4) and external factors measured by inflation (X5), BI rate interest rate (X6), economic growth (X7), rupiah exchange rate (X8), world oil prices (X9),Dumi Covid-19(X10) as variable X. Then the stock price as variable Y. Meanwhile, the company value as the final destination of the research variable Z.

The models in this study are as follows:

Model Structure 1:

$$\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta X_7 + \beta_7 X_7 + \beta X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \varepsilon_1$$

Model Structure 2:

$$Z = \alpha + \beta_{10} Y_{it} + \beta_{11it} D_m + \varepsilon_2$$

Results and Discussion

In this study, the results of each regression model generated from the analysis using Eviews are as follows:

In the structure of model 1 the results of model selection. The best model in this study is the Common Effect Model (CEM) in Table 3 below.

Table 3. Common Effect Model (CEM) selected in Model Structure 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2670.440	101.2361	26.37833	0.0000
X1	-1.817102	0.310947	-5.843775	0.0000
X2	-0.978327	0.442067	-2.213078	0.0282
X3	53.77261	6.849228	7.850901	0.0000
X4	1.796038	1.109491	1.618795	0.1074
X5	-65.82195	9.064985	-7.261121	0.0000
X6	-18.43687	8.112861	-2.272549	0.0243
X7	-7.682244	49.57481	-0.154963	0.8770
X8	0.063589	0.006476	9.819869	0.0000

X9	-3768.348	1289.272	-2.922849	0.0039
X10	-14.89541	34.68210	-0.429484	0.6681
Root MSE	157.1565	R-squared		0.629614
Mean dependent variable	2689.322	Adjusted R-squared		0.607698
SD dependent var	258.9496	SE of regression		162.1905
Akaike info criterion	13.07458	Sum squared residual		4445672.
Schwarz criterion	13.26971	Log likelihood		-1165,713
Hannan-Quinn criter.	13.15370	F-statistic		28.72813
Durbin-Watson stat	1.927640	Prob(F-statistic)		0.000000

Source: Eviews Results (2025)

Based on the table above, the information used for panel data multiple regression analysis in Model Structure 1 in this study can be produced, namely:

a. Panel Data Regression Equation Cobb Douglas

General Equation in Panel Data Regression for Sub-Structure1:

Substituted Coefficients:

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$$Y = 2670.43995525 - 1.81710244957 \cdot X1 - 0.978327442999 \cdot X2 + 53.7726146222 \cdot X3 + 1.79603788323 \cdot X4 - 65.821953404 \cdot X5 - 18.4368721463 \cdot X6 - 7.68224367298 \cdot X7 + 0.0635894248997 \cdot X8 - 3768.34836614 \cdot X9 - 14.8954132693 \cdot X10$$

Source: Eviews Results (2025)

$$\begin{aligned} \ln Y = & 2670,43 - 1,817 \ln DER - 0,978 \ln DAR + 53.772 \ln ROE + 1,796 \ln EPS \\ & - 65,821 \ln Inflation - 18,436 \ln interest rate \\ & - 7,6822 \ln economic growth + 0,063 \ln Rupiah exchange rate \\ & - 3768,348 \ln wold oil - 14,895 \ln Dummy + e_{it} \end{aligned}$$

In table 3 the results of the approach Common Effect Model (CEM), it can be seen that simultaneously internal and external factors have a significant influence statistically when viewed from the probability value ($0.0000 < 0.05$). Meanwhile, in Table 3 the results of the approach Common Effect Model (CEM), it can be seen that partially debt to equity ratio have a significant impact statistically, if we look at the probability value ($0.0000 < 0.05$), the results of this study are in line with Wahyu Pranajaya & Putra, (2018: 1766) and Phung et al, (2017:189),debt to assets ratio have a significant impact statistically, if we look at the probability value ($0.0282 < 0.05$), the results of this study are in line with Tannia (2020:24),return on equity have a significant impact statistically, if we look at the probability value ($0.0000 < 0.05$), the results of this study are in line with Almira & Wiagustini(2020:1079), inflation have a significant impact statistically, if we look at the probability

value ($0.0000 < 0.05$), the results of this study are in line with Olokoyo et al (2020:10), BI rate interest rate have a significant impact statistically when viewed from the probability value ($0.0243 < 0.05$) the results of this study are in line with Humpe & McMillan (2020: 5), rupiah exchange rate have a significant impact statistically, if we look at the probability value ($0.0000 < 0.05$), the results of this study are in line with Bahmani-Oskooee & Saha (2018:124) and world oil prices have a significant impact statistically, if we look at the probability value ($0.0039 < 0.05$), the results of this study are in line with Shabbir et al (2020: 288).

Meanwhile, in table 3 the results of the approach Common Effect Model (CEM), can be known earnings per share no effect statistically, if we look at the probability value ($0.1074 > 0.05$), the results of this study are in line with Kumar (2017:117), economic growth no effect Statistically, if we look at the probability value ($0.8770 > 0.05$), the results of this study are in line with Muhammad et al (2020:166) and Dumi Covid-19 no effect Statistically, if we look at the probability value ($0.6681 > 0.05$), the results of this study are in line with Rizal Riadi et al (2023:190).

In table 4, the magnitude of the simultaneous determination coefficient in model structure 1 is 0.629 and the partial determination coefficient in model structure 1 can be seen in table 4.

Table 4. Partial Determination Coefficient of Model 1 Structure

INFLUENCE	BETA	ZERO ORDER	PARTIAL KD	RANK
			VALUE	
	a	b	(axb) x 100%	
DER ON STOCK PRICES	-0.311	-0.314	9.77%	4
DAR ON STOCK PRICES	-0.114	-0.184	2.10%	7
ROE ON STOCK PRICES	0.388	0.347	13.46%	2
EPS ON STOCK PRICES	0.083	-0.151	-1.25%	10
INFLATION ON STOCK PRICES	-0.392	-0.33	12.94%	3
INTEREST RATE LEVEL ON STOCK PRICES	-0.128	-0.18	2.30%	6
ECONOMIC GROWTH ON STOCK PRICES	-0.008	-0.187	0.15%	8
RUPIAH EXCHANGE RATE AGAINST STOCK PRICES	0.502	0.404	20.28%	1
WORLD OIL PRICES TO STOCK PRICES	-0.157	-0.212	3.33%	5
TOTAL MAGNITUDE OF INFLUENCE			62.96%	

Source : Data processed

In the structure of model 2 the results of model selection. The best model in this study is the Common Effect Model (CEM) in Table 5 below.

Table 5. Common Effect Model (CEM) Model Structure 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	0.989103	0.051772	19.10517	0.0000
C	-6.576007	0.408649	-16.09208	0.0000
Root MSE	0.066049	R-squared		0.672196
Mean dependent variable	1.230722	Adjusted R-squared		0.670355
SD dependent var	0.115682	SE of regression		0.066419
Akaike info criterion	-2.574625	Sum squared residual		0.785239
Schwarz criterion	-2.539148	Log likelihood		233.7163
Hannan-Quinn criter.	-2.560241	F-statistic		365,0076
Durbin-Watson stat	1.451391	Prob(F-statistic)		0.000000

Source: Eviews Results (2025)

Based on the table above, the information used for panel data multiple regression analysis in Model 2 structure in this study can be produced, namely:

Substituted Coefficients:

$$\begin{aligned}
 &===== \\
 &Tobi's_{Q_{it}} = \alpha + \ln Harga Saham + e_{it} \\
 &Z = -6.57600735031 + 0.98910342499 * Y \\
 &\text{Source: Eviews Results (2025)}
 \end{aligned}$$

Based on the results of the analysis of the selected Regression Model, namely the Common Effect Model (CEM), the Regression Equation can be determined as follows:

$$\ln Tobi's_{Q_{it}} = -6.57600735031 + 0.98910342499 \ln Harga_{Saham} + e_{it}$$

In table 5 the results of the approach Common Effect Model(CEM), it can be seen that stock prices have a significant influence Statistically, if we look at the probability value ($0.0000 < 0.05$), the results of this study are in line with the results L. Wang & Xiong (2022:7). In table 5, the magnitude of the simultaneous determination coefficient in model structure 2 is 0.672. The results of the analysis show that the coefficient of determination of Structure model 1 is 62.96% and the coefficient of determination of Structure model 2 is 67.21%, which indicates that the influence has increased from 62.96% in Structure model 1 to 67.21% in Structure model 2.

Conclusion

Based on the results of the research on determinants that influence stock prices, the implications for the company value of the LQ45 stock group listed consistently on the Indonesia Stock Exchange in 2011-2022, so it can be concluded as follows: First, simultaneously, internal and external factors of the company have a significant effect on stock prices. Second, partially debt to equity ratio, debt to assets, return on equity ratio, Inflation, BI rate interest rate, rupiah exchange rate and world oil prices has a significant effect on stock prices. Meanwhile earnings per share, economic growth and Covid19 dumi not the world significantly influence stock prices. The three coefficients of determination of structure model 1 are 62.96% and the coefficient of determination of structure model 2 is 67.21%, indicating that the influence has increased from 62.96% in Structure 1 to 67.21% in Structure 2.

These findings have significant practical implications for stakeholders. For investors, the results highlight the importance of considering a company's internal and external factors, as these directly impact stock prices. In this study, the rupiah exchange rate has the greatest significant impact on stock prices and company value. These findings serve as a useful reference for investors in making investment decisions in LQ45 companies.

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