

The Effect of Interest Rates, Exchange Rate, Expectations of Investors, Profitability and Capital Structures on Stock Prices (A Case Study of SOEs Registered in BUMN20 Index)

Riska Yustisiana, Bintang Andhyka, Murti Widyaningsih, Florida Aryani
(Faculty of Economics & Business, UniversitasPancasila, Indonesia)

Abstract: *This research is about the effect of interest rates, Rupiah exchange rates to the US Dollar, expectations of investors, profitability and capital structures on the share prices of SOEs registered in the BUMN20 index in the period from 2014 to 2019. The independent variables used are the interest rates, Rupiah exchange rate to the US Dollars, investor expectations, profitability, and capital structure. Meanwhile, the dependent variable used in this study is the share price of SOEs registered in the BUMN20 index. Data is processed using regression analysis and the results of this study prove that simultaneously, interest rates, Rupiah exchange rates to the US Dollars, expectations of investors, profitability, and structure capitals variables have significant effects on stock prices, while partially interest rates and Rupiah exchange rates to the US Dollars have significant effects on the share prices of SOEs registered in the BUMN20 index.*

Keywords: *interest rates, Rupiah exchange rates to the US Dollars, expectations of investors, profitability, capital structures, stock prices*

Date of Submission: 16-03-2020

Date of Acceptance: 01-04-2020

I. Introduction

The benchmark interest rate set by Bank Indonesia which is often referred to as the 7-Day Repo Rate or the BI Rate is still around 6% at the start of 2019. Current Account Deficit becomes one of the factors considered by Bank Indonesia in maintaining the reference interest rates. This also allows reducing interest rates to be very small despite low inflation conditions and the relatively stable exchange rate. Besides, Third Party Funds grow more slowly than the growth of credit rate, so banks need to make innovation to stimulate the entry of Third Party Funds. If interest rates are lowered then this possibility will trigger a decrease in interest on savings and deposits so that the growth of Third Party Funds becomes even slower so that it disrupts banking liquidity. Data from the Financial Services Authority (OJK) shows that in January 2019, loans grew by 11,97% on an annual basis (YoY), an increase compared to those in December 2018 of 11,8% (YoY). However, Third Party Funds decreased from growing by 6,39% (YoY) in January 2019 when compared to those in December 2018 of 6,5% (YoY).

In mid-September of 2019, Bank Indonesia decided to reduce its benchmark interest rate or BI 7-Days Reverse Repo Rate (7-DRRR) by 25 bps to 5,25% in response to the policy of the Central Bank of the United States that cut its benchmark interest rate (Fed Fund Rate / FRR). Throughout this year, Bank Indonesia has reduced its benchmark interest rate three times or by 0,75%. The deposit facility rate was reduced by 25 bps to 4,5%, as well as the lending facility by 5 bps to 6%. The current interest rate policy is carried out by considering the inflation forecasts that are expected in 2019 to be controlled and below 3,5%. In February 2020, the benchmark interest rate was reduced again by 25 bps to 4,75%. This decline in the benchmark interest rate is certainly beneficial for the industrial sector, as is the case with SOEs whose capital structure dominantly uses debt which is certainly highly affected by policies such as the Bank Indonesia benchmark rate determination. This condition is likely to have an attractive positive impact for investors of SOEs' shares, which are possible to boost interest in SOEs' shares due to the potential for increasing profits. This happens because falling interest rates make SOEs will pay interest at a smaller rate than before so that profits available to shareholders will increase. This can stimulate the buying interest of SOEs' shares which is predicted to increase the SOEs' stock prices.

The Rupiah exchange rate to the US Dollar also continued to fluctuate from 2014 until 2020, where the appreciation of the exchange rate in the last few months of 2020 was beneficial for the industrial sector, especially for well-performing SOEs. This is also advantageous for SOEs that operate by relying on capital denominated in dollars.

The movement of the location of the capital of Indonesia to the island of Kalimantan is estimated to open up opportunities for construction companies, especially SOE Construction, to build physical facilities such

as infrastructure in the new capital region. This will certainly increase the profit growth opportunities of construction sector companies which are allegedly able to influence the expectations of investors and potential investors of SEO construction shares that will increase the share prices of SOEs in various sectors including construction. Company profits, especially SOEs, had a positive tendency from 2014 to 2019. The profit growth of the majority of SEOs is in a positive position and continues to increase. This increase in profits can be used as a reference in making investment decisions for construction company shares, especially SEO construction. Positive and ever-increasing profits allow the company to adjust its capital structure, which was initially dominantly filled with debt, so, when the profits available are greater, profits can be used to fund the company's capital needs and investment opportunities. This means that the ratio of capital use with debt also changes to a smaller one. This change in capital structure can be beneficial and triggers positive sentiment for construction company stock investors because the opportunity for stock investors to get greater dividends as a result of declining interest payments causes the remaining profits to increase.

Reducing credit interest rates as a response to the decline in Bank Indonesia's benchmark interest rates, profitability, changes in capital structure, and investors' expectations of well-performing SEOs registered in the BUMN20 index are judged to have an impact on SOEs' share prices in various sectors in the BUMN20 index. This study will discuss the influence of these various factors on stock prices in SOEs registered in the BUMN20 index on the Indonesia Stock Exchange in the first quarter of 2014 to the third quarter of 2019.

II. Material And Method

2.1 Capital Structure

According to Horne and Wachowicz (2007), capital structure is the proportion of long-term funding consisting of debt and equity. While Brigham and Houston (2011) explain that the capital structure is a combination of debt, share, preference, and common stock. Capital structure is a mix of various funding sources used by companies to fund their operational activities. The capital structure consists of long-term funding sources such as long-term debt, share capital, and preferred stock.

The capital structure theory according to Hasudungan, Dwiatmanto, and Zahroh (2017) consists of 3 (three) approaches, including:

a. The traditional approach, which assumes that if not considering account taxes, changes capital structure by maximizing the use of long-term debt and minimizing the use of long-term debt and minimizing the use of own capital (retained earnings and shares) can increase the value of the company.

b. Modigliani Miller's Approach (MM), which shows that the traditional approach is incorrect.

The possibility of the emergence of an arbitrage process that will make the share price (company value) that does not use debt ultimately the same. In the end, Modigliani Miller (MM) supports the opinion of the traditional approach. In a perfect capital market condition and considering the existence of taxes, funding decisions become relevant. This is because debt interest can usually be used to reduce income taxed.

c. Pecking Order Theory Approach, which explains why companies will determine the hierarchy of the most preferred source of funds. This theory bases itself on asymmetric information which shows that management has more information than public financiers. The Pecking Order Theory is briefly explained as follows:

- Companies prefer internal funding.
- Companies will try to adjust the dividend payout ratio with the investment opportunities encountered.
- Dividend payments tend to be constant and fluctuations in profits earned a result in internal funds sometimes over-or-underinvestment.
- Companies will issue the safest securities first. Securities issuance will be starting from the issuance of bonds that can be converted into own capital, then finally issuing new shares.

2.2 Shares and Share Prices

According to Hasudungan, Dwiatmanto, and Zahroh (2017), shares are the rights of a portion of a company that can be interpreted as evidence or capital participation in a company, so shares can be interpreted as proof that investors own a company. Share price is the price on the Stock Exchange at a certain time determined by the demand and supply of shares by capital market players. With the pecking order theory approach as a basis for funding decision making which explains that as long as the internal approach is sufficient for the company's internal costs, the use of external funding sources in the form of debt and equity is not used.

2.3 EPS on Share Prices

EPS shows companies' ability to distribute earnings or income it receives in each share owned by their investors. EPS is calculated by comparing net income with the number of shares outstanding.

$$\text{EPS} = \frac{\text{Net Profit}}{\text{Outstanding Shares}}$$

According to Dewi and I.G.N.A Suryana (2013), the level of profit generated per share owned by investors will affect investors' assessment of the performance of an issuer's company. The higher the EPS value, the more the investor considers the company's prospects are very good in the future, thereby affecting the demand for these shares. In other words, if an investor believes that the company makes a profit of the shares owned by the investor by what they expect, then the investor will take action to buy shares which will cause an increase in stock prices.

2.4 Interest Rates and Share Prices

High interest rates will affect investment choices in bond and deposit stocks and lead to expectations of investment returns that do not match reality, so investors will be more interested in placing their funds in deposits rather than buying shares (Suriyani and Gede, 2018). This causes a decrease in stock prices due to reduced interest in buying shares. On the other hand, when interest rates are low, it will stimulate the company to operate with a capital source that comes from debt, so this opens up opportunities for the company growth that can increase the company's stock price.

2.5 Prior Researches

Suriyani and Gede (2018) conducted a study to determine the effect of interest rates on stock returns on property and real estate companies registered on the Indonesia Stock Exchange. The results of the study show that in the property and real estate industry, interest rates have a positive relationship with stock returns but do not significantly influence. On the other hand, a research conducted by Ginting et al (2016) shows that interest rates affect the stock prices of companies in the banking sector and are registered on the Indonesia Stock Exchange. Amarasinghe (2015) researched different country settings and proved that interest rates are a factor that influences changes in stock prices and has a negative relationship with stock prices on the overall stock index on the Colombo Stock Exchange.

Rahmadewi and Nyoman (2018) examined the effect of EPS, PER, CR, and ROE on automotive and components company shares registered on the Indonesia Stock Exchange (IDX). From the research, it is evident that EPS has a negative effect on stock prices which shows that investors do not consider EPS as a supporting factor in making stock purchase decisions. Another study conducted by Khairani (2016) found that in mining companies registered on the Indonesia Stock Exchange, EPS had no effect on stock prices. While Fadila and Muhammad (2018) revealed that EPS had a significant effect on the stock prices of banking companies registered on the Indonesia Stock Exchange in the 2014-2016 period. A research by Badruzaman (2017) on basic and chemical industry companies registered on the Indonesia Stock Exchange found that EPS had a positive and significant effect on stock prices, meaning that the higher the EPS, the higher the stock prices which would eventually increase the value of the company.

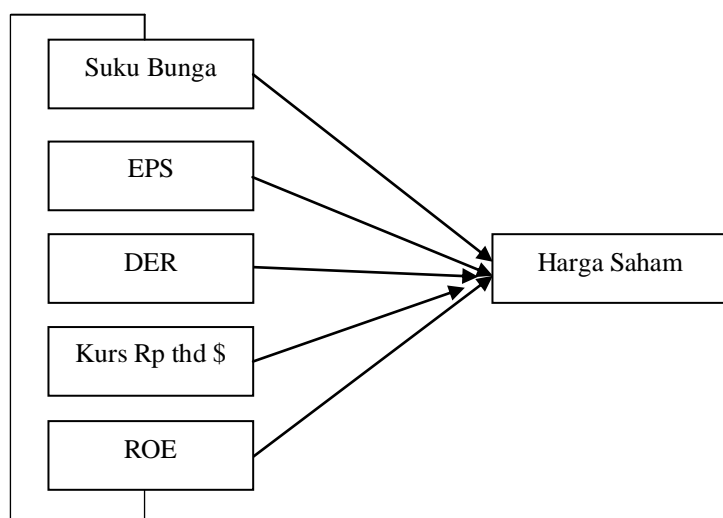
Purnamawati and I Gusti Ayu (2016) examined the effect of capital structure and profitability on stock prices both partially and simultaneously on manufacturing sector companies in Indonesia by using a path analysis that showed that capital structure has a positive influence on stock prices, as well as profitability gives a positive influence on stock prices. Menon and Vidhyasagara (2016) examined the relationship between capital structure and stock prices in companies registered on the Muscat Securities Market (MSM) in three main sectors. The capital structure is measured by the Debt to Equity Ratio where adding the amount of debt to the capital structure will negatively affect the stock price. The results of the study indicate that managers need to pay attention that decision making on the capital structure can have a significant influence so that every decision related to capital structure needs to be taken carefully so as not to negatively affect the value of the company. Safitri, Siti, and Nila (2014) examines the effect of capital structure and profitability on the value of retail companies registered on the Indonesia Stock Exchange. Capital structure is proxied by Debt to Equity Ratio and Debt to Total Asset Ratio, profitability is measured by Net Profit Margin, Return on Equity, Return on Assets and Earning per Share. The firm's value is proxied by Closing Price, Price to Book Value and Tobin's Q. Capital structure has a negative and significant effect on profitability which means the use of decreasing debt followed by an increase in profit. Profitability is proven to have a positive and significant effect on firm value. The capital structure is also proven to have a significant and negative effect on firm value.

Pratiwi and Monica (2019) examine the effect of capital structure on stock prices with company size as moderation with the population of the property and real estate sector. The results showed that capital structure had no effect on stock prices and capital structure had no effect on stock prices that were moderated by company size. Raharjanti and Rani (2017) examined the capital structure and ownership structure of stock prices. The results of the research show that capital structure does not affect stock prices. On the other hand, Hasudungan,

Dwiatmanto, and Zahroh examined the effect of capital structure and profitability on stock prices. The results of the study indicate that there is a simultaneous influence of all these variables on stock prices. The debt ratio as measured by Debt Ratio has an insignificant and positive effect on stock prices. Besides, this study shows that earnings per share have a positive and significant effect on stock prices.

Ircham, Siti, and Muhammad (2014) examined the effect of capital structure (Debt Equity Ratio and Debt to Assets Ratio) and profitability (earnings per share and return on equity) on stock prices. The results of the study prove that all variables have a simultaneous effect on stock prices. Partially the Debt Equity Ratio, Debt to Assets Ratio, and earnings per share have a dominant influence on stock prices. Dira and Ida Bagus (2014) examined the effect of capital structure, liquidity on earnings growth, and firm size on earnings quality. The results of the research prove that capital structure, liquidity, and earnings growth do not affect earnings quality in manufacturing companies, while company size has a positive effect on earnings quality.

2.6 Research Framework and Hypothesis



Based on the above research framework, hypotheses can be arranged as follows:

H1: Interest rates affect stock prices

H2: EPS affects the stock price

H3: DER affects the stock price

H4: The exchange rate of Rp to \$ affects the stock price

H5: ROE affects the stock price

H6: Interest rates, EPS, DER, the exchange rate of IDR to \$ and ROE simultaneously affect the stock price

2.7 Operationalization of Variables

This study uses 6 (six) variables consisting of 5 (five) independent variables namely interest rates, investor expectations (EPS), capital structure (DER), Rupiah exchange rate to US Dollar, and profitability (ROE) and 1 (one) dependent variable, namely the share price of SOEs registered in the BUMN20 index. Each research variable is operationally explained as follows:

a. Interest Rates

The interest rate used in this study is the Bank Indonesia benchmark rate or the BI 7-Days Reverse Repo Rate. The data used is taken by the average BI 7-Days Reverse Repo Rate for each quarter from the first quarter of 2014 to the third quarter of 2019.

b. Investor Expectations

In this study, investor expectations are proxied by Earning Per Share (EPS) calculated by the formula:

$$\text{EPS} = \frac{\text{Net Profit}}{\text{Outstanding Shares}}$$

c. Capital Structure

In this study, the capital structure is proxied by Debt to Equity Ratio (DER) which is a comparison between debt and equity showing the company's ability to settle long-term obligations. Debt to Equity Ratio (DER) is calculated using the following formula:

$$\text{DER} = \frac{\text{Total Debt}}{\text{Equity}}$$

d. Rupiah (Rp) exchange rate to the US Dollar (\$)

In this study, the Rupiah exchange rate to the US Dollar is obtained with the Rupiah's middle exchange rate data to the US Dollar.

e. Profitability

In this research, profitability is proxied by Return on Equity (ROE) calculated using the following formula:

$$ROE = \frac{\text{Net Income}}{\text{Total Equity}}$$

f. Stock price

The share price used in this study is the shares' average closing price in each quarter from the first quarter of 2014 to the third quarter of 2019.

2.7 Population and Samples

The population used in this study are all companies registered on the Indonesia Stock Exchange (IDX). Whereas the samples used in this study are SEOs registered on the Indonesia Stock Exchange from the first quarter of 2014 to the third quarter of 2019 and included in the BUMN20 index that uses debt in its capital structure and has a positive profit in the study period.

2.8 Data Analysis Techniques

This study uses multiple linear regression analysis. Before conducting the test, the conditions that must be met are the classical assumption tests. The classical assumption tests used are normality, multicollinearity, heteroscedasticity, and autocorrelation tests. After the test met the classical assumption tests, the hypothesis test then was done as follows:

1. F-Test (Simultaneous Test), which measures the effect of interest rates, EPS, and DER on stock prices simultaneously.
2. T-test (partial or individual test), which measures the effect of interest rates, EPS, and DER on stock prices individually.

III. Results

3.1 Classical Assumption Test:

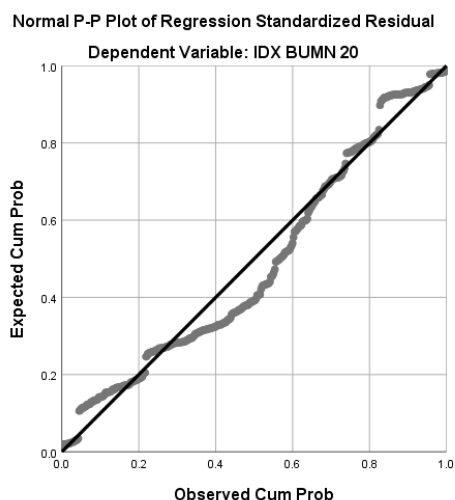
a. Normality test

The following are the results of a normality test using the Kolmogorov-Smirnov Test.

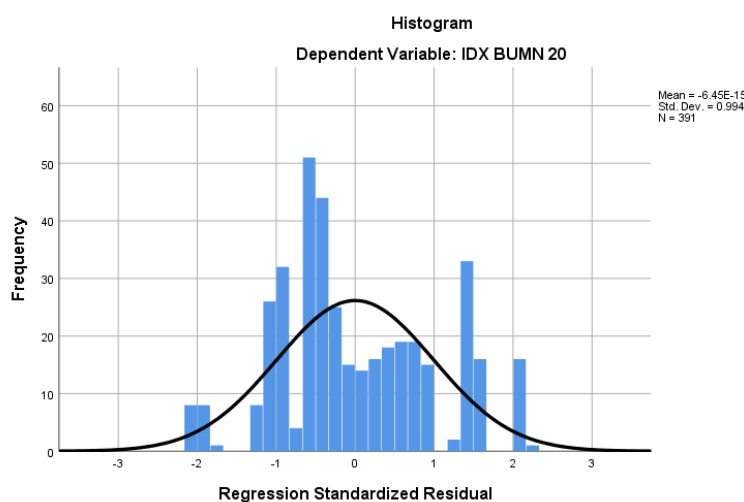
Tabel 1
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		391
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	307.74586595
Most Extreme Differences	Absolute	.112
	Positive	.112
	Negative	-.082
Test Statistic		.012
Asymp. Sig. (2-tailed)		.200

Based on the results of the above output, it can be concluded that the data is normally distributed because it has a significance value (Asymp.sig 2 tailed) greater than 0,05 which is equal to 0,200.



Based on the results of the graph output above where the points still follow the diagonal lines, it means that the variables are normally distributed.



b. Multicollinearity Test

Table 2

Model		95,0% Confidence Interval for B		Collinearity Statistics	
		Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	4199.426	5422.178		
	Suku Bunga	-96.730	-43.422	.826	1.211
	EPS	-.778	.129	.686	1.458
	DER	-.073	.097	.966	1.035
	Kurs	-.121	-.042	.831	1.204
	ROE	-7.955	21.194	.691	1.447

a. Dependent Variable: IDX BUMN 20

The output results above show that there are no variables that have a tolerance value of less than 0,10 and the value of the variance inflation factor (VIF) is more than 10, meaning that in the regression there is no multicollinearity.

c. Autocorrelation Test

Table 3
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.231 ^a	.053	.021	426.52102	2.238

a. Predictors: (Constant), DER, Suku Bunga, EPS, Kurs, ROE

b. Dependent Variable: Index

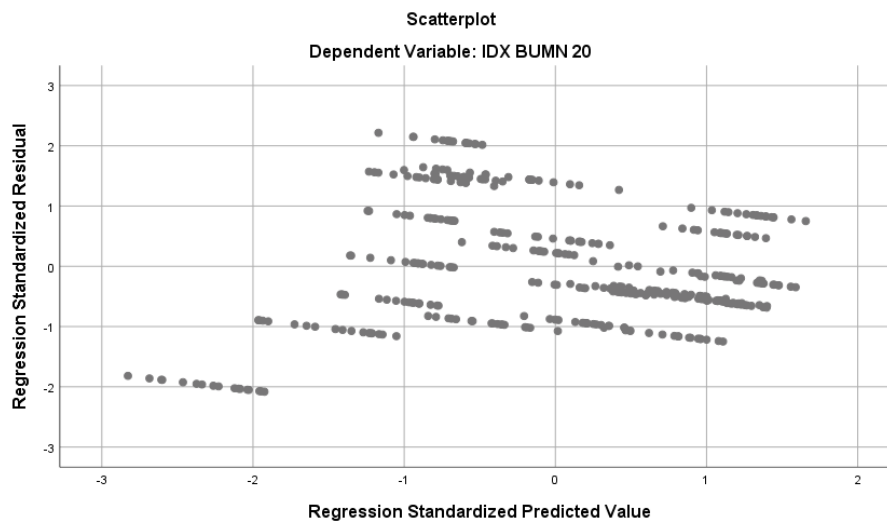
The output results show that the DW value obtained was 2,238 while the significance value was 0,05 with the total data of 92 and variable (k) of 3, so the DL value was obtained at 1,5941, DU at 1,7285, and 4- DU at 2,2715. The results of the autocorrelation test are $0 < DW < DL$ ie $1,729 < 2,238 < 2,2715$ so autocorrelation does not occur.

d. Heteroscedasticity Test

Table 4
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1352.329	145.201		-9.314	.000
	Suku Bunga	71.191	6.330	.529	1.246	.801
	EPS	-.175	.108	-.084	-1.021	.106
	DER	.004	.020	.008	.190	.849
	Kurs	.088	.009	.444	1.174	.672
	ROE	3.187	3.461	.047	.921	.358

The results of the output above shows that the significance value obtained from each variable is greater than 0,05, which means that there is no heteroscedasticity in the regression model.



Based on the Scatterplot output where the points are spread, it indicates that in the data used, heteroscedasticity does not exist.

3.2 Multiple Linear Test

Table 5
Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	4810.802	310.952		15.471	.000
	Suku Bunga	-70.076	13.556	-.278	-5.169	.000
	EPS	-.324	.231	-.083	-2.406	.061
	DER	.012	.043	.014	.281	.779
	Kurs	-.081	.020	-.220	-4.094	.000
	ROE	6.619	7.413	.053	.893	.372

The coefficient values above can be made as follows:

$$Y = 4,810,802 - 70,076 X_1 - 0,081 X_2 - 0,324 X_3 + 0,012 X_4 + 6,619 X_5 + e$$

The regression equation above can be explained as follows. If X1, X2, X3, X4, and X5 are zero, then the index is 4,810,802.

1. Each one-unit increase in the interest rate will decrease the index by 70,076.
2. Each one-unit increase in the exchange rate will decrease the index by 0,081.
3. Each one-unit increase in EPS will decrease the index by 0,324.
4. Each one-unit increase in DER will increase the index by 0,012.
5. Each one-unit increase in ROE will increase the index by 6,619.

a. T-Test (partial)

Table 6
Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	4810.802	310.952		15.471	.000
	Suku Bunga	-70.076	13.556	-.278	-5.169	.000
	EPS	-.324	.231	-.083	-2.406	.061
	DER	.012	.043	.014	.281	.779
	Kurs	-.081	.020	-.220	-4.094	.000
	ROE	6.619	7.413	.053	.893	.372

Partially, only Interest Rates and Exchange Rates have a significant influence on the share prices of SOEs that are in the BUMN20 construction index.

b. Simultaneous Test (F)

Table 7
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3155611.598	5	631122.320	6.578	.000
	Residual	36935932.025	385	95937.486		
	Total	40091543.623	390			

a. Dependent Variable: IDX BUMN 20

b. Predictors: (Constant), ROE, DER, Kurs, Suku Bunga, EPS

Based on the results of the output, the significance value is smaller than 0,05, so it can be concluded that interest rates, exchange rates, EPS, DER, and ROE simultaneously affect the index.

c. Correlation and Determination Coefficient (R-square)

Table 8
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.581 ^a	.479	.367	309.73777	1.912

a. Predictors: (Constant), ROE, DER, Kurs, Suku Bunga, EPS

b. Dependent Variable: IDX BUMN 20

The table above shows the number R for 0,479. This number is the value of one which means there is a fairly strong and positive correlation among interest rates, exchange rates, EPS, DER, and ROE with stock prices. While the adjusted determination coefficient (Adjusted R Square) is 0,367. This figure explains that 36,7% of the dependent variable, the index, can be explained by Interest Rates, Exchange Rates, EPS, DER, and ROE, while 63,3% can be explained by other variables.

IV. Discussion

4.1 Effects of Interest Rates, Investor Expectations, Capital Structure, Rupiah Exchange Rates to the US Dollar, and Profitability to Stock Prices

From the results of this study, it was found that interest rates, investor expectations, and exchange rates, each has a negative relationship with stock prices. This shows that if the benchmark interest rate, investor expectations, and the exchange rate increase, this will reduce the price of shares of SOEs registered in the BUMN20 index. This means that even though the benchmark interest rate increases, well-performing SOEs registered in the BUMN20 index will continue to use debt as a source of long-term capital because of the potential benefits that a company might obtain by running a new project funded by the debt.

4.2 Effects of Interest Rates on Share Prices

The benchmark interest rate has a negative relationship with the stock prices of SEOs registered in the BUMN20 index. This shows that if the benchmark interest rate increases then the share price will move down. If interest rates rise, companies must pay a higher amount of interest costs to reduce the company's net profit, which then reduces dividends for shareholders. This will trigger investors in Indonesia, who prefer cash dividends, to release the shares of SOEs they have so that the share prices also move down. The T-test results show that interest rates have a significant effect on the stock prices of well-performing SOEs that are registered in the BUMN20 index. This shows that macroeconomic factors are used as the main consideration for investors in investing in SOEs' stocks that perform well because these companies considered having a good company fundamental condition that is not easily affected by micro-changes, but these SOEs are considered to have a significant amount of debt so that it will be affected by changes in macroeconomic factors such as the benchmark interest rate.

4.3 Effects of Investor Expectations on Share Prices

Investor expectations of the company's potential growth projected by Earning per Share (EPS) show a negative relationship with stock prices. This means that if EPS experiences an increase, this will reduce the stock prices of well-performing SEOs that are registered in the BUMN20 index. However, the results of the T-test show that investor expectations proxied by EPS have no significant effect on stock prices, so it can be concluded that EPS is not a factor considered by investors in deciding to invest in SEOs' shares.

4.4 Effects of Capital Structure on Share Prices

The capital structure proxied by Debt to Equity Ratio (DER) in this study has a positive relationship with the share prices of SOEs registered in the BUMN20 index. This shows that if there is an increase in debt to the company, it will increase the company's stock price. The T-test results show that the capital structure proxied by DER has no significant effect on the stock prices of SEOs registered in the BUMN20 index. This shows that for investors and prospective investors, the increasing amount of debt reflects the increasing opportunities for the future growth of the company with the implementation of various new projects that have the potential to benefit the company. Also, the good fundamental conditions in these SOEs demonstrate the ability of the company to repay the debt so that this adds to investment interest which then raises the price of shares of SOEs registered in the BUMN20 index.

4.5 Effects of Exchange Rates on Share Prices

The Rupiah Exchange Rate to the US Dollar has a negative relationship with the stock prices of SEOs registered in the BUMN20 index. This shows that if the exchange rate rises then the stock price will move down. The T-test results show that the exchange rate has a significant effect on the stock prices of well-

performing SOEs registered in the BUMN20 index. This shows that macroeconomic factors are used as the main consideration for investors in investing in well-performing SOEs' stocks because these companies are considered to have obtained their raw materials through imports financed in the US Dollars, yet SOEs are considered to have good company fundamental conditions so that they can cope with changes in exchange rates well to carry out their company's operational activities.

4.6. Effect of Profitability on Share Prices

Profitability which is proxied by Return on Equity (ROE) has a positive relationship with stock prices, which means that if ROE rises, the company's stock prices also increase. This shows that profitability with a positive increase still attracts investors in investing in stocks of well-performing SOEs. However, ROE is not a major factor considered by investors in SOEs' stock investments.

V. Conclusion

The results of this study show that changes in interest rates, investor expectations, and the Rupiah exchange rate to the US dollar have a negative relationship with changes in the stock prices of well-performing SOEs registered in the BUMN20 index. Meanwhile, capital structure and profitability affect SOEs' stock prices positively. Of the five factors considered can affect changes in the stock prices of SOEs, it is evident that for SOEs' investors only consider macroeconomic factors, namely the interest rates and the Rupiah exchange rate to the US Dollar as the factors most considered in the investment decision of SOE company shares. This reason of the investors is based on the fundamental condition of SOEs registered in the BUMN20 index, which is considered good so that they will not be sensitive to micro issues, but may be affected by macroeconomic changes. Yet, changes in macroeconomic factors will be handled well by SOEs in the BUMN20 index.

References

- [1]. Amarasinghe, AAMD. (2015). Dynamic Relationship Between Interest Rate and Stock Price : Empirical Evidence From Colombo Stock Exchange, *International Journal of Business and Social Science*, Vol.6 No.4 April 2015.
- [2]. Badruzaaman, Jajag. (2017). Pengaruh Earning per Share Terhadap Harga Saham, *Jurnal Akuntansi* Vol.12, Nomor 1, Januari-Juni 2017.
- [3]. Brigham, Eugene F dan Joel F. Houston. (2011). *Dasar-Dasar Manajemen Keuangan*. Alih bahasa Ali Akbar Yulianto, Buku dua, Edisi sebelas, Jakarta : Salemba Empat.
- [4]. Dewi, Putu Dina Arstya., dan I.G.N.A Suryana. (2013). Pengaruh EPS, DER, dan PBV Terhadap Harga Saham. *E-Jurnal Akuntansi Universitas Udayana*. 4.1. ISSN: 2302-8556.
- [5]. Dira, Kadek Prawisanti., Ida Bagus Putra Astika. (2014). Pengaruh Struktur Modal, Likuiditas, Pertumbuhan Laba dan Ukuran Perusahaan Pada Kualitas Laba, *Jurnal Akuntansi Universitas Udayana* 7.1 Hal 64-78.
- [6]. Fadila, Rahmawati., Muhamad Saifi. (2018). Pengaruh Earning Per Share (EPS), Return on Equity (ROE) dan Net Profit Margin (NPM) Terhadap Harga Penutupan Saham (Studi Pada Perusahaan Perbankan Yang Terdaftar di Bursa Efek Indonesia Tahun 2014-2016).
- [7]. Ginting, Maria Ratna Marisa., Topowijono dan Sri Sulasniyati (2016). Pengaruh Tingkat Suku Bunga, Nilai Tukar dan Inflasi Terhadap Harga Saham (Studi Pada Sub Sektor Perbankan di Bursa Efek Indonesia Periode 2011-2015), *Jurnal Administrasi Bisnis (JAB)* Vol. 35 No. 2 Juni 2016 : administrasibisnis-studentjournal.uob.ac.id.
- [8]. Hasudungan, Jonathan., Dwiatmanto., Zahroh ZA. (2017). Pengaruh Struktur Modal dan Profitabilitas Terhadap Harga Saham (Studi pada Perusahaan Makanan dan Minuman yang terdaftar di Bursa Efek Indonesia Periode 2012-2015), *Jurnal Administrasi Bisnis (JAB)* Vol.46 No.1 Mei 2017.
- [9]. Horne, James C. Van dan John M Wachowicz, JR. (2007). *Prinsip-Prinsip Manajemen Keuangan*. Alih bahasa Dewi Fitriyani dan Denny Arnos Kwary, Buku dua. Edisi dua belas. Jakarta : Salemba Empat.
- [10]. Ircham, Muhammad., Siti Ragil Handayani., Muhammas Saifi. (2014). Pengaruh Struktur Modal dan Profitabilitas Terhadap Harga Saham (Studi Pada Perusahaan Makanan dan Minuman Yang Terdaftar di Bursa Efek Indonesia Tahun 2009-2012), *Jurnal Administrasi Bisnis (JAB)* Vol.11 No.1.
- [11]. Khairani, Imelda (2016). Pengaruh Earning Per Share (EPS) dan Dividend per Share Terhadap Harga Saham Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia (BEI) Tahun 2011-2013, *Jurnal Manajemen Dan Keuangan*, Vol.5, No.1. Mei 2016.
- [12]. Menon, Udayakumari Vidhyasagara. (2016). Impact of Capital Structure on Stock Price : Evidence From Oman, *International Journal of Economic and Finance* Vol 8, No.9. ISSN 1916-971X E-ISSN 1916-978.
- [13]. Pratiwi, Monica Weni. (2019). Analisis Struktur Modal Terhadap Harga Saham Dengan Ukuran Perusahaan Sebagai Variabel Moderasi, *Journal of Entrepreneurship Management and Industry (JEMI)* Vol.2 No. 1 Hal 61-68.
- [14]. Purnamawati, I Gusti Ayu. (2016). The Effect of Capital Structure and Profitability on Stock Price (Study of Manufacturing Sector in Indonesia Stock Exchange), *International Journal of Business Economic and Law*, Vol 9, Issue 1 (Apr) ISSN 2289-1552.
- [15]. Raharjanti, Rani., Nur Setyowati. (2017). Pengaruh Struktur Kepemilikan dan Struktur Modal Terhadap Harga Saham, *Jurnal Akuntansi dan Auditing* Vol.14/No.20 Hal 88-99.
- [16]. Rahmadewi, Pandewidya., Nyoman Abundanti. (2018). Pengaruh EPS, PER, CR dan ROE terhadap Harga Saham di Bursa Efek Indonesia, *E-Jurnal Manajemen Unud*, Vol.7, No.4, 2018: 2106-2133. DOI : <https://doi.org/10.24843/EJMUNUD.2018.V7.104.p14>.
- [17]. Suriyani, Ni Kadek., Gede Mertha Sudiarta. (2018). Pengaruh Tingkat Suku Bunga, Inflasi dan Nilai Tukar Terhadap Return Saham di Bursa Efek Indonesia, *E-Jurnal Manajemen Unud*, Vol. 7, No.6, 2018 : 3172-3200, DOI ; <https://doi.org/10.24843/EJMUNUD.2018.v7.i06.p12>
- [18]. <https://www.idx.co.id>