The Influence of Corporate Internal and External Factors on Bumn Share Prices: A Case Study in 12 BUMNs

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

Case Study

ABSTRACT

The Covid-19 pandemic has had a negative impact on the economy and other business sectors including the impact felt by BUMN. Research on the influence of internal and external factors of BUMN on BUMN stock prices was carried out using secondary data and observations on 12 BUMNs consisting of the steel and cement, construction, mining and food and health sectors. According to the data, the BUMN share price experienced a decline during the Covid-19 pandemic where the most affected were BUMN in the construction sector (-128%), mining (-74%), steel and cement (-60%) and the food and health sector (-15%). This study explores internal and external factors in BUMN that have the potential to influence stock prices by analyzing the quantity using linear regression equations with the help of the SPSS statistical application. Several internal and external factors in SOEs that affect BUMN stock prices are current ratio (CR), return on assets (ROA), debt to equity ratio (DER), foreign exchange rates, inflation, economic growth and and the Covid-19 pandemic. The results show that there is an influence of internal and external factors of BUMN on BUMN stock prices and the most dominant factor affecting stock prices is the foreign exchange rate of 34.36%, economic growth of 32.11% and the Covid-19 pandemic of 1.84%. Meanwhile, the internal factors that have influence are ROA of 0.25% and DER of 0.15.

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1. INTRODUCTION

The Covid19 pandemic that occurred in early 2020 had a very broad impact on the human psyche and socio-economy, as well as worsening economic conditions where Indonesia's economic growth experienced a significant decline, which grew only 2.97 percent and even tended to lead to minus growth.

Entering the second quarter of 2020, there was a slowdown in economic growth, namely after the implementation of Large-Scale Social Restrictions (PSBB) with restrictions on activities and the closure of several sectors such as flights, railways, land transportation, warehousing, which

were the worst affected sectors including several BUMN businesses that engaged in the steel, construction, mining, food and health sectors which experienced a decline in stock prices at the time of the Covid-19 pandemic (see Fig. 1-1).

From the graph above, it can be seen that the impact of the corona virus pandemic on the drop in stock prices is very much affected by the construction sector BUMN (-128%), mining (-74%) and the steel and cement sector (-60%) compared to the food and health sectors which have almost no effect. which is only -15%. The decline in construction, mining and steel BUMNs was due to delays in a number of projects and no new contracts.
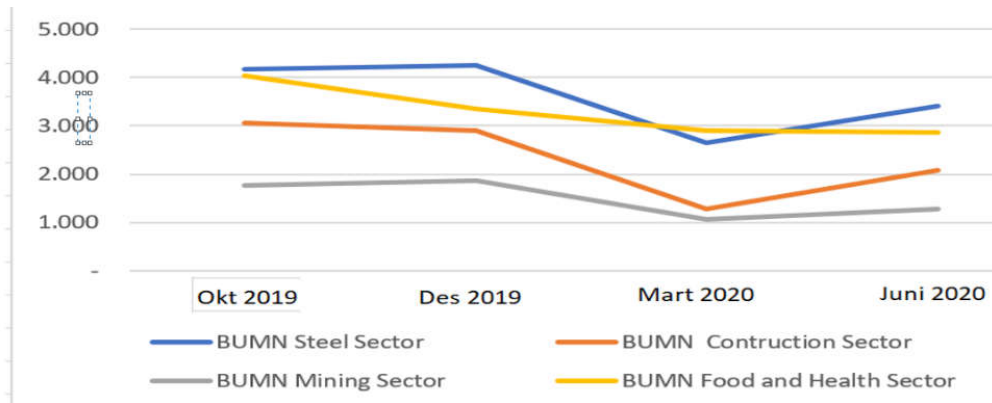

Fig. 1-1. The average share price of BUMN in 2019-2020

Table 1-1. Share price (in Rupiah)

No.	Code	BUMNs Name	Period 2019 - 2020				Keterangan
			01-Oct-19	01-Jan-20	01-Apr-20	01-Jul-20	
1	KRAS	Krakatau Steel Indonesia (Persero) Tbk	350	304	149	276	Steel and Cement Sector
2	SMBR	PT Semen Batu Raja (Persero) Tbk	640	440	197	308	
3	SMGR	PT Semen Indonesia (Persero) Tbk	11.550	12.000	7.625	9.625	
4	WIKA	Wijaya Karya (Persero) Tbk.	1.910	2.020	835	1.165	Construction Sector
5	JSMR	Jasa Marga (Persero) Tbk.	5.650	5.175	2.500	4.400	
6	WSKT	Waskita Karya (Persero) Tbk.	1.625	1.505	480	700	
7	PGAS	Perusahaan Gas Negara Tbk.	2.040	2.140	735	1.135	Mining Sector
8	PTBA	Bukit Asam Tbk.	2.280	2.630	2.050	2.090	
9	ANTM	Aneka Tambang Tbk.	955	840	436	600	
10	INDF	Indofood Sukses Makmur Tbk	7.700	7.925	6.350	6.525	food and health
11	KAEF	Kimia Farma Tbk.	2.890	1.250	1.285	1.100	
12	INAF	PT Indofarma Tbk	1.505	870	1.080	985	

This pandemic has had a global socio-economic impact, namely the health sector and the economic sector which suffered serious impacts. Restrictions on community activities affect business activities which then have an impact on the economy. This August report from the Central Statistics Agency (BPS) stated that Indonesia's economic growth in the second quarter of 2020 was minus 5.32 percent. Previously, in the first quarter of 2020, BPS reported that Indonesia's economic growth only grew by 2.97 percent, down considerably from the growth of 5.02 percent in the same period in 2019. This weakening economic performance also had an impact on the labor situation in Indonesia.

BUMN, which stands for State-Owned Enterprise, is a business entity whose entire or most of its capital is owned by the state through direct participation originating from separated state assets. BUMN plays a high enough role in the economic system as a pioneer in the business sector that is not yet in demand by the private sector and is a source of state revenue as well as being the implementer of public services, balancing private power and helping to develop MSMEs (Micro, Small and Medium Enterprises) and carrying out production and distribution activities resources that control the lives of many people.

Based on the explanation above, the authors are interested in conducting research on the causes of the decline in BUMN stock prices which could be the impact of the COVID-19 pandemic and may also be influenced by other external factors such as foreign exchange rates, inflation and economic growth. Including the author wants to know and dig deeper into internal factors in the form of corporate financial ratios that have an impact on BUMN stock prices and want to compare the extent of the impact of each BUMN in the steel, construction, mining and food and health sectors.

Several previous studies related to factors that influence stock prices on stock exchanges, namely;

Rahmadewi Widya Pande [1], wrote in the conclusion of his research as follows; 1) there is a negative relationship between the variable Earning per Share (EPS) and the stock price, 2) the variable Price Earning Ratio (PER) has a positive effect on stock prices, 3) there is a negative relationship between the variable Current Ratio (CR) on stock prices, 4) the variable Return on Equity (ROE) has a negative effect on stock prices. (E-Journal of Management of Udayana University, Vol. 7, No. 4, 2018: 2106-2133)

Meanwhile, Pratami Linzzy [2] wrote the results of his research on share prices conducted on 10 Coal Mining companies listed on the Indonesia Stock Exchange; 1). There is no significant influence between Return On Assets (ROA) on stock prices, 2) there is no significant effect between Return On Equity (ROE) on stock prices, 3) there is no significant effect between Return On Assets (ROA) and Return On Equity (ROE) against the share price. (Scientific Journal of Management and Business Vol. 16, No. 02, October 2015 ISSN: 1693-7619 (Print) http://jurnal.umsu.ac.id)

Based on the description above and the results of previous research, the authors provide the view for this study that the company's internal and external factors are described in the variable current ratio (CR), return on assets (ROA), debt to equity ratio (DER), foreign exchange rates, inflation, economic growth and the divid-19 pandemic have an effect on SOE stock prices. This study analyzes the stock price movements of 12 BUMNs consisting of the steel sector (3 BUMN), banking, construction (3 BUMN), mining (3 BUMN) and food and health (3 BUMN) with time trends in the 3rd and 4th quarters of 2019 and quarterly. 1 and 2 in 2020.

Fig. 1-2. Growth of gress domestic product (GDP) in 2018-2020

This research is important because it will examine internal factors and external factors that can affect BUMN stock prices. Internal factors consist of variable current ratio (CR), return on assets (ROA), debt to equity ratio (DER), and external factors consisting of foreign exchange rates, inflation rates, economic growth and the divid-19 pandemic. The influence of these variables can have an impact on the decline or drop in the price of BUMN shares where the decline in share prices is indicated by decreased company performance so that it can reduce investor confidence in investing in the company.

The results of this study are expected to contribute to the company or state-owned company by providing an overview of the causes of fluctuation or decline in stock prices so that it can be a reference for companies to improve their financial performance and anticipate external factors that affect financial performance and share prices. Contribution to investors is to provide an overview of stock investment opportunities to provide a reference in making stock investment decisions. Contribution to the government or policy-making regulators to improve macroeconomic factors in order to foster a business and economic climate. The next contribution to academics is that they can provide a reference for developing further research.

This research is unique and complements previous research by adding external variables, namely interest rates, inflation rates and the Covid-19 pandemic in an analysis of their effects together with internal variables on stock prices of several BUMNs studied.

Authors have declared that no competing interests exist. The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

2. THEORETICAL REVIEW

2.1 Stock Price

According to Anoraga (2006: 59) stock price is the price on the real market, the price on the real market is the price that is easiest to determine because the price of a share is in an ongoing market or a closed market, this means that the stock price is the closing price (closing price) in the real market. The prevailing share price in the capital market is influenced by the forces of supply and demand (market mechanism). The more demand for shares, the share price will tend to increase, and vice versa.

Schroeck Gerhard [3], elaborates an interesting argument about the share price that if the value of external equity is more expensive it is not a good condition when the company will issue new equity or shares. Because companies are reluctant to issue new equity when the value is too low, and because it is very difficult for investors to determine the true value of the company's assets in general and evaluate the risk of new investment opportunities. In particular, companies tend to issue new equity when the value is high enough.

2.2 Current Ratio (CR)

Current Ratio (CR) shows the company's ability to meet or pay its short-term debt obligations. This ratio is used to measure how liquid a company is, meaning that if the company is able to meet its short-term obligations, it means that the company is liquid and vice versa, if the company is not able to fulfill its short-term obligations, it means that the company is not liquid.

Eugene F. Brigham, Joel F. Houston, [4], explained that there are 3 factors that managers can do to increase company value and company stock value related to cash flow, namely: 1) every financial asset including company shares, only useful if the asset can generate cash flow, 2) the time available and use of cash flow is important, the cash is received sooner the better, because it can be reinvested to generate income, and 3) Investors generally reject or avoid risk, they will pay more for stocks whose cash flow is definite compared to stocks that have no definite cash flow. Eugene explains the effect of cash flow on stock prices by explaining the majority factors that affect stock prices in the image below.

2.3 Return on Asset (ROA)

Return on Assets (ROA) is one of the important finances that must be considered when investing in stocks and finances and is one of the benchmarks held by investors in investing in companies.
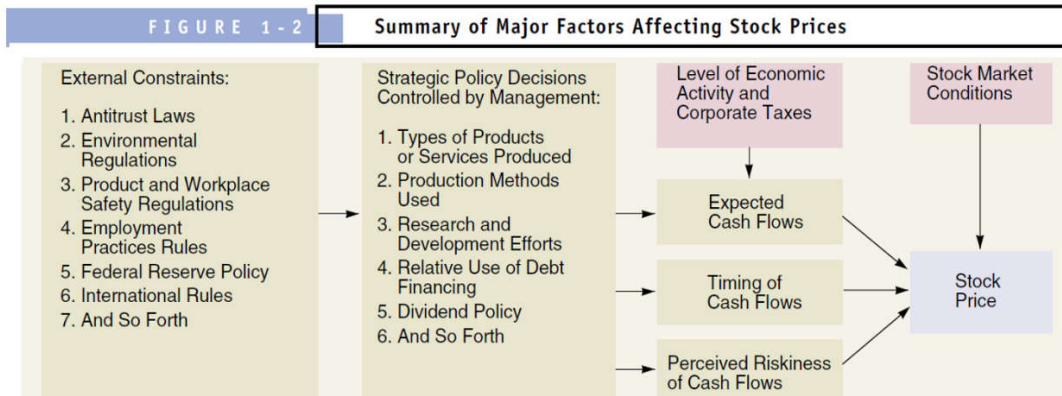
Fig. 2-1. Majority factor that affecting stock price

Wals Ciaran, [5] explains that ROA or ROTA is calculated by the formula for net income before taxes or EBIT divided by total assets or TA. So there are two calculations obtained in relation to 'Sales', namely: a) Profit Margin (EBIT / sales) and (b) Asset Turnover (sales / TA). So that the formula obtained for calculating ROTA is EBIT / Total Asset. Which is described in the following figure.

2.4 Debt To Equity Ratio (DER)

Darmadji and Fakhruddin, [6] quoted Moeljadi's writing that the Debt to Equity Ratio (DER) is a ratio that measures the extent to which the amount of debt can be covered by one's own capital, while according to. This can illustrate the potential benefits and risks that come from using debt. Mathematically, DER can be formulated as follows: DER = Total Debt / Own Capital x 100%. Source: (Moeljadi, 2006: 70)

DER shows the composition of the company's capital, which is mostly obtained from debt. The higher the company's debt, the more burdensome the company's obligation to pay this debt along with the interest, which shows the higher the company's financial risk, and vice versa. The acceptable ratio of Debt to Equity in most companies is between 1.5 times and for companies that have gone public it can be 2 times or more. The level of financial risk of the company can affect the company's stock price.

2.5 Foreign Exchange Rates

Exchange rate is often referred to as the ratio of value or currency exchange rate, namely the exchange between two different currencies which results in a different comparison value between the two currencies.
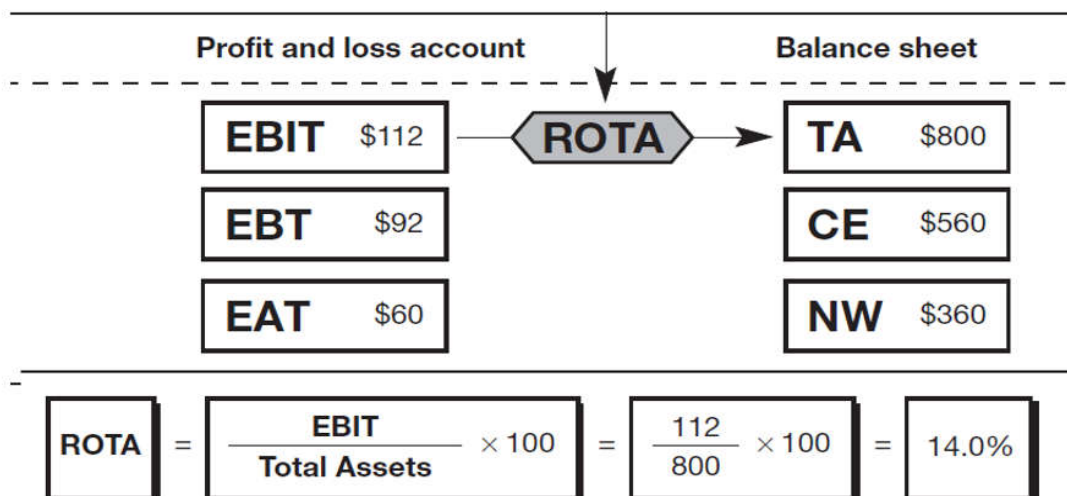

Fig. 2-2. ROTA is the most important driver of ROE!

According to Fahmi [7], fluctuations in foreign exchange rates create uncertainty which creates risk of foreign exchange rates. Foreign exchange risk is a risk caused by changes in foreign exchange rates on the market that are no longer in accordance with expected, especially when converted into domestic currency.

Syaifuddin Takdir Dedy, Prof., DR., [8] wrote; in every international transaction always use foreign currency (foreign currency). In other words, there is a need to convert one currency into another. This is what gives rise to a demand for foreign exchange transactions. The world forex market offers a mechanism that can complete complex and varied transactions efficiently and promptly. The main players in the forex market are very diverse, not only in scale of operations but also in the objectives and methods of exploiting this market. The main economic players in the forex market can be classified into:

1. Individuals,
2. Institutions,
3. Banking (especially commercial banks),
4. The central bank and other government-owned institutions,
5. Speculators and arbitrators and
6. Forex brokers.

2.6 Inflation

Tandelilin, [9] explains that inflation is the tendency to increase the prices of products as a whole, resulting in a decrease in people's purchasing power.

Furthermore, Putong, [10] explains that a high inflation rate is usually associated with an overheated economic condition. This means that economic conditions experience demand for products that exceeds the supply capacity of their products, so prices tend to increase. The result of inflation in general is the weakening of people's purchasing power because in real terms their income level has also decreased.

2.7 Economic Growth

Economic activities will support the economic development process where economic development will depend on the level of economic growth. The economic growth of a country will have an impact on increasing the wealth of the nation from time to time so that economic growth becomes an important indicator in measuring the progress and development of a nation's economy.

Nordhaus and Samuelson [11] explain that economic growth is a picture of the potential GDP expansion or national output of the country. So it can be concluded that economic growth is a process of increasing the national income of a country within a certain time or period.

According to Thirlwall [12] Economic growth as stated by an increase in output and real income per capita is not the only policy target in developing countries, but economic policy to increase the rate of output growth is necessary because:

1. Economic growth is seen as an indispensable condition for improving people's welfare.
2. Economic growth is seen as a prerequisite for achieving other development goals, such as: increasing community income and wealth, or the provision of other social facilities and facilities.

2.8 The Covid-19 Pandemic

According to Wikipedia, Encyclopedia; The Covid-19 pandemic is an event that the spread of Coronavirus disease 2019 (English: corona virus disease 2019, abbreviated from COVID-19) throughout the world. The disease is caused by a new type of coronavirus, named SARS-CoV-2. [2] The Covid-19 outbreak was first detected in Wuhan City, Hubei Province, China on December 1, 2019, and was declared a pandemic by the World Health Organization (WHO) on March 11, 2020 [3]. As of 23 April 2020, more than 2,000,000 cases of Covid-19 have been reported in more than 210 countries and territories, resulting in more than 195,755 people dying and more than 781,109 people recovered.

2.9 Based Conceptual Framework

Based on the description of the theoretical basis above, the study framework model used to facilitate understanding of the concept and its solution is as follows.

Factors that affect stock prices, namely variable current ratio (CR), return on assets (ROA), debt to equity ratio (DER), foreign exchange rates, inflation, economic growth and the Covid-19 pandemic will be examined to answer questions about the influence of these dependent variables. to the BUMN stock price as the dependent variable (which is influenced).
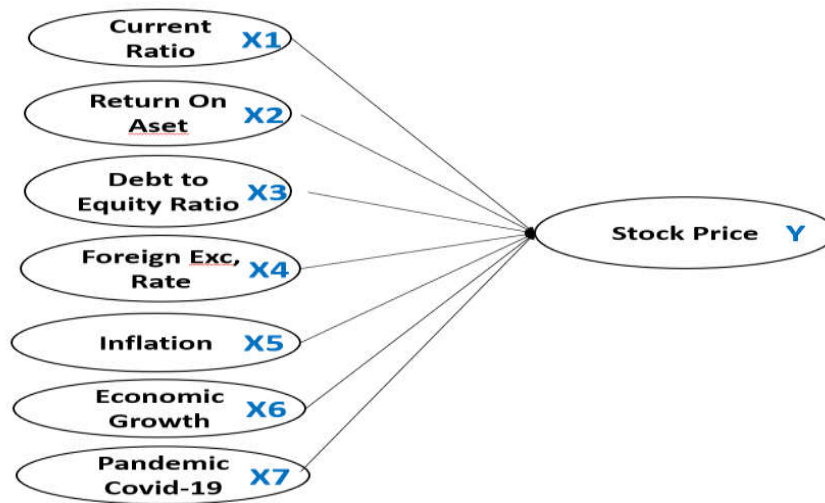
Fig. 2-3. Research framework

By using quantity analysis through regression analysis to determine the relationship between the dependent variable and the independent variable as well as quality analysis so that you will get a picture of the magnitude of this influence using statistical analysis tools.

2.10 Hypothesis

Based on the background of the problem, the problem formulation and the above framework, 8 hypotheses can be drawn as follows:

1. H1: current ratio (CR) has a significant effect on stock prices
2. H2: return on assets (ROA) has a significant effect on stock prices
3. H3: debt to equity ratio (DER) has a significant effect on stock prices
4. H4: Foreign exchange rates have a significant effect on stock prices
5. H5: Inflation has a significant effect on stock prices
6. H6: economic growth has a significant effect on stock prices
7. H7: The Covid-19 pandemic has a significant effect on stock prices

3. MATERIALS AND METHODS

3.1 Method of Collecting Data

This research is a descriptive study with a quantitative approach. Data collection was carried out by means of observation using secondary data in the form of corporate financial reports obtaining financial ratio calculations

sourced from balance sheets and income statements as well as the latest statistical information and central bank data to obtain foreign exchange rate data and information as well as statistical data on the development of the Covid-pandemic 19.

3.2 Operational Definition and Variable Measurement

The variable used as the independent variable (X) and the dependent variable (Y) can be explained as follows:

- Current ratio (X1), namely the current ratio of the balance sheet in percentage (%),
- Return on assets (X2), namely the profitability ratio of profit and loss and balance sheet in percentage (%)
- Debt to equity ratio (X3), namely the ratio of passive balance in percentage units (%),
- Foreign exchange rate (X4), namely the exchange rate of IDR against USD in rupiah units.
- Inflation (X5), namely macroeconomic data in percentage units (%),
- Economic growth (X6), namely macroeconomic data in percentage units (%)
- The Covid-19 pandemic (X7), namely data on affected patients in units of number of people.
- While the dependent variable (Y) share price is the closing price of BUMN shares at ISHG in units of Rp. (rupiah value).

Furthermore, the data that have been grouped according to the variables above are then

tabulated as quantitative data for analysis using multiple regression analysis with the help of the SPS statistical application.

3.3 Analysis Model

Based on the data obtained, it is then processed and used as material for analysis. In analyzing the data, quantitative and qualitative analysis were used to determine the factors that influence stock prices. The data obtained is put in the form of a table to describe the research results more clearly.

By using regression data analysis to describe the correlation between the independent variables and the dependent variable which is outlined in the form of a linear function equation as follows:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + e$$

Where:

Y = Share Price
X1 = Current Ratio (CR)
X2 = Return On Asset (ROA)
X3 = Debt to Equity Ratio (DER)
X4 = Foreign Exchange Rate
X5 = Inflation
X6 = Economic Growth (X6)
X7 = Covid-19 pandemic
b0 = Constant
b1 = Regression coefficient
e = Error

4. RESULTS AND DISCUSSION

4.1 Multiple Correlation Analysis (R)

This analysis is used to determine the relationship between the independent variables (X1, X2, X3, X4, X5, X6, X7) on the dependent variable (Y) simultaneously, how much is the relationship between the current ratio variable CR (X1), return on assets ROA (X2), debt to equity ratio DER (X3), foreign exchange rates (X4), inflation (X5), economic growth (X6) and the Covid-19 pandemic (X7) to stock prices (Y) and the size of the value of R ranges from 0 to 1, the value getting closer to 1 means that the relationship is getting stronger, on the other hand the value is getting closer to 0, the weaker the relationship is.

According to Sugiyono [13] guidelines for providing interpretation of the correlation coefficient are as follows: 0.00-0.199 = very low,

0.20-0.399 = low, 0.40 -0.599 = moderate, 0.60-0.799 = strong, 0 , 80-1,000 = very strong

The results of the regression analysis can be seen in the output model summary and are presented as follows:

Based on the table above, the R number is 0.595 or 59.5%. This shows that the relationship between CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic on stock prices is moderate or 59.5%, while the remaining 40.5% is influenced by variables other than independent variables. Between CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic.

Based on the results of the normality test, it is known that the R Square above shows $0.354 > \alpha$ (0.05), then the data distribution is normal, so it can be concluded that the variables in this study are normal.

Besides that, the calculation result of the summary model above the D-W value of 1.05 means that there is no multi correlation between the independent variables. With a confidence level of $\alpha = 5\%$, if D-W is between -2 to +2 then there is no auto correlation [14].

4.2 Determination Analysis (R2)

Analysis of determination in multiple linear regression is used to determine the percentage of the effect of the independent variables CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic (X1, X2, X3, X4, X5, X6, X7) simultaneously on the variables dependent on stock price (Y).

Based on the results of the regression analysis in the summary table output model above, the R2 (R Square) number is 0.354 or (35.4%), which means that the percentage contribution of the influence of the independent variables (CR, ROA, DER, foreign exchange rates, inflation, economic growth and pandemic Covid-19) on the dependent variable (stock price) of 35.4% or variations of the independent variables used in the model (CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic) was able to explain 35.4 % variation in the dependent variable (stock price). While the remaining 64.68% is influenced by other variables not included in this research model.

Table 2-1. Result of multiple correction analysis

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.595[a]	.354	.241	97.37092	1.059

a. Predictors: (Constant), Pandemic covid19, Current ratio, ROA, Exchange rate, DER, Inflation, Economic growth

b. Dependent Variable: Share price

Adjusted R Square is used for regression analysis that uses more than two variables, as in this study, the adjusted R Square value is 0.241 or 24.1%, this value is always smaller than R Square and this number can have a negative price.

4.3 Regression Coefficient Test Together (Test F)

The F test is used to prove the hypothesis, namely to find out whether the independent variables (CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic) together have a significant effect on the dependent variable (stock price). The relationship between the dependent variable and the independent variable of the 48 populations with samples taken from 12 BUMNs in the construction, mining, cement, food and health sectors.

The results of the F test from this regression analysis are as in the following table.

Based on the ANOVA table above, it is obtained F count of 3.13, using a confidence level of 95%, a = 5%, df 1 (number of variables-1) = 7, and df 2 (nk-1) or 48-7-1 = 40 (n is the number of cases and k is the number of independent variables), the results are obtained for the F table of 2.25 (see attachment to the F-distribution table).

Table 2-2. F Test Result

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	207891.410	7	29698.773	3.132	.010[b]
	Residual	379243.840	40	9481.096		
	Total	587135.250	47			

a. Dependent Variable: Share price

b. Predictors: (Constant), Pandemic covid19, Current ratio, ROA, Exchange rate, DER, Inflation, Economic growth

Because the value of F count> F table (3.13> 2.25), it means that there is a significant influence between CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic simultaneously on stock prices.

4.4 Partial Regression Coefficient Test (Test - t)

In this study, multiple linear regression analysis was carried out to determine the effect of current ratio CR (X1), return on assets ROA (X2), debt to equity ratio DER (X3), foreign exchange rates (X4), inflation (X5), economic growth(X6) and the Covid-19 pandemic (X7) on stock prices (Y).

Based on the coefficient model table from the calculation of the regression analysis above, the correlation between the independent variable and the dependent variable can be described as outlined in the form of a linear function equation in the analysis model as follows:

$$Y = -36873 - 0,395X1 + 0,253X2 + 0,157X3 + 34,36X4 - 3,76X5 + 32,11X6 + 1,84X7 + e$$

4.5 The Regression Equation above Can Be Explained as Follows

The constant is -36873; means if CR (X1). ROA (X2), DER (X3), foreign exchange rates (X4), inflation (X5), economic growth (X6) and the Covid-19 pandemic (X7) the value is 0, then the share price (Y) value is minus IDR 36,873, -

The regression coefficient for the CR variable (X1) is -0.395; This means that if other independent variables are fixed in value and CR has increased 1%, then the stock price (Y) will decrease by 0.395%. The coefficient is negative, meaning that there is a negative relationship between CR and the stock price, the higher the CR, the lower the stock price.

The regression coefficient of the ROA variable (X2) is 0.253; it means that if other independent variables are fixed in value and ROA increases by 1%, then the stock price (Y) will increase by 0.253%. The coefficient is positive, meaning that there is a positive relationship between ROA and stock prices, the higher the ROA, the higher the stock price.

DER variable regression coefficient (X3) of 0.157; it means that if other independent variables have a fixed value and DER has increased by 1%, then the stock price (Y) will increase by 0.157%. The coefficient is positive, meaning that there is a positive relationship between DER and stock prices, the higher the DER, the higher the stock price.

The regression coefficient of the foreign exchange rate variable (X4) is 34.36; it means that if other independent variables are fixed in value and the foreign exchange rate has increased by 1%, then the stock price (Y) will increase by 34.36%. The coefficient is positive, meaning that there is a positive relationship between the foreign exchange rate and the stock price, the higher the foreign exchange rate, the higher the stock price.

Table 2-3. Beta and Significant Cocfficient Modcl

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-36873.131	24126.088		-1.528	.134
	Current ratio	-.395	.143	-.379	-2.754	.009
	ROA	.253	.085	.466	2.975	.005
	DER	.157	.185	.134	.850	.400
	Exchange rate	34.362	22.503	2.090	1.527	.135
	Inflation	-3.767	3.437	-.692	-1.096	.280
	Economic growth	32.118	18.153	8.184	1.769	.084
	Pandemic covid19	1.848	1.034	6.499	1.787	.082

a. Dependent Variable: Share price

The inflation variable regression coefficient (X5) is -3.76; it means that if other independent variables are fixed in value and inflation increases by 1%, then the stock price (Y) will decrease by minus 3.76%. The coefficient is negative, meaning that there is a negative relationship between inflation and stock prices, the higher the inflation, the higher the stock price.

The regression coefficient of the economic growth variable (X6) is 32.11; This means that if other independent variables have a fixed value and economic growth has increased by 1%, then the stock price (Y ') will increase by 32.11%. The coefficient is positive, meaning that there is a positive relationship between economic growth and stock prices, the higher the economic growth, the higher the stock price.

Covid-19 pandemic variable regression coefficient (X7) of 1.84; This means that if other independent variables have a fixed value and the Covid-19 pandemic has increased by 1%, then the stock price (Y ') will increase by 1.84%. The coefficient is positive, meaning that there is a positive relationship between the Covid19 pandemic and the stock price, the more the Covid19 pandemic increases, the stock price increases.

The results of the above calculations indicate that the dominant factors affecting stock prices are foreign exchange rates (X4) of 34.36% and economic growth (X6) of 32.11%. And what is interesting is that based on this research it turns out that the Covid-19 pandemic that occurred when it did not cause a decline in stock prices, even though in fact some stock prices fell but in the future it will tend to rise again.

4.6 Beta Test

Beta test is used to compare the effect of independent variables on the dependent variable which is analyzed using multiple linear regression analysis. The aim is to find out which independent variable has the dominant or greatest influence on the dependent variable.

Based on the coefficient model table, the calculation results of the regression analysis above, the Beta test results can be described. Beta test uses absolute value, ignoring negative with the following description;

- X1 CR Beta value affects Y share price by 0.37 or 37%

- The Beta value of X2 ROA has an effect on the Y share price of 0.466 or 46.6%
- The X3 DER Beta value has an effect on the Y share price of 0.134 or 13.4%
- The X4 Beta value of the foreign exchange rate has an effect on the Y share price by 2.09 or 209%
- Beta Value X5 Inflation has an effect on Y share price by 0.69 or 69%
- The X6 Beta value of economic growth has an effect on the Y share price of 8.184 or 818%
- Beta value of X7 pandemic Covid-19 has an effect on the Y share price of 6,499 or 649%

So with the Beta test that the dominant factor affecting stock prices is economic growth of 818%, the Covid-19 pandemic of 649% and foreign exchange rates of 209%.

5. CONCLUSION

Based on the calculation of the regression analysis above, it shows that there is a significant influence between CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic on stock prices is moderate or 59.5%, while the remaining 40.5% influenced by variables other than the independent variables, including CR, ROA, DER, foreign exchange rates, inflation, economic growth and the Covid-19 pandemic.

In the coefficient model calculated from the regression analysis above, the significant effect can be described as follows:

- Current ratio (CR) affects the stock price by -0.395; This means that if the CR increases by 1% and the other independent variables are fixed, the stock price will decrease by -0.395%. There is an inverse or negative relationship between CR and stock prices.

- Return on assets (ROA) affects the stock price of 0.253; this means that if the ROA increases by 1% and the other independent variables are fixed, the stock price will increase by 0.253%. There is a positive relationship between ROA and stock prices.

- Debt to equity ratio (X3)) affects the stock price by 0.157; this means that if DER increases by 1% and other independent

variables remain, the stock price will increase by 0.157%. There is a positive relationship between DER and share prices.

- Foreign exchange rates have an effect on share prices by 34.36; this means that if the foreign exchange rate increases by 1% and the other independent variables are fixed, the share price will increase by 0.157%. There is a positive relationship between foreign exchange rates and share prices.

- Inflation affects the stock price by -3.76; This means that if inflation increases by 1% and the other independent variables are fixed, the stock price will decrease by minus 3.76%. There is a best or negative relationship between inflation and stock prices.

- Economic growth has an effect on stock prices by 32.11; This means that if economic growth increases by 1% and other independent variables remain, the stock price will increase by 32.11%. There is a positive relationship between economic growth and stock prices.

- The Covid-19 pandemic affected stock prices by 1.84; This means that if the Covid-19 pandemic rises 1% and other independent variables remain, then the stock price will increase by 1.84%. There is a positive relationship between economic growth and stock prices.

From the results of the above calculations, it shows that the dominant factors affecting stock prices are the foreign exchange rate (X4) of 34.36% and economic growth (X6) of 32.11% and the Covid-19 pandemic of 1.84%. While other factors are internal factors, namely ROA of 0.25% and DER of 0.15%.

SUGGESTION

Based on the above conclusions, the suggestions that can be given are:

(1) The Government shall continue to pay attention to the stability of the value of foreign exchange rates against the rupiah and to maintain economic growth by stimulating the economic sector, considering

that these two factors have a dominant influence on the value of BUMN shares. The progress of BUMN is one of the tools to improve the Indonesian economy.
(2) BUMNs to improve their financial performance and strive to keep their share prices stable and even increase with an increase in the internal performance of their companies.
(3) Hopefully this research can be a reference for further research.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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