

Key Drivers of Stock Price Movements: Financial and Economic Indicators in Unilever Indonesia (2014–2023)

Rini Setiawati¹, Listri Herlina²

Universitas Indonesia Membangun, Bandung, Indonesia

Corresponding Author: rinisetiawati24@student.inaba.ac.id¹,
listri.herlina@inaba.ac.id²

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Abstract

Multinational corporations are critical in ensuring financial market stability and boosting corporate performance, mainly through job creation and increased productivity. These contributions positively influence investor confidence and significantly impact stock market performance. As one of the leading multinational companies, PT Unilever contributes substantially to Indonesia's economic development. However, in recent years, PT Unilever has faced a notable decline in its stock prices. Such a decline can undermine investor trust, affecting the company's investment strategies. For this reason, examining factors that influence stock price movements, including financial ratios and macroeconomic variables, becomes essential. This research investigates the influence of financial ratios and macroeconomic indicators on PT Unilever Indonesia Tbk's stock price fluctuations in 2014–2023. The variables analyzed include the Current Ratio (CR), Earnings Per Share (EPS), inflation, interest rates, and Gross Domestic Product (GDP). Using secondary data and a multiple linear regression approach, the study reveals that EPS and inflation positively and significantly impact stock prices. At the same time, interest rates and GDP exhibit a negative and significant effect. On the other hand, the CR variable does not significantly affect stock price movements

Keywords: Financial Ratio, Macroeconomic, Stock Price

JEL CODES: G11, G12, G14

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1. Introduction

1.1 Background Of The Problem

PT. Unilever Indonesia Tbk is one of the largest multinational companies operating in the fast-moving consumer goods sector, especially in the primary consumer goods sector of the non-

durable household products sub-sector. Unilever has a very important role in supporting the progress of the FMCG sector and the Indonesian national economy. Unilever produces various types of consumer goods that have been distributed in several countries with a strong brand image. Increasing population growth should be able to increase profits for companies engaged in the FMCG sector, but based on data from the last few years, PT. Unilever has experienced sales stagnation and experienced a significant decline in stock price. If the company's profits decline or revenues do not meet market expectations, its stock price can be affected. Financial reports that show declining profits or stagnation in sales growth can reduce investor interest, which results in falling stock prices.



Figure 1 Operating Profit PT. Unilever Indonesia Tbk 2013-2023

Source: www.unilever.co.id (Data Processed 2024)

Based on Figure 1, it shows that PT. Unilever Indonesia's operating profit has experienced quite significant fluctuations and declines. It was recorded that starting in 2019, Unilever experienced a decline in profit from Rp. 12,279 to Rp. 10,121. In 2019 and continued to decline until 2023 reaching the lowest figure of Rp. 6,279. The continuous decline in profit indicates poor company performance which will have an impact on declining investor interest.

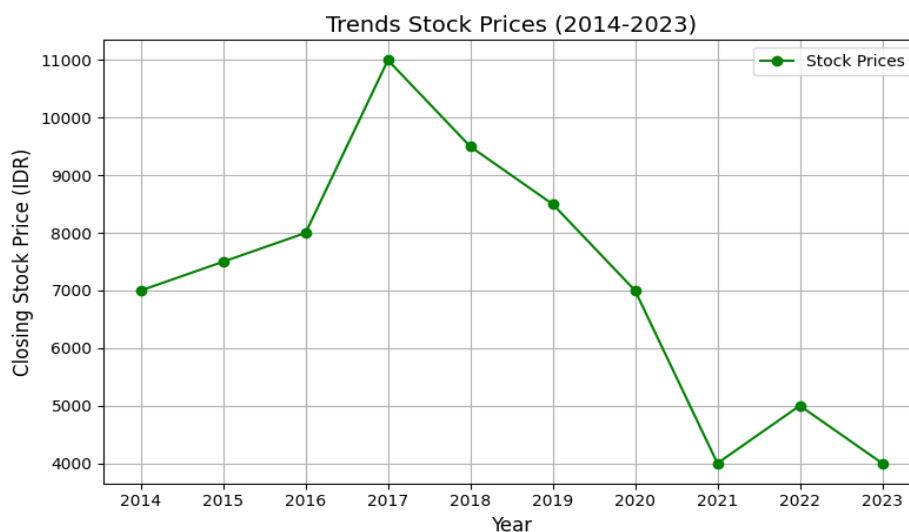


Figure 2 Closing Stock Price PT. Unilever Indonesia Tbk Period 2014-2023

Source: www.unilever.co.id (Data Processed 2024)

Figure 2 shows that PT. Unilever has experienced a significant decline in stock prices. It was recorded that in 2017 the price of PT Unilever shares reached its highest peak of IDR 11,180, but in 2018 the price of Unilever shares fell to IDR 9,080. This condition continued until 2021 where the price of Unilever shares reached IDR 4,110 at closing, although in 2022 the share price rose to IDR 4,700. In 2023, Unilever experienced a decline in share prices again and touched the lowest figure of IDR 3,530. This indicates poor company performance. If the company's condition continues to decline and the stock price falls periodically, the company will experience a decline in profits resulting in losses for the company. If this condition continues, PT. Unilever will have difficulty getting investors. In addition to these problems, this can affect the Stock Price considering that PT. Unilever Indonesia is one of the large companies engaged in the FMCG sector and has high employment prospects, so if the company's condition continues to worsen, there is a possibility for the company to reduce the number of workers. Reducing the number of workers will increase unemployment in Indonesia which will have an impact on macroeconomic conditions. The higher the unemployment rate, the lower people's purchasing power will be, this will affect the decline in stock prices due to a decrease in sales.

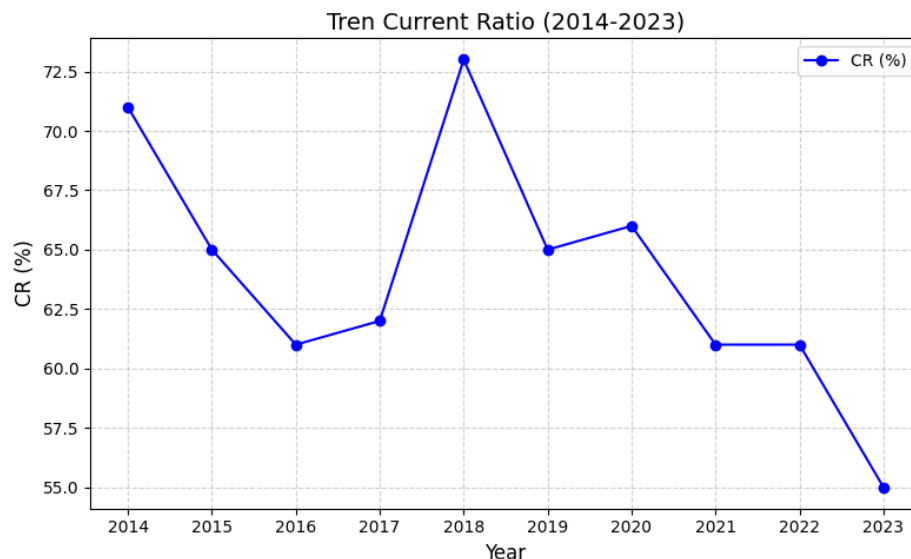


Figure 3 Current Ratio PT. Unilever Indonesia Tbk 2014-2023

Source: www.unilever.co.id (Data Processed 2024)

Based on Figure 3, the Current Ratio value of PT. Unilever Indonesia is below the minimum current ratio standard of industry. This shows that the financial performance of PT. Unilever Indonesia based on the Current Ratio is considered not good. In 2014, the Current Ratio value was at 71% and continued to decline until 2017 to 62%. Although in 2018 the Current Ratio value of PT. Unilever increased to 73%, but this did not last long because the Current Ratio value decreased again since 2019 to reach the lowest percentage in 2023, which was 55%.



Figure 4 Earning Per Share PT. Unilever Indonesia Tbk 2014-2023

Source: www.unilever.co.id (Data Processed 2024)

In Figure 4 we can see that in 2014-2018, earnings per share at Unilever experienced a fairly good increase to reach the highest figure in 2018, which was IDR 1,190. However, PT. Unilever experienced a decrease in the value of earnings per share of IDR 221 per share in 2019. Then in 2020 Unilever also experienced a very significant decrease in EPS value, which was IDR 781 per share, so the EPS value distributed in that year was only IDR 188 per share. Since then, the condition of the Unilever company has continued to experience a decrease in EPS value until the end of 2023 reaching IDR 126 per share. This condition is certainly very concerning and not very profitable for investors. This decrease in EPS value can cause a decrease in investor confidence in the company

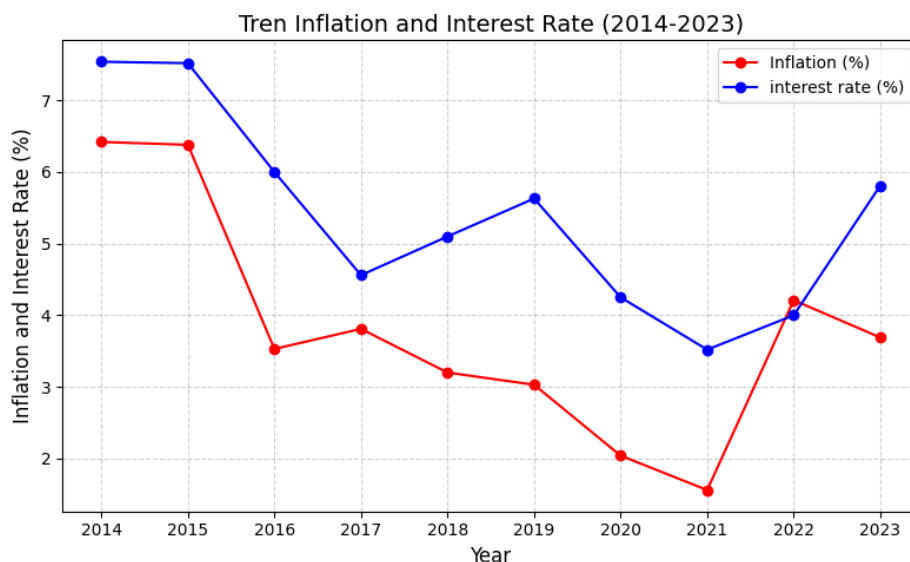


Figure 5 Inflation and Interest Rate in Indonesia 2014-2023

Source: www.bi.go.id & www.bps.go.id (Data Processed 2024)

Based on Figure 5, the inflation trend tends to decline from 2014 by 6.42% to reach its lowest point of 1.56% in 2021. This declining shows success in controlling inflation, which reflects

good price stability in the country's economy. However, in 2022, Indonesia experienced an increase in inflation and touched 4.21% based on data from Bank Indonesia, this was caused by an increase in fuel prices, tax rates, and production costs. However, in 2023 the inflation rate fell again to 3.69%, the decrease in inflation was caused by an increase in interest rates.

Figure 5 also shows the trend of interest rates in Indonesia based on these data, the interest rate trend has decreased from 2014, which was 7.54% to 2017 reaching 4.56% following the inflation trend. Then in 2018-2019, the interest rate rise again, this was thought to be used to anticipate an increase in inflation. In the period of 2020–2021, the government implemented further interest rate reductions as a strategic measure to promote economic stabilization in the aftermath of the COVID-19 pandemic. Subsequently, in 2022–2023, interest rates were raised to manage rising inflation driven by increases in fuel prices (BMM), tax rates, and production costs.

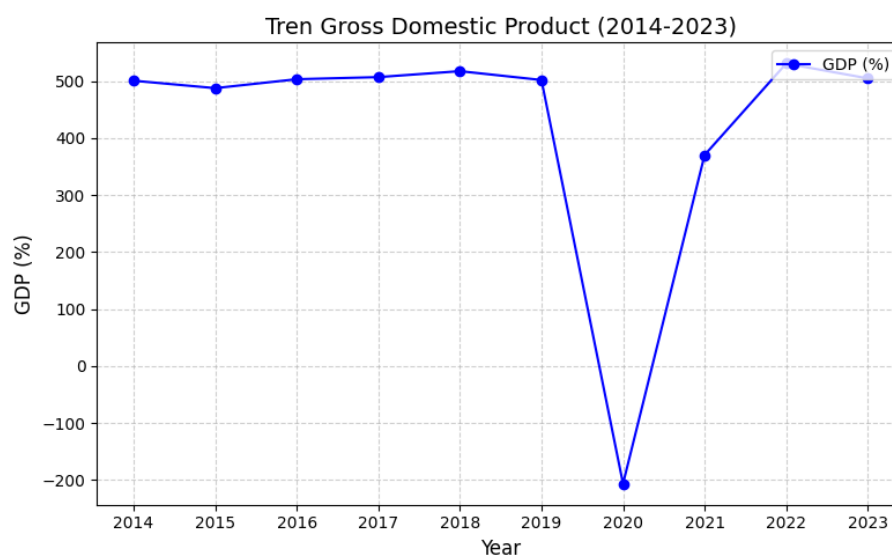


Figure 6 Gross Domestic Product Indonesia 2014-2023

Source: www.worldbank.org (Data Processed 2024)

Based on Figure 6, the growth of Gross Domestic Product in the 2014-2019 period tended to be stable, this shows that economic activity in Indonesia is running well and is supported by fairly strong price stability. However, in 2020, GDP in Indonesia experienced a significant decline reaching -207%. The decline in GDP in Indonesia was caused by various factors, but the main factor that caused the decline in GDP in 2020 was the COVID-19 Pandemic. The pandemic triggered social restrictions and the implementation of lockdown policies, which had a direct impact on the paralysis of economic activity. Social restriction policies disrupted the global supply chain, hampering production and reducing the level of public consumption which contributed to the decline in GDP. In 2021, Indonesia again recorded GDP growth of 370%. The increase in GDP value reflects the recovery of economic conditions after the COVID-19 pandemic. Economic recovery continued until 2022 and the GDP value in Indonesia was recorded to have increased again to 531%. However, in 2023, Indonesia's GDP decreased to 505%.

2. Literature Review

2.1 Stock Price

According to Damodaran (2012), the concept of stock price is a price determined by market

players in the stock market based on a certain period of time. Additionally, Brigham & Ehrhardt (2021) in *Financial Management: Theory & Practice* explain that stock prices are influenced by investors' expectations about future earnings and the overall supply and demand mechanism of the capital market

According to Damodaran (2012), stock price fluctuations are influenced by internal and external factors. Internal factors that influence stock prices include company fundamentals, corporate actions of the company and projections of future company performance. While external factors are influenced by fundamental macroeconomic conditions, exchange rate fluctuations, government statements and policies, panic factors and market manipulation

2.2 Current Ratio

According to Gitman (2015), the Current Ratio is a financial metric that gauges a company's liquidity by comparing its total assets to its current liabilities. Jaya et al. (2023) suggest that a company's financial performance is considered favorable if its Current Ratio exceeds 2, or 200%, indicating that for every Rp. 1 of current liabilities, there are Rp. 2 in current assets available to cover them. Gitman (2015) also outlines specific indicators related to the Current Ratio is:

$$\text{Current Ratio} : \frac{\text{Asset Lancar (Current Asset)}}{\text{Liabilitas Lancar (current Liability)}}$$

According to Sa'adah (2020), a higher Current Ratio reflects a company's ability to settle its short-term debts, with a high ratio suggesting better collateral for these debts. However, if the ratio becomes excessively high, it could negatively impact earnings potential, as not all working capital can be fully utilized.

Research by Ristiya, et al. (2024) found that the Current Ratio has a significant partial effect on stock prices. Similarly, studies by Novaldin, et al. (2020), Sandrina, et al. (2023), and Mayasari, et al. (2024) also highlighted the significant impact of the Current Ratio on stock prices.

2.3 Earning Per Share

According to Brealey (2020), Earnings Per Share (EPS) refers to the portion of a company's profit allocated to each outstanding share of common stock. EPS is an important indicator of profitability for shareholders. Brealey (2020) also provides the formula for calculating EPS is:

$$\text{Earning Per Share} = \frac{\text{Net Income}}{\text{Number Of Outsanding Share}}$$

Budiman (2017) states that a lower EPS typically indicates a lower stock price for the company. In contrast, a higher EPS usually leads to an increase in the company's stock price. This finding is supported by research conducted by Mustaffa, et al., (2021), which demonstrated a significant impact of EPS on stock prices. Additional studies by Risyaflia, et al., (2021), Satria, et al., (2022), and Ardillah, et al., (2024) also confirm that EPS has a notable influence on stock prices.

2.4 Inflation

According to Astuti et al. (2023), inflation refers to a sustained and significant rise in the general price levels of goods and services within an economy over time. Waluyo (2019)

describes inflation as a common economic issue in many countries, where prices of goods and services tend to rise consistently. Wahyudi (2019) identifies three macroeconomic indicators for measuring inflation: the consumer price index, the trade price index, and the GNP deflator. He explains that inflation can be measured using the Consumer Price Index (CPI), which reflects the price level of goods and services purchased by consumers over a specific period. The CPI is calculated by assessing the prices of goods and services consumed by the population during that period. Manurung, cited in Wahyudi (2019), provides a formula for calculating CPI in relation to inflation:

$$\text{Inflation} = \frac{IHK - IHK_{-1}}{IHK} \times 100\%$$

Tandelilin, as cited by Kurniawan (2019), states that inflation can impact a company's revenues and expenses. If the rise in production costs exceeds the increase in selling prices, the company's profitability will decrease, which generally has a negative effect on the stock market. On the other hand, if production costs increase less than selling prices, profitability will rise, making low inflation positively related to the stock market. This viewpoint is reinforced by research from Nurasilah, et al. (2019), which found that inflation has a significant positive effect on stock prices.

2.5 Interest Rate

According to Bank Indonesia, the interest rate, also known as the BI rate, is a benchmark interest rate set by the central bank as part of its monetary policy. This rate is used by Bank Indonesia to manage inflation and maintain economic stability. Mankiw, as cited in Nginang (2020), explains that interest rates can be categorized into nominal and real interest rates. The nominal interest rate is the observed market rate, which is the rate charged by banks without considering inflation. In contrast, the real interest rate adjusts for inflation, reflecting the actual rate of return and demonstrating an increase in purchasing power. Mishkin (2017) describes the Fisher Effect Theory and provides a formula for calculating the real interest rate is:

$$i_r = i - \pi^e$$

Description:

i = Nominal Interest Rate

i_r = Real Interest Rate

π^e =inflation rate

Moorcy, et al. (2021) state that an increase in interest rates raises the financial burden on companies (issuers), which can lead to a decline in stock prices. This situation may also prompt investors to shift their investments to the money market or place their funds in savings or deposit accounts to earn higher returns. This finding aligns with research by Herlina and Nugroho (2023), which shows that interest rates, or BI rates, have a significant negative impact on stock prices. Conversely, Ilyas (2022) found that interest rates have a positive effect on stock prices.

2.6 Gross Domestic Product

According to Astuti et al. (2023), Gross Domestic Product (GDP) represents the total value of goods and services produced by a country within a specific period, and it serves as a key indicator of economic growth. Positive growth in GDP signifies an increase in the country's

economic output. Mankiw (2022) further explains that the overall GDP, referred to as Real GDP, can be calculated using a specific formula is:

$$GDP\ Rill = \frac{GDP\ Nominal}{Deflator\ GDP}$$

Istinganah and Hartiyah (2021) suggest that GDP growth reflects an improvement in the economic conditions of the population, leading to increased purchasing power. This rise in purchasing power boosts company sales, which enhances company performance and leads to higher stock prices. The growth in stock prices resulting from GDP growth is expected to positively impact the Jakarta Composite Index (IHSG) on the Stock Exchange. Eldomiaty, Saeed, et al. (2018) explain that while GDP growth generally signals strong economic performance, a significant increase in GDP can also lead to inflationary pressures, as higher demand can drive up the prices of goods and services. To counteract inflation, central banks often raise interest rates, which in turn makes bonds more attractive than stocks due to their more stable returns and lower risk. This shift in investment preference can reduce demand for stocks and potentially lower stock prices. From the studies of Istinganah and Eldomiaty, it can be concluded that GDP growth can have both positive and negative effects on stock prices. In some cases, it may lead to a decrease in stock prices, while in other instances, it may result in an increase, depending on the specific circumstances of the companies involved. Research by Herlina and Nugroho (2023) supports the view that GDP has a positive influence on stock prices.

3. Research Method

The research method employed in this study is quantitative, utilizing both descriptive and verification approaches. Descriptive analysis is applied to address questions concerning the current ratio, Earnings Per Share (EPS), inflation, interest rates, Gross Domestic Product (GDP), and stock prices of PT. Unilever Indonesia Tbk for the period of 2014-2023. Verification analysis is used to examine the relationships between the current ratio, EPS, inflation, interest rates, and GDP with the stock price of PT. Unilever Indonesia Tbk during the same period. As part of the verification process, the researcher will perform classical assumption tests to ensure that the linear regression model used fulfills specific conditions, thereby ensuring the validity and unbiased nature of the estimation results. The classical assumption tests conducted include the Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test.

3.1 Data Collection Technique

1. Documentation

According to Sudaryo (2016), documentation is a method used to gather direct data from the research site, which includes relevant books, regulations, activity reports, photographs, documentary films, and other pertinent information. In this study, the documentation technique involved collecting annual reports of PT. Unilever Indonesia Tbk for the period of 2014-2023 from the company's official website, www.unilever.co.id, to obtain internal company data. Additionally, inflation data for the same period was collected from the official Bank Indonesia website, www.bi.go.id. Interest rate data was gathered from the Central Statistics Agency's official website, www.bps.co.id, and Gross Domestic Product (GDP) documents were accessed through the official global website, www.worldbank.org.

2. Data Obtained

Table 1. Data Obtained

CR (%)	EPS (IDR)	INFLATION (%)	INTEREST RATE (%)	GDP (%)	STOCK PRICE (IDR)
0.71	752	0.06	0.08	5.01	6460
0.65	766	0.06	0.08	4.88	7400
0.61	838	0.04	0.06	5.03	7760
0.62	918	0.04	0.05	5.07	11180
0.73	1190	0.03	0.05	5.17	9080
0.65	969	0.03	0.06	5.02	8400
0.66	188	0.02	0.04	-2.07	7350
0.61	151	0.02	0.04	3.70	4110
0.61	141	0.04	0.04	5.31	4700
0.55	126	0.04	0.06	5.05	3530

Source: Data Processed 2024

3.2 Operational Variable

Table 2. Operational Variable

No	Variable	Variable Concept	Indicator	Measurement	Scale
1	Stock Price (Y)	Stock price is defined as the price in the real market, and it is the easiest to determine as it reflects the ongoing stock market price or, if the market is closed, the closing price	Closing Price	Rp	Ratio
2	Current Ratio (X1)	Current ratio measures the company's liquidity level, calculated by dividing the company's current assets by current liabilities.	$CR : \frac{Current Asset}{Current Liabilities}$	%	Ratio
3	Earning Per Share (X2)	Earnings Per Share (EPS) is a ratio used by companies to measure the amount of dividends received by shareholders per share owned.	$EPS : \frac{Laba Bersih}{Jumlah Saham Beredar}$	Rp	Ratio
4	Inflasi (X3)	Inflation is a condition where the general price level of goods and services in the economy increases continuously and significantly over time	$inflasi : \frac{IHK - IHK_{-1}}{IHK} \times 100\%$	%	Ratio
5	Suku Bunga (X4)	According to Bank Indonesia, the interest rate or BI rate is the reference interest rate set by Bank Indonesia as part of its monetary policy. BI rate is used by Bank Indonesia to control inflation and economic stability.	$i_r = i - \pi^e$	%	Ratio
6	PDB (X5)	Gross Domestic Product (GDP) is the value of all goods and services produced in a country	$GDP Rill : \frac{GDP Nominal}{Deflator GDP}$	%	Ratio

No	Variable	Variable Concept	Indicator	Measurement	Scale
		over a specific period. GDP is used as the main measure of economic growth. Positive GDP growth indicates an increase in economic production.			

3.2 Hypothesis Development

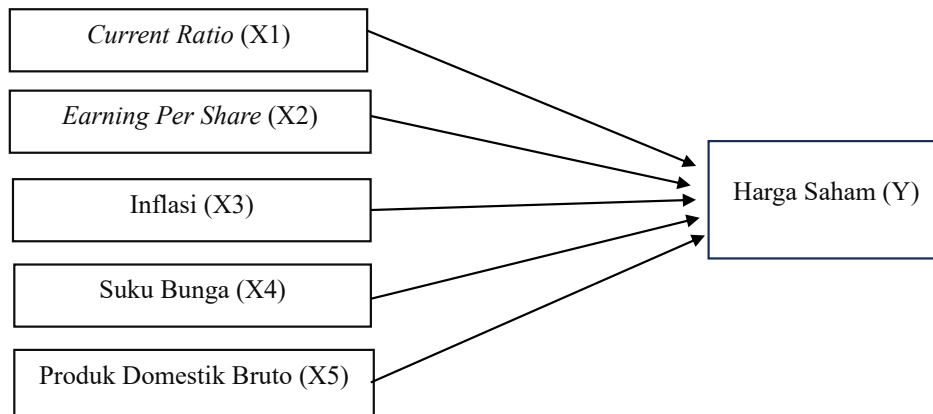


Figure 7 Research Model

Source: Data Processed 2024

4. Findings and Discussions

4.1 Descriptive Statistic

Table 3 Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
CR	10	.55	.73	.6400	.05249
EPS	10	126.00	1190.00	603.9000	408.14470
INFLATION	10	.02	.06	.0380	.01398
INTEREST RATE	10	.04	.08	.0560	.01506
GDP	10	-2.07	5.31	4.2170	2.25320
STOCK PRICE	10	3530.00	11180.00	6997.0000	2370.96816
Valid N (listwise)	10				

Source: Data Processed 2024

According to the results of the descriptive analysis in Table 3, the CR variable has a minimum value of 0.55, a maximum value of 0.73, an average of 0.64, and a standard deviation of 0.052. The EPS variable shows a minimum of Rp.126, a maximum of Rp.1190, an average of Rp.603.9, and a standard deviation of 408.14. The inflation variable has a minimum value of 0.02, a maximum of 0.06, an average of 0.038, and a standard deviation of 0.015. For the interest rate variable, the minimum value is 0.04, the maximum value is 0.08, the average is 0.056, and the standard deviation is 0.015. The GDP variable shows a minimum of -2.07, a maximum of 5.31, an average of 4.21, and a standard deviation of 2.25. Lastly, the stock price variable has a minimum value of Rp.3530, a maximum value of Rp.11,180, an average of Rp.6,997, and a standard deviation of 2370.9. The standard deviation values of all variables are

lower than their respective average values, suggesting that the data is relatively homogeneous and exhibits low variability.

4.2 Verificative Analysis

4.2.1 Classical Assumption Test

4.2.1.1 Normality Test

Table 4 Normality Test One-Sample Kolmogorov-Smirnov Test All Variable

One-Sample Kolmogorov-Smirnov Test			CR	EPS	INFLATION	INTER EST_ RATE	GDP	Stock Price	
N			10	10	10	10	10	10	
Normal Parameters ^{a,b}	Mean		.6400	603.9000	.0380	.0560	4.2170	6997.0000	
	Std. Deviation		.05249	408.1447 0	.01398	.01506	2.25320	2370.96816	
Most Extreme Differences	Absolute		.184	.246	.243	.195	.416	.159	
	Positive		.152	.246	.243	.195	.314	.134	
	Negative		-.184	-.242	-.157	-.145	-.416	-.159	
Test Statistic			.184	.246	.243	.195	.416	.159	
Asymp. Sig. (2-tailed)			.200 ^{c,d}	.088 ^c	.096 ^c	.200 ^{c,d}	.000 ^c	.200 ^{c,d}	
Monte Carlo Sig. (2-Sig. tailed)			.823 ^e	.505 ^e	.516 ^c	.769 ^e	.044 ^e	.926 ^c	
99% Confidence Interval			Lower Bound	.813	.492	.504	.758	.039	.919
			Upper Bound	.833	.517	.529	.780	.049	.933

Source: Data Processed 2024

Based on the results of the Kolmogorov-Smirnov Monte Carlo normality test in Table 4, the variables CR, EPS, Inflation, Interest Rate, and Stock Price all have significance values greater than 0.05, indicating that the data for these variables are normally distributed. However, the GDP variable shows a significance value of 0.044, indicating that the data does not follow a normal distribution. This result can be attributed to the economic contraction in 2020, which was caused by a decline in negative GDP growth.

Table 5 Normality Test One-Sample Kolmogorov-Smirnov Test Unstandardize Residual

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		10
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	489.97191800
Most Extreme Differences	Absolute	.147
	Positive	.144
	Negative	-.147
Test Statistic		.147
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Data Processed 2024

Even though the GDP data indicates a non-normal distribution, the Unstandardized Residual statistical values from the overall regression process show a normal distribution. As shown in

Table 5, the significance value of the Unstandardized Residual, based on the Kolmogorov-Smirnov test, is 0.200, which is greater than 0.05. This suggests that, overall, the data follows a normal distribution.

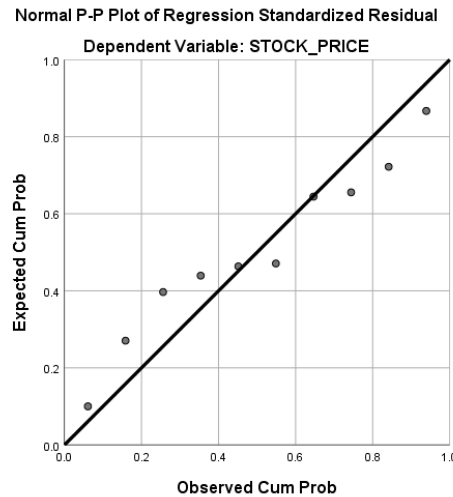


Figure 8 Normal Plot

Source: Data Processed 2024

Based on Figure 8 the test results using the P-P Plot graph, it can be seen that the data distribution is around the diagonal line, so this shows that the data is normally distributed.

4.2.1.2 Multicollinearity Test

Table 6 Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	18287.856	4399.263		4.157	.014		
	CR	-17536.491	6953.788	-.388	-2.522	.065	.450	2.220
	EPS	8.563	1.043	1.474	8.212	.001	.331	3.018
	INFLATION	116166.243	39458.252	.685	2.944	.042	.197	5.073
	INTEREST_RATE	-118062.156	35444.817	-.750	-3.331	.029	.211	4.745
	GDP	-721.273	164.731	-.685	-4.378	.012	.436	2.295

Source: Data Processed 2024

Based on table 6, the tolerance value of the CR variable is 0.450, EPS is 0.331, Inflation is 0.127, Interest Rate is 0.211, and GDP is 0.436. All results are greater than 0.10. While the VIF value of the CR variable is 2.220, EPS is 3.018, Inflation is 5.073, Interest Rate is 4.745, and GDP is 2.295. All results are less than 10.00. So it can be concluded that there is no multicollinearity.

4.2.1.3 Heteroskedastisity Test

Table 7 Heteroskedastisity Test

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2778.012	1517.974		1.830	.141
	CR	-3786.566	2399.418	-.650	-1.578	.190
	EPS	.900	.360	1.202	2.503	.067
	INFLATION	5919.469	13615.146	.271	.435	.686
	INTEREST_RATE	-12571.121	12230.303	-.619	-1.028	.362
	GDP	-13.307	56.841	-.098	-.234	.826

Source: Data Processed 2024

Based on the results of the Glaser test in Table 7, the significance values for the CR variable are 0.190, EPS is 0.067, Inflation is 0.686, Interest Rate is 0.362, and GDP is 0.826. Since all of these significance values are greater than 0.05, it can be concluded that there is no heteroscedasticity in the regression model used.

4.2.1.4 Autocorrelation Test

Table 8 Autocorrelation Test

Runs Test

	Unstandardized Residual
Test Value ^a	-60.59505
Cases < Test Value	5
Cases >= Test Value	5
Total Cases	10
Number of Runs	8
Z	1.006
Asymp. Sig. (2-tailed)	.314

Source: Data Processed 2024

According to the results of the run test in Table 5, the asymp. Sig (2-tailed) value is 0.314, which is greater than 0.05. This indicates that there is no autocorrelation present in the data.

4.2.2 Multiple Regression Analysis

The regression equation obtained from Table 6 is:

$$Y = 18287.856 + (-17536.491X_1) + 8.563X_2 + 116166.243X_3 + (-118062.156X_4) + (-721.273X_5)$$

The interpretation of the regression results can be summarized as follows:

1. The constant value is 18287.856, which indicates that if all independent variables are held constant, the stock price will remain at 18287.856, both before and after any changes to the independent variables.

2. The coefficient for the Current Ratio (CR) variable is -17536.491, meaning that a 1-unit increase in the CR variable, with other variables held constant, will result in a decrease in stock price by 17536.491.
3. The coefficient for the Earnings Per Share (EPS) variable is 8.563. This indicates that if the EPS variable increases by 1 unit, with all other variables constant, the stock price will rise by 8.563.
4. The coefficient for the Inflation variable is 116166.243, meaning that a 1-unit increase in inflation, with other variables held constant, will lead to an increase in stock price by 116166.243.
5. The coefficient for the Interest Rate variable is -118062.156. This means that a 1-unit increase in the Interest Rate, with other factors constant, will result in a decrease in stock price by 118062.156.
6. The coefficient for the Gross Domestic Product (GDP) variable is -721.273, meaning that a 1-unit increase in GDP, with other variables constant, will decrease the stock price by 721.273

4.2.3 Hipotesis and Testing Result

4.2.3.1 Result t test (Partial)

Based on the findings in Table 6, the following conclusions can be made:

1. The calculated t-value for the Current Ratio variable is -2.522, which is smaller than the t-table value of 2.776. With a significance value of 0.065, which is greater than the α value of 0.05 (or $6.5\% > 5\%$), it can be concluded that H_0 is accepted and H_1 is rejected. This indicates that the Current Ratio does not have a significant partial effect on stock prices.
2. The t-value for the Earnings Per Share (EPS) variable is 8.212, which is greater than the t-table value of 2.776. With a significance value of 0.001, which is less than $\alpha = 0.05$ (or $0.1\% < 5\%$), it can be concluded that H_2 is accepted and H_0 is rejected. This means that EPS has a positive and significant partial effect on stock prices.
3. The t-value for the inflation variable is 2.994, which is greater than the t-table value of 2.776. With a significance value of 0.042, which is less than $\alpha = 0.05$ (or $4.2\% < 5\%$), it can be concluded that H_3 is accepted and H_0 is rejected. This suggests that inflation has a positive and significant partial effect on stock prices.
4. The t-value for the Interest Rate variable is -3.331, which is smaller than the t-table value of 2.776. With a significance value of 0.029, which is less than $\alpha = 0.05$ (or $2.9\% < 5\%$), it can be concluded that the Interest Rate has a significant negative partial effect on stock prices.
5. The calculated t-value for the Gross Domestic Product (GDP) variable is -4.378, which is smaller than the t-table value of 2.776. With a significance value of 0.012, which is less than $\alpha = 0.05$ (or $1.2\% < 5\%$), it can be concluded that the GDP variable has a significant negative partial effect on stock prices.

4.2.3.2 Result F test (Simultan)

Table 9 Simultan Tes

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48432757.676	5	9686551.535	17.933	.008 ^b
	Residual	2160652.324	4	540163.081		
	Total	50593410.000	9			

a. Dependent Variable: STOCK PRICE

b. Predictors: (Constant), GDP, CR, INTEREST_RATE, EPS, INFLATION

Source: Data Processed 2024

Based on the results in Table 9, the calculated F-value is 17.933, which exceeds the F-table value of 6.26, with a significance value of 0.008, which is less than $\alpha = 0.05$. This indicates that the variables Current Ratio, Earnings Per Share, Inflation, Interest Rates, and Gross Domestic Product have a simultan positive impact on stock prices.

Table 10 Coefficient Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.978 ^a	.957	.904	734.95788	3.236

a. Predictors: (Constant), GDP, CR, INTEREST_RATE, EPS, INFLATION

b. Dependent Variable: STOCK PRICE

Source: Data Processed 2024

Based on the results in Table 10, the R Square value of 0.957 indicates that the combined effect of the variables Current Ratio, Earnings Per Share, Inflation, Interest Rates, and Gross Domestic Product accounts for 95.7% of the variation in stock prices.

4.2 Discussion

Based on the analysis above, we can see that:

1. The current ratio does not have a significant impact on stock prices, which contradicts previous studies by Ristiya et al. (2024), Novaldin et al. (2020), Sandrina et al. (2023), and Mayasari et al. (2024), which indicated that the current ratio affects stock prices.
2. Earning Per Share (EPS) has a positive and significant impact on stock prices. This aligns with the findings of previous studies by Mustaffa et al. (2021), Risyafli et al. (2021), Satria et al. (2022), and Ardillah et al. (2024), which concluded that EPS positively and significantly influences stock prices.
3. Inflation has a positive and significant effect on stock prices. As inflation rises, PT. Unilever's stock price increases. This can be attributed to the fact that PT. Unilever operates in the FMCG sector, where demand for essential consumer goods remains stable even during inflationary periods, ensuring continued profitability. These findings are consistent with research by Nurasilah, Yudhawati et al. (2019), which found that inflation positively affects stock prices.
4. Interest rates have a negative and significant impact on stock prices. When interest rates rise, stock prices tend to decline. Higher interest rates make other investment vehicles, such as bonds, more appealing due to their more stable returns and lower risks, leading many investors to shift their funds, causing stock prices to fall. This is supported by the research of Herlina & Nugroho (2023), which showed a negative an signifikan relationship between interest rates and stock prices.
5. GDP has a negative and significant impact on stock prices. As GDP increases, stock prices tend to decline. This is due to the rising demand for consumer goods, which leads to higher prices and prompts the central bank to raise interest rates to curb inflation. Higher interest rates make bonds more attractive compared to stocks, causing a shift in investment flows and a reduction in stock prices. This finding contrasts with the research of Herlina & Nugroho (2023), who found a positive and signifikan relationship between GDP and stock

prices.

5. Conclusion

1. Current Ratio does not demonstrate a significant effect on stock prices. This suggests that a company's ability to fulfill its short-term obligations does not directly influence investors' perceptions of stock value. In other words, liquidity is not a primary factor for investors when evaluating potential returns or risks associated with an investment. This finding contrasts with prior studies that have identified a significant correlation between the Current Ratio and stock prices.
2. Earning Per Share (EPS) has a positive and significant influence on stock prices. High EPS indicates strong company performance, which in turn enhances shareholder profit potential. As a result, EPS is recognized as a critical fundamental indicator that attracts investor interest, as it highlights the company's capacity to generate earnings on a per-share basis.
3. Inflation has a positive and significant impact on stock prices, particularly in companies operating in the fast-moving consumer goods (FMCG) sector, such as PT Unilever. This outcome is attributed to the relatively consistent demand for consumer goods, even amidst rising prices driven by inflation. The steady demand enables companies in this sector to maintain profitability, ultimately contributing to an increase in stock prices.
4. Interest rates exhibit a negative and significant effect on stock prices. Rising interest rates often shift investor preference towards alternative investment options, such as bonds, which provide more stable returns with lower risk. This shift reduces the demand for stocks, which consequently leads to a decline in stock prices.
5. Gross Domestic Product (GDP) has a negative and significant impact on stock prices. This phenomenon is likely due to the fact that an increase in GDP is frequently accompanied by rising inflation and interest rates, which influence investment preferences. Higher interest rates make low-risk instruments, such as bonds, more appealing compared to stocks. This results in reduced capital flow into the stock market, leading to a decline in stock prices.
6. Current ratio, earnings per share, inflation, interest rates and gross domestic product as a whole have a significant influence on stock prices.

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