Chapter 5

Conclusion

5.1 Introduction

The stock market is a dynamic and complicated system driven by a number of variables that cause stock values to fluctuate. Investors, analysts, and policymakers must be aware of the variables affecting Indonesian stock prices in order to make wise choices and successfully navigate the market. The main objective of this study is to identify and evaluate the critical elements that significantly influence Indonesian stock prices. We can learn more about the dynamics of the Indonesian stock market and give useful information to market players by looking at these elements.

The purpose of this chapter is to give readers a thorough knowledge and summary of the overall research by discussing it in detail and giving an overview. To acquire the best findings, this research must go through a lengthy process. An summary of the research, a discussion The objectives of this study include a presentation of the results, a discussion of the research's contributions, recommendations for further investigation, and conclusions.

5.2 Overview of Study

This study's main goal is to analyze the effects of global oil prices, profitability, inflation, economic growth, and exchange rates on the share prices of mining companies listed on the Indonesia Stock Exchange between 2019 and 2021 using information from the Indonesia Stock Exchange's website. This study will be conducted in 2019 and will continue through 2021. Because of this, the five primary hypotheses that have been generated as a result of the tests that have been utilized in

this investigation are connected to the variable that has remained constant, which is the price of stocks.

Methods of data gathering include obtaining information from annual reports available on the official website of the Indonesia Stock Exchange and on investment.com. These websites offer information on business stock prices in addition to other features. SPSS was used for the analysis and evaluation of the data that was obtained, and the data that was acquired for this study came from 23 businesses in the mining industry that are listed on the Indonesia Stock Exchange.

The findings of hypotheses 3 and 4 that may be acquired and accepted in the suitable regression test are the outcomes of the data analysis. These results can be found in the appropriate regression test. The outcomes of the regression test can be considered reliable with regard to stock prices (p 0.05). This suggests that the two hypotheses and the corresponding stock prices have a statistically significant and positively associated relationship.

Table 5. 1 **Summary of The Hypotheses Testing**

Hypothesis Testing

Hypothesis	Accepted (p < 0.05)	Rejected (p > 0.05)
H1: World Oil Prices has a significant impact on Stock Price	✓	
H2: Profitability has a significant impact on Stock Price	✓	
H3: Economic Growth has a significant impact on Stock Price	✓	
H4: Inflation has a significant impact on Stock Price		✓

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H5: Exchange Rate has a significant impact on Stock Price.   ✓

5.2 Overview of Study

Hypothesis 1

In order to determine how the price of crude oil affects the stock prices of mining sector businesses listed on the Indonesian stock market, Hypothesis 1 was established in this study. According to the findings of the analysis, the global oil price has a favorable impact on the share prices of infrastructure sector businesses listed on the Indonesian stock market. This finding is similar to the findings found by Ardiman AR in an academic paper in 2019. Because the increase in world oil prices can have a different on each of the 23 companies engaged in the mining sector. Although oil prices rise, mining companies' production costs may also increase. Fuel, energy and various other commodities used in the mining process can become more expensive when oil prices rise. This can reduce the profitability of a mining company and negatively impact its share price.

Hypothesis 2

Profitability has a positive effect on the share price of infrastructure sector businesses listed on the Indonesian stock market, according to the study's results. The outcomes of this research support Ihsan and Ina (2022) journal paper, which said , Return On had an impact on stock prices that was both favorable and significant. A company may generate more revenue from its existing assets if it has a high ROA. Investors find this appealing since they want to invest in businesses with good financial records and the possibility for better returns. A company's share price may

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be impacted by strong financial performance since it may increase investor interest and share demand.

Hypothesis 3

The third hypothesis was that the economic growth impact the stock price of Mining sector listed on the Indonesian stock market. This conclusion is comparable to Adrian and Jamaludin (2021) journal study, which claims that economic growth has a significant effect on stock prices. Strong economic growth tends to create favorable conditions for companies. Demand for companies' products and services increases as consumers and businesses have more money to spend. This can lead to an increase in company revenues and profits, which in turn can affect stock prices. Business investment also tends to increase during strong economic growth, which can bring benefits to certain sectors and push up share prices in those sectors.

Hypothesis 4

The fourth hypothesis was established to investigate the impact of inflation on the Indonesian stock market's mining sector pricing. Inflation has no significant influence on the share prices of imining sector listed on the Indonesian stock market, according to the study's results. This conclusion is consistent with (Ridwan Maronrong, Kholik Nugrhoho. 2017) paper publication, The findings indicated that interest rates and inflation had only a minimal impact on stock values. In general, inflation has no direct impact on stock values. Here are a few explanations for why stock prices are typically not much impacted by inflation. Since it frequently occurs in the economy, investors view inflation as a potential danger. Investors tend to incorporate assumptions about inflation into their expectations and calculations when assessing stock values. Therefore, inflation that matches expectations will not have a

major impact on stock prices. Prices often increase overall in an inflationary environment, both the cost of manufacturing and the selling price products or services offered by the firm. As a result, an increase in stock prices may coincide with an increase in the cost of the company's goods or services. Since the growth in stock prices is equal to the rise in the cost of the goods or services offered, inflation in this instance has no direct impact on stock prices.

Hypothesis 5

The fifth hypothesis was created to look at how exchange rates affect the stock prices of the mining industry listed on the Indonesian stock exchange. To ascertain how currency exchange rates affect the stock prices of firms listed on the Indonesian stock exchange, this hypothesis was created. The findings of the investigation revealed that the currency exchange rate had a detrimental influence on the pricing of stock. This finding is similar to previous research by (Sucia Mulya Sari, 2021) which states that The stock prices of firms listed on the Indonesian stock exchange are not significantly impacted by currency rates. Many companies operating in the global market have businesses in different countries. Even while foreign currency sales and earnings may be impacted by exchange rate movements, stock prices are not necessarily directly impacted. Investors' expectations of a company's long-term performance are typically reflected in stock valuations.

5.4 Contribution of Study

5.4.1 Body of knowledge

In order to conduct an analysis of the numerous studies that were produced, a number of different studies were compiled on the subject of the influence that stock prices have on global oil prices, profitability, economic growth, inflation, and currency rates. It is essential to keep in mind that the connection between these

aspects and stock prices is a complicated one, which is susceptible to influence from a great deal of other elements. Researchers and analysts study these factors to gain insights into the dynamics of stock market movements in Indonesia and make informed investment decisions. This study enables academics to leverage relevant studies on those issues for future literature research and citation.

5.4.2 Theory

The primary objective of this research is to validate Keynesianism theory by determining the nature of the link between different macroeconomic factors and their potential effects on the share price of a certain firm. Keynesianism describes a mixed economy as one in which both the public and private sectors are significant players. According to this hypothesis, microeconomic individuals' behaviour can be influenced by macroeconomic trends.

5.4.3 Practical

For investors to make the best investment decisions. If investors want to invest, they must first conduct an analysis of the company and its surrounding environment because every choice and action has an impact on investment results. Investors must be careful when choosing an investment in choosing a particular company. To create an effective investment, investors and shareholders can invest looking for research or references from journals that already discuss what to invest in. These research investigations are very important because they support the investments that investors make and

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because they are requested by other investors or researchers to make investments and the like.

5.5 Recommendation for Future Reaserch

After getting the findings of the analysis and discussion, it became clear that this study had certain shortcomings since it was unable to cover a great deal of the subject matter that was being investigated. As a result, some of the recommendations, alterations, or revisions that were made can be employed in further study.

This research investigated the effects of five (5) different independent variables, including the global price of oil, profitability exchange rates, economic growth, and inflation. These five factors are analyzed with stock prices serving as the dependent variable in the analysis. As a direct outcome of this study, this research assists investors in improving the performance of their assets.

Because the sample size consists of 23 firms from a variety of industries, including the mining industry, it is recommended that the sample size and the study population be increased so that more research may be conducted. It is encouraged to manufacture ones that are better and larger in size because the Jakarta Stock Exchange of Indonesia has a greater number of successful industries and firms.

When it comes to the technique of the study, it is suggested that an analysis of the data gathered from panels be carried out in order to assess the outcomes of the computation. As a consequence, in order to improve upon the results obtained from the previous research, an exhaustive analysis comprising a set of criteria had to be carried out.

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5.6 Conclusion

The overall objective of the research that examines the effect of world oil, exchange rates, economic growth, inflation, and gold prices on the stock prices of companies listed on the Indonesia stock exchange in 2019–2021 has been accomplished, and the obtaining of results from data collection is very important for investors' reference in order to choose investments according to the current conditions in terms of companies or macroeconomics listed on the Indonesia stock exchange. In other words, the research has found that the effect of world oil, exchange rates, economic growth, inflation, and gold This serves to assist the growth of astute investors and adds to the development of clever investors overall.

In general, the majority of these studies do not paint a fully favourable picture or provide considerable insight into the study that was carried out. Therefore, you should only use this information as a reference to learn more about investing. Other supporting elements may have been done, but because of the constraints of this study, they are not stated. This is a task for further research, thus it is recommended that it be done in the future.

As a recommendation for future study, it is suggested that numerous variables and an increased number of firms be modified in order to make the differences and maximum outcomes more transparent. Additionally, it is suggested that investors be given assistance in learning more about the elements and influences that affect stock prices in accordance with the conditions that now exist.

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APPENDIX

Appendix 1 : Table of Sample Size

1	PT. Adaro Energy Tbk - ADRO
2	PT. Atlas Resources Tbk - ARII
3	PT. Bumi Resources Tbk - BUMI
4	PT. Bayan Resources Tbk - BYAN
5	PT. Dian Swastatika Sentosa Tbk - DSSA
6	PT. Golden Energy Mines Tbk - GEMS
7	PT. Garda Tujuh Buana Tbk - GTBO
8	PT. Astrindo Nusantara Infrastruktur Tbk - BIPI
9	PT. Energi Mega Persada Tbk - ENRG
10	PT. Medco Energi Internasional Tbk - MEDC
11	PT. Mitra Investindo Tbk - MITI
12	PT. Merdeka Copper Gold Tbk - MDKA
13	PT. J Resources Asia Pasifik Tbk - PSAB
14	PT. Wilton Makmur Indonesia Tbk - SQMI
15	PT. Saranacentral Bajatama Tbk - BAJA
16	PT. Betonjaya Manunggal Tbk - BTON
17	PT. Citra Tubindo Tbk - CTBN
18	PT. Gunawan Dianjaya Steel Tbk - GDST
19	PT. Aneka Tambang Tbk - ANTM
20	PT. Bumi Resources Minerals Tbk - BRMS
21	PT. Central Omega Resources Tbk - DKFT
22	PT. Tembaga Mulia Semanan Tbk - TBMS
23	PT. Alakasa Industrindo Tbk - ALKA

Appendix 2 : Turnitin Result

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Factors Influencing the Stock Prices in Indonesia — FBMP Research Colloquium 2023. Prepared by: Aji Kartika Utama (012022090813). Teaching Lecturer: AP Dr Aza Azlina Md Kassim. Supervisor: Azlin Suzana Salim. Bachelor in Finance, Faculty of Business Management and Professional Studies, Management and Science University.

Multicollinearity Test

Based on the table above, it can be seen that the tolerance value > 0.10 or the VIF value < 10, so there is no multicollinearity.

Multiple Linear Regression

Based on the table above, it shows that the coefficient of determination (Adjusted R2) = 0.558, meaning that the independent variables jointly affect the dependent variable by 55.8%. The remaining 44.2% is influenced by other variables not included in the research model.

From the results of the F test in the table above, it is obtained F count of 6.561 and a probability of 0.001. Because sig F count < 5% (0.001 < 0.05), it can be concluded that the Exchange Rate, Profitability, Economic Growth, World Oil Prices, Inflation jointly Affect the Stock Price.

Multiple Linear Regression

Based on the results of data processing where the probability value (p) < 0.05, it can be concluded that World Oil Prices and profitability have a positive and significant effect on stock price. But inflation and exchange rate not significant effect on stock price.

Discussion of Findings

Summary of Findings

Hypothesis	Accepted (p < 0.05)	Rejected (p > 0.05)
H1a: World Oil Prices has a significant impact on Stock Price	✓	
H2a: Profitability has a significant impact on Stock Price	✓	
H3a: Economic Growth has a significant impact on Stock Price	✓	
H4a: Inflation has a significant impact on Stock Price		✓
H5a: Exchange Rate has a significant impact on Stock Price		✓

Conclusions

The finding of this study are not all independent variables have a positive effect on the company's stock price. Only a few influential variables such as world oil price, profitability and economic growth have a significant effect on sector mining of the company's stock price.

For further research, it is recommended to increase the sample size and research population because the sample size consists of 23 companies in various sectors such as the mining sector. It is recommended to produce better and larger ones because there are more sectors and good companies on the Indonesia Stock Exchange.

Thank you
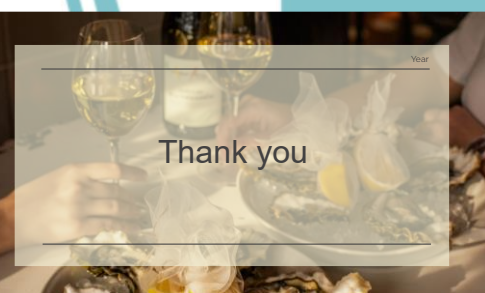
Autocorrelation Analysis

Judging from the results of the table above that the D-W number is between -2 to +2 or (-2 <x> 2), it can be concluded that there are no symptoms of autocorrelation or autocorrelation problems in this study.

Appendix 4 : SPSS Data