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SUSTAINABLE ENERGY INVESTMENT IN REGISTERED MINING COMPANIES: A FUNDAMENTAL ANALYSIS OF INDONESIA SHARIA STOCK INDEX

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ABSTRACT

Purpose – This paper aims to analyzing the impact that a company's liquidity, solvency, and profitability have on the stock prices that it must pay to be listed on the Indonesian Sharia Stock Index (ISSI).

Design/methodology/approach – The method of research used purposive sampling, and the information for the study would come from 17 different mining groups listed on the Indonesian Sharia Stock Index (ISSI). The methods of descriptive statistics, classical assumption check, more than one linear regression evaluation, and hypothesis testing were used in this study project to accomplish the task of evaluating the facts. The data that was used in this research were secondary facts that were gathered from the official website of the Indonesia stock exchange. It does this by analyzing the impact that a company's liquidity, solvency, and profitability have on the stock prices that it must pay to be listed on the Indonesian Sharia Stock Index (ISSI).

Findings –The variables in this analysis, current ratio, debt to equity ratio, and net profit margin — were found to have no influence on stock prices. However, the fact that it was still in a pandemic condition during the period of observation, which caused the share price to decline, is the reason why there was no effect on the three variables.

Practical implications – For investors, in order to achieve sustainability in the energy sector, currently investors focus not only financial, social, and environmental information, but also information pertaining to sharia values, has evolved to convey investment information on organizations' responsibilities for the business of energy sustainability in accordance with sharia values. The emergence of the Sharia Index in the capital markets of nations with a Muslim majority has had a significant influence on the Indonesian financial sector. Despite this, many researches are still restricted to using the fundamental data for doing conventional stock analysis by outside stakeholders (investors). In order to create a sustainable business model, research needs to take into account the fundamental analysis of investment choices made by registered mining businesses in the sharia stock.

Originality/value – Previous studies focus on analyzing the impact that a company's liquidity, solvency and profitability have on the general stock exchange. Sharia value aspects differentiate this paper and contribute to its originality, namely, the uniqueness of the context, incorporating

using registered mining companies listed on the Indonesian Sharia Stock Index (ISSI). This research used of sharia stock, focusing specifically on Muslim investors and the question of whether or not they should take into account fundamental analysis.

KEYWORDS: Fundamental Analysis, Manager Decision, Stakeholder Theory, Mining Companies, Muslim Investment Decision, Sharia Stock.

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1. INTRODUCTION

In this age of the technology-based Fourth Industrial Revolution, there has been a rapid acceleration in the development of the global financial sector, which has had a significant effect on the development of the financial industry in Indonesia. Indonesia's financial development continues to increase. People are placing their trust in an increasing number of well-established financial organizations, particularly Islamic capital markets, as institutions in which they can invest, expand their wealth, and obtain rapid returns from their investments. In order to fulfill the direction of development of stakeholder's patterns, which are now concerned not only with financial, social, and environmental issues (Dari and Kurniati, 2022), but also sharia value information, patterns need to be developed. At the moment, businesses participate in the Islamic capital market in order to communicate with external stakeholders (investors) on investment information on organizations' responsibilities in accordance with sharia principles.

According to Oktavia, Widodo, and Rejeki (2021), the Islamic capital market is a sort of financial market in which the implementation of its activities must correspond with the rules of sharia. This is particularly true with regard to the types of securities that can be exchanged with issuers. The Ulama Council (DSN-MUI) Number 40/DSN-MUI/X of 2003 is in charge of enforcing the regulations that govern Indonesia's Islamic capital market. In accordance with the Fatwa issued by the DSN MUI concerning the implementation of Sharia principles. The principles that are meant to be referred to as Sharia Principles are those that are founded on Islamic Sharia and are taken from the Fatwa of the Indonesian National Sharia Council (DSN-MUI) Number 8 concerning the Application of Sharia Principles in the Mechanism of Stock Trading at the Regular Stock Market (Soemitra, 2016). Both Kurniawan and As and imitra believe that there are two components that make up the Islamic capital market. The first requirement is that the nature of the business, products, services, and contracts offered, as well as the manner in which issuers or public businesses that issue Islamic securities are governed, must fit with the principles of Islamic securities.

Second, when engaging in financial transactions, one must use caution and refrain from engaging in activities such as speculation or manipulation (Makkulau and Yuana, 2012). Other researchers have also stated that the rule of buying and selling Islamic shares in accordance with the principles of Islamic law is legitimate so long as stock trading does not come into conflict with Islamic law. Trading in equities is restricted to those whose economic aims do not contradict with Islamic law, such as companies involved in the manufacture of halal food (Yatimin, 2009). Halal food is defined as food that adheres to Islamic dietary guidelines.

The Jakarta Stock Exchange (BEJ) and Danareksa Investment Management established the Indonesian Sharia Stock Index (ISSI), also known as the Sharia Stock Index, to serve the needs of investors interested in making sharia-compliant investments. The ISSI includes all Islamic stocks that were previously listed on the combined stock (Harga Saham GBP/USD).

Following the actions of external stakeholders is essential for businesses to achieve energy sustainability in the capital market (Dari, 2015). One of Indonesia's economic pillars, the mining industry supplies the nation with the fossil fuels it needs to expand its economy. Companies in the mining industry are increasingly entering the Islamic capital market, indicating a growing interest in sharia values as a means of appeasing investors and ensuring the long-term viability of their businesses.

For the second quarter of 2018, the number of sharia shares was 407. There has been a steady increase from one year to the next, culminating in 484 sharia shares being listed on the Indonesian stock exchange in 2021. The value of sharia stocks is projected to rise by 19% between 2018 and 2021. The Islamic index is expected to grow and develop in 2021, lending assistance to the expansion of Islamic companies in Indonesia.

Table1. Number of Sharia Shares in Development of Sharia Stocks Period I And II

Year	Indonesians Sharia Stock Index (IDR Billion)
2018	IDR3.666.688,31
2019	IDR3.744.816,32
2020	IDR3.344.926,49
2021	IDR3.983.652,80

Source: OJK Sharia Capital Market Statistics (2022)

According to data compiled by the Financial Services Authority of the Republic of Indonesia, the sharia stock index has also seen steady annual increases over the past few years. The ISSI, which tracks the performance of Indonesian companies that adhere to Islamic law, rose from IDR 3,667 trillion in 2018 to IDR 3,984 trillion in 2021, a gain of 8.64%.

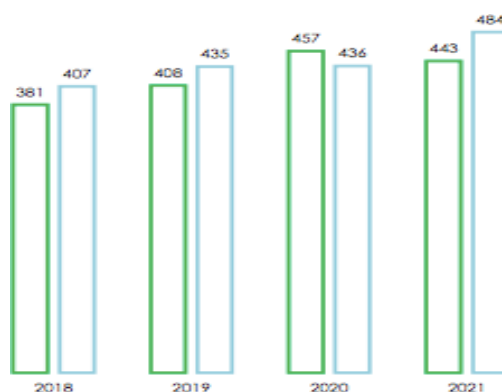


Fig.1. Sharia Index Market Capitalization In Indonesia Stock Exchange

Source: OJK Sharia Capital Market Statistics (2022)

The information shown up top is an incentive for conducting research on Islamic stocks in order to develop a strategy for long-term investment in the Islamic capital market. An organization's overall health can be gleaned from the fundamental analysis by examining a few key metrics that are seen in its financial reports. In Indonesia, a Sharia Index that had been approved was beginning to

emerge. Despite this, many studies are still restricted to the use of basic information for the purpose of analyzing conventional stocks by outside stakeholders (investors). This study takes into consideration the fundamental analysis of investment decisions in registered mining businesses in the sharia stock in order to achieve sustainability in regards to business sustainability. A sustainable firm not only attracts more corporate investment but also contributes to the transition towards a sustainable energy source. The sharia stock was utilized in this study, specifically for Muslim investors to determine whether or not they should take into account fundamental analysis. The purpose of this study is to investigate the Indonesian Sharia Stock Index by tracking the activities of stock rates and looking into the relationship between the two from a long-term viewpoint in order to get a complete picture of the future situation. In the beginning of this work, an introduction and the methodology will be presented. The findings of this study will be followed by a discussion of the findings, and then, at the end, a conclusion and some policy recommendations will be offered.

2. PREVIOUS STUDIES

The findings of earlier research conducted by Dewi and Suaryana (2013) and Daniel (2015) suggest that the influence of Debt to Equity Ratio (DER) is detrimental to stock price; however, the findings of other research conducted by Pandansari (2012) demonstrate that it can have a beneficial impact on stock price. Studies by Safitri (2013), Tan et al. (2014), and Sondakh et al. (2015) demonstrate that there is an influence on the solvency ratio to stock price. However, studies by Safitri (2013) suggest that there is no influence on the solvency ratio to stock price. The lower the ratio, the better the company's ability to pay its long-term obligations; conversely, the higher the ratio, the worse the company's ability to pay its long-term obligations.

Current Ratio (CR) has been shown to have no effect on stock prices in research carried out by Meythi et al. (2011), Deitiana (2013), and Tan et al. (2014); research carried out by Daniel (2015) has shown that CR has a negative effect on stock prices; research carried out by Kohansal et al. (2013) has shown that CR has appositive effect on stock prices. The price of the relevant stock on the market falls as a direct result of having a low current ratio. In contrast, a larger CR does not necessarily point to a successful outcome; rather, it may imply that there is a surplus of cash or other current assets in comparison to what is required at the moment.

3. HYPOTHESIS

Effect of Current Ratio on Stock Prices

A comparison of a company's current assets to its current liabilities is what the Current Ratio (CR) is all about. The Current Ratio is the measurement that is utilized most frequently when attempting to ascertain a company's capability of meeting its commitment for the near future, such as short period liabilities.

The finding of earlier research by Wardi (2015), the influence of the Current Ratio on stock prices, in particular: "Current Ratio is very useful for measuring company liquidity, but it can be trapped, because a high current ratio can be caused by uncollectible receivables or unsold inventory, both of which of course cannot be used to pay debts".

In the meantime, Tan et al. (2014) asserts the following on the influence of the Current Ratio on stock prices: "A low Current Ratio will induce a decrease in the market price of the shares concerned. A Current Ratio that is excessively high, on the other hand, is not necessarily a perfect sign because it indicates an excess of non-cash current assets over stock values.

H1: Current Ratio has a significant effect on stock prices.

Effect of Debt to Equity Ratio on Stock Prices

The ratio known as the Debt to Equity Ratio is the one that is utilized to determine how much debt there is in comparison to capital. The size of the comparison between the quantities of funds from the firm owner may be determined with the help of this ratio, which is useful.

According to Putri (2017), which was cited in Holisoh et al. (2018), the Debt to Equity Ratio depicts the capital structure of the company by comparing the total loans (debt) to the entire capital that is owned by the business. The ratio of debt to equity should be reduced to the greatest extent possible. On the other hand, the ratio of debt to equity is much too high. If this is the case, it suggests that the aggregate amount of debt is more than the aggregate amount of capital; hence, the burden that the corporation places on outside parties is increased. It is possible to draw the conclusion that the price of the stock will go down whenever the Debt to Equity Ratio is high, and the opposite would be true when it is low. When there is less debt relative to the amount of equity, the stock price will go up.

H2: Debt to Equity Ratio has a significant effect on stock prices.

Effect of Net Profit Margin on Stock Prices

The percentage of a company's total revenue that is retained as net profit after subtracting expenses and taxes is referred to as the net profit margin and is a type of profitability measure. NPM on stock prices, investors may see from the financial statements where the value of net profit and net sales can be one of the elements for investors in choosing which firms whose shares can provide prospects for the investors. Investors can use this information as one of the variables in determining which companies whose shares can create opportunities for investors.

According to Husnan (2015), every firm that is able to improve its earnings will typically see an increase in its share price. This indicates that the company has increased profits, which means that the company will presumably be able to distribute larger dividends, which will have a favorable influence on stock prices. If a company's Nett Profit Margin is large, it will result in a high stock price for the company's shares; conversely, if the Nett Profit Margin is low, it will result in a reduction in stock prices.

H3: Net Profit Margin has a significant effect on stock prices.

H4: Current Ratio, Debt to Equity Ratio and Net Profit Margin significantly affect stock price.

4. RESEARCH METHOD

The author engaged in descriptive quantitative research with secondary data, and this is the type of study that was produced. In particular, research that provides information and data that is described in accordance with the facts collected. The next step is to conduct an analysis of the financial statements that were obtained from the official website of the Indonesia Stock Exchange, which can be found at www.idx.co.id. Analysis of data utilizing the Simple Moving Average and the Relative Strength Index approaches by doing fundamental analysis utilizing the Liquidity Ratio (Current Ratio) approach, the Solvability Ratio (Debt to Equity Ratio) approach, and the Profitability Ratio (Nett Profit Margin) methodology respectively.

The population of this study is comprised of mining firms that were registered at ISSI between the years 2018 and 2021; there are a total of 27 companies in this population. The method that is utilized for collecting samples is referred to as the sampling procedure. The method of sampling that was employed in this investigation was a technique known as purposive sampling, which is a method of sampling for data sources that takes specific factors into mind. This investigation was

carried out on 17 mining businesses that are included on the Sharia Stock Index (ISSI) for the years 2018-2021.

Table 2. The Number of Research Samples Based on Sampling Criteria for Mining Companies Registered with Indonesian Sharia Stock Index (ISSI)

Sample Criteria	Total
Number of mining companies registered ISSI in 2021	27
Number of companies who did not Publish complete financial reports throughout the 2018-2021 period	(10)
Number of research samples	17

Source: Data Processed from www.idx.co.id (2023)

Table 3. Selected Company Data

No.	Company Name	Code	Registration Date
1.	PT. Adaro Energy Tbk.	ADRO	16 Jul 2018
2.	PT. AKR Corporindo Tbk.	AKRA	03 Oct 1994
3.	PT Pelayaran Nasional Bina Buana Raya Tbk	BBRM	09 Jan 2013
4.	PT. Bayan Resources Tbk	BYAN	12 Aug 2008
5.	PT. Dian Swastatika Sentosa Tbk.	DSSA	10 Dec 2009
6.	PT. Elnusa Tbk.	ELSA	06 Feb 2008
7.	PT. Golden Energy Mines Tbk.	GEMS	17 Nov 2021
8.	PT. Harum Energy Tbk.	HRUM	06 Oct 2010
9.	PT. Resource Alam Indonesia Tbk.	KKGI	01 Jul 1991
10.	PT. Mitrahahtera Segara Sejati Tbk.	MBSS	06 Apr 2011
11.	PT. Samindo Resources Tbk.	MYOH	27 Jul 2000
12.	PT. Perusahaan Gas Negara Tbk.	PGAS	15 Dec 2003
13.	PT. Pelita Samudera Shipping Tbk.	PSSI	05 Dec 2017
14.	PT. Bukit Asam Tbk	PTBA	23 Dec 2002
15.	PT. Silo Maritime Perdana Tbk.	SHIP	16 Jun 2016
16.	PT. Soechi Lines Tbk.	SOCI	03 Dec 2014
17.	PT. Wintermar Offshore Marine Tbk.	WINS	29 Nov 2010

Source: Data from www.idx.co.id (2022)

5. RESULTS

Normality Test

Examining the P-Plot Chart provides us with the following findings on the normalcy test that was performed in this research.

Dependent Variable: Stock Price (Y)

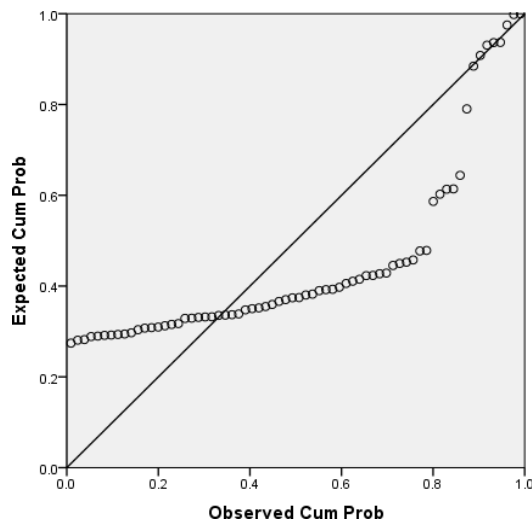


Fig.2.Normality Test Results (Normal PP-Plot of Regression Standardized Residual)
Source: Results of Data Processing with SPSS (2023)

The findings of the data processing done with SPSS in the PP-Plot shown above indicate that the data in this study have a normal distribution. This is evidenced by the fact that the points in the plot are dispersed about the diagonal line and follow its direction.

Multicollinearity Test

The following is a table that contains the findings of the multicollinearity test that was performed in this investigation. The test was conducted by examining the tolerance values and the Variance Inflation Factor (VIF) in the table titled "Collinearity Statistics."

Table4. Multicollinearity Test Result

Unstandardized Coefficients			Standardized Coefficients Beta	t	Sig.	Collinearity Statistics		
Model	B	Std. Error				Tolerance	VIF	
1	(Constant)	5687.1	2302.624		2.470	.016		
		17						
	CR(X1)	-4.077	4.995	-.114	-.816	.417	.788	1.269
	DER(X2)	-9.061	14.513	-.088	-.624	.535	.778	1.285
	NPM(X3)	-6.348	23.199	-.034	-.274	.785	.982	1.018

a. Dependent Variable: Stock Price (Y)

Source: Results of Data Processing with SPSS (2023)

The results of processing the data using SPSS as shown above show that there is no multicollinearity or relationship between the independent (free) variables in this study. This is

visible due to the fact that the tolerance value produced for each variable is more than 0.10, which indicates that there is no multicollinearity or relationship between the independent (free) variables. The VIF value that was found to be associated with each variable is lower than 10. The value for the tolerance range that was achieved for the variable current ratio (CR), which was 0.788, the debt to equity ratio (DER), which was 0.778, and the net profit margin (NPM), which was 0.982. The value that was achieved for the Current Ratio (CR) variable in the VIF was 1.269. The value that was acquired for the Debt to Equity Ratio (DER) was 1.285, and the value that was obtained for the Nett Profit Margin (NPM) was 1.018.

Heteroscedasticity Test

The findings of the test used to determine whether or not this study had heteroscedastic results can be seen in the scatter plot graph.

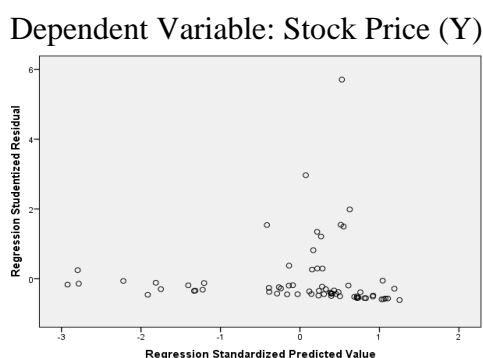


Fig.3. Heteroscedasticity Test Results
Source: Results of Data Processing with SPSS (2023)

Based on the results of processing the data with SPSS, the data in this study do not exhibit heteroscedasticity because the points on the Y-axis are distributed indiscriminately both below and above 0 and there is no discernible pattern in their distribution.

Autocorrelation Test

Using the Durbin-Watson table, the following are the results of the autocorrelation test conducted in this research.

Table 5. Autocorrelation Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.116a	.014	-.033	7911.684	1.100

a. Predictors: (Constant),NPM (X3),CR(X1),DER(X2)

b. Dependent Variable: Harga Saham (Y)

Source: Results of Data Processing with SPSS (2023)

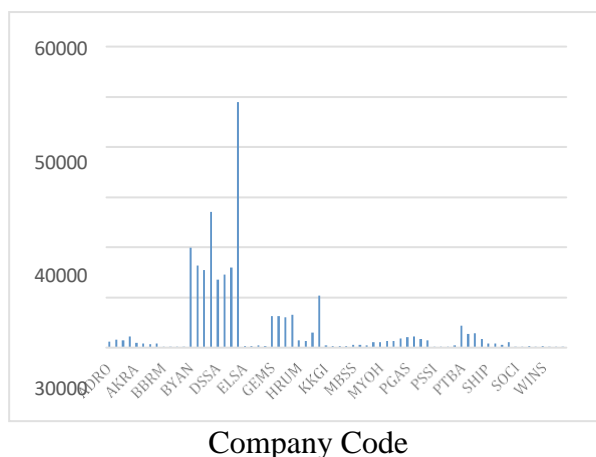
According to the findings obtained from processing the data using SPSS, which were presented earlier, there was no autocorrelation in this investigation due to the fact that the Durbin-Watson test revealed a value of 1.100 between -2 and 2.

Table 6. Current Ratio Data, Debt to Equity Ratio, Net Profit Margin, and Mining Company Share Prices 2018-2021

Year	Company Code	CR (%)	DER (%)	NPM (%)	Stock Price
2018	ADRO	196.01	64.1	13.19	1215
2019		171.18	81.18	12.58	1550
2020		151.26	61.49	6.25	1430
2021		208.45	70.17	25.76	2250
2018	AKRA	139.76	50.22	6.78	858
2019		123.7	112.67	3.24	774
2020		157.63	43.5	5.43	636
2021		129.18	108.06	4.42	822
2018	BBRM	82.67	277.25	38.91	50
2019		92.94	325.01	25.94	50
2020		35.45	417.5	98.45	50
2021		48.56	315.1	8.91	50
2018	BYAN	123.72	69.73	31.27	19875
2019		89.44	106.44	16.83	16350
2020		325.01	88	24.69	15475
2021		313.13	30.64	44.38	27000
2018	DSSA	121.9	123.8	6.83	13500
2019		129.65	127.03	4.3	14500
2020		155.27	82.53	3.84	16000
2021		170.18	71.98	12.26	49000
2018	ELSA	149.2	71.42	4.17	344
2019		147.68	90.26	4.25	308
2020		163.88	102.16	322	352
2021		173.62	91.49	1.34	276
2018	GEMS	131.97	121.98	9.62	6275
2019		132.29	117.9	6.03	6323
2020		123.36	132.87	9.03	5979
2021		102.1	162.08	22.32	6581
2018	HRUM	455.97	20.46	11.94	1400
2019		922.24	11.87	7.66	1320
2020		1007.43	9.65	38.2	2980
2021		307.3	34.42	29.24	10325
2018	KKG I	147.82	35.24	0.84	354
2019		217.36	35.31	4.71	236
2020		1002.28	29.01	12	266
2021		636.75	33.62	17.41	264
2018	MBSS	429.54	39.86	22.22	488
2019		371.2	26.91	2.32	484
2020		210.86	24.27	27.3	472
2021		741.95	5.05	16.54	1090
2018	MYOH	347.52	32.76	12.83	1045
2019		328.48	30.98	10.26	1295
2020		630.82	17.1	128.97	1300
2021		671.69	16.61	16.78	1750
2018	PGAS	154.16	147.96	9.42	2120

2019		197.57	127.98	2.94	2250
2020		169.53	154.92	7.48	1655
2021		248.74	128.65	12.01	1375
2018	PSSI	154.53	53.51	22.05	154
2019		67.92	61.69	17.64	180
2020		109.49	26.75	12.33	174
2021		157.18	12.48	23.03	402
2018	PTBA	89.65	48.58	24.19	4300
2019		81.01	41.66	18.54	2650
2020		216	42.02	13.9	2810
2021		242.8	48.94	27.47	1710
2018	SHIP	34.91	140.09	21.43	845
2019		87.8	109.78	21.54	760
2020		95.04	118.34	26.65	600
2021		92.84	115.74	20.41	1030
2018	SOCI	254.13	104.72	10.13	131
2019		287.72	105.13	5.94	175
2020		256.69	82.74	20.99	264
2021		249.75	71.24	4.22	196
2018	WINS	61.69	60.68	57.46	220
2019		58.87	59.59	30.03	125
2020		125.92	56.9	34.43	107
2021		220.89	27.35	0.31	192

Source: Results of Data Processing with Excel (2023)



Company Code
Fig.4. Stock Price

Source: Results of Data Processing with Excel (2023)

According to the findings of the data processing done in Excel, which were presented earlier, the research presented here shows that the stock prices of mining companies have been volatile from 2018 to 2021.

The multiple linear regression analysis consists of:

According to the findings of the data processing that are presented in Table 4. (Results of the Multicollinearity Test), which can be found further up this page, the stock prices of mining companies have been volatile from 2018 to 2021.

The findings of this investigation into the relationship between stock prices and variables such as the current ratio, the debt-to-equity ratio, and the net profit margin are presented in Table 4 (the Results of the Multicollinearity Test). These findings can be viewed by consulting the table. The following is an equation that represents multiple linear regressions:

$$SP = 5687.117 + (-4.077)CR + (-9.061)DER + (-6.348)NPM$$

Hypothesis testing

T-test:

The results of the t-test can be viewed by referring to table 4, as mentioned previously. The following is a rundown of how the t-test performed in this particular investigation: Current Ratio (CR) does not have a major impact on stock prices, as hypothesized in Hypothesis 1 (H1).

The Current Ratio (CR) variable demonstrates a significant value of 0.417. This indicates that the Current Ratio (CR) variable partially does not have any significant effect on stock prices. The decision-making on the t-test is a significant value $(0.417) > 0.05$, therefore this indicates that the Current Ratio (CR) variable partially does not have any significant effect on stock prices. The Debt to Equity Ratio (DER) does not have a major impact on stock prices, according to Hypothesis 2.

The Debt to Equity Ratio (DER) variable demonstrates a significant value of 0.535. This result suggests that the Debt to Equity Ratio (DER) variable does not partially have a significant effect on stock prices since the decision-making on the t-test is a significant value $(0.535) > 0.05$. In addition, the result indicates that the Debt to Equity Ratio (DER) variable does not have a significant influence on stock prices. The Nett Profit Margin (NPM) does not have a major impact on stock prices, as stated in Hypothesis 3.

Because the decision-making on the t-test is based on a significant value $(0.785) > 0.05$, the variable Nett Profit Margin (NPM) shows a significant value of 0.785. This indicates that the variable Nett Profit Margin (NPM) partially has no meaningful effect on stock prices.

F test:

In this investigation, the findings of the F test are presented in the following table for your perusal:

Table.7. F Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression 55066348.840	3	18355449.610	.293	.830b
	Residual 4006064020.0	64	62594750.310		
	Total 4061130369.0	67			

a. Dependent Variable: Harga Saham(Y)

b. Predictors: (Constant),NPM (X3),CR(X1),DER (X2)

Source: Results of Data Processing with SPSS (2023)

H4: Current Ratio (CR), Debt to Equity Ratio (DER) and Net Profit Margin (NPM) simultaneously do not affect stock prices

The findings of the F-test above reveal a significant value of 0.830, which implies that it is more than 0.05, which is the decision-making in the f-test. These results are based on the data from the

ANOVA. If the significant value is more than 0.05, then these factors do not have an impact on stock prices at the same time. According to the findings of this investigation, the variables Current Ratio (CR), Debt to Equity Ratio (DER), and Nett Profit Margin (NPM) do not have a substantial impact on stock prices when considered together.

Determinant Coefficient Test

The results of the test on the determinant coefficient are displayed in the data result. Autocorrelation Test Results (Durbin-Watson), the results of the determinant coefficient test in this study show that the R Square value is 0.14, which indicates that the three independent variables, current ratio, debt to equity ratio, and net profit margin, can explain the variation in the change in the dependent variable by 14%. Since the R Square value is 0.14, this indicates that the three independent variables can explain the variation in the change by 14%. While other factors found outside the study account for the remaining 86% of the variance.

6. DISSCUSSION

Effect of Current Ratio (CR) on Stock Prices

According to the findings of the significance test described above, the current ratio variable was found to have a negative effect on stock prices, although this effect was not statistically significant. As can be observed from the outcomes of the t test, which yielded a value of -0.816, with a significant value of 0.417 that was more than a significant level of 0.05, or 5%. Companies that have a current ratio that is too high place profits that are not maximized, which results in a drop in interest in purchasing shares of the company. The corporation evaluates whether or not the current ratio will have a positive impact on the company's profitability, taking into account the fact that the company's primary objective is to turn a profit.

Because there are a number of factors that are caused by the company, investors or potential investors should pay closer attention to the value of the current ratio. These elements include both internal and external influences. In addition, there are circumstances in which the current ratio is not an appropriate metric to measure the resources available at a certain time in order to satisfy current liabilities. This is one of the limits of the current ratio.

Effect of Debt to Equity Ratio (DER) on Stock Prices

In the current investigation, it was found that the debt-to-equity ratio variable had a negative effect on stock prices, although this effect was not statistically significant. These findings are supported by the results of the significance test described above. As can be seen in the results of the t count, which was - 0.624, there was a significant value of 0.535, which was larger than a significant threshold of 0.05, which is 5%. When deciding whether or not to invest in a firm, investors and potential investors focus primarily on the enterprise's capacity to generate money.

Effect of Net Profit Margin (NPM) on Stock Prices

According to the findings of the significance test described above, the findings of this investigation indicated that the net profit margin variable had a negative effect on stock prices that was not statistically significant. As can be seen in the findings of the t count, which came out to -0.274 with a significant value of 0.785, which was more than a significant level of 0.05, which is equal to 5%.

The inability to adequately convey the rate of return that investors or potential investors can earn on stock returns using the net profit margin will have an effect on the fall in stock prices. The net profit margin needs to be able to measure the outcomes obtained by investors or potential investors in order to facilitate a rise in the number of shares. The variable net profit margin is not something that

shareholders or future shareholders of a firm take into consideration when attempting to forecast the price of the company's stock.

Effect of Current Ratio (CR), Debt to Equity Ratio (DER), and Net Profit Margin (NPM) on Stock Prices This study demonstrates, on the basis of the findings of the F test described above, that the current ratio, debt-to-equity ratio, and net profit margin do not have a substantial effect on stock prices when considered together. The F test was run with a significant value of 0.830, which indicates that the value is greater than 0.05. The decision-making process for the f-test is based on whether or not the significant value is greater than 0.05. If the significant value is greater than 0.05, then concurrently, these variables do not affect stock prices.

Even after being tested in conjunction with one another, the three variables discussed earlier in this investigation — current ratio, debt to equity ratio, and net profit margin — were found to have no influence on stock prices. This is made abundantly clear by the findings of the study's determination coefficient test, which demonstrated that there was no effect. The fact that it was still in a pandemic condition during the period of observation, which caused the share price to decline, is the reason why there was no effect on the three variables that were discussed before.

In spite of the fact that a company is included on the Indonesian Sharia Stock Index (ISSI) for the period 2018-2021, it will not be able to raise its share price. This is the case in terms of liquidity, as measured by the indicator for the current ratio; solvency, as measured by the indicator for the debt to equity ratio; and profitability, as measured by the indicator for the net profit margin.

7. CONCLUSION

This study seeks evidence regarding the impact of the current ratio, debt-to-equity ratio, and net profit margin on stock prices using a sample of 17 companies from 2018 to 2021. Based on the preceding discussion. This study has some limitations. In this study, there are only three variables that influence stock prices: liquidity, solvency, and profitability. In addition, many other factors influence stock prices. In addition, only mining companies listed on the Indonesian Sharia Stock Index (ISSI) for the period 2018-2021 were included in this study's sample.

On the basis of this study, the authors recommend that investors or potential investors who wish to invest in a company pay close attention to its financial condition by reviewing its financial statements. They also recommend that future researchers extend the research period so that the influence of the three variables current ratio, debt to equity ratio, and net profit margin can be observed over a longer period. In addition, future researchers should consider adding or utilizing other variables that can influence stock prices, as up to 86% of the variance in this study is explained by variables other than those used.

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