Stock Price Determinant of PT Timah Tbk During the Covid-19 Pandemic

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Abstract

Stock Price Determinant of PT Timah Tbk during the Covid-19 Pandemic, the Covid-19 Pandemic involves the world economy. Lockdown and Large-Scale Social Restrictions make the economy slow down due to the restricted activities. The prices of crude oil and metal commodities also corrected, including the price of tin commodity due to the decrease of demand. Therefore, the aim of this study is to analyze the impact of the tin price variable, Interest Rate (BI Rate), Net Profit Margin (NPM), and Debt to Equity Ratio (DER) on the Stock Price of PT Timah Tbk during the Covid-19 pandemic. This study used a quantitative method. The object of the study was PT Timah Tbk. The samples used were secondary data, which were tin commodity price, and interest rate of SBI in 2020, and the quarterly financial statements of PT Timah Tbk. The analysis method used was Multiple Linear Regression. The data collection techniques used in this study consisted of two stages: conducting library research (studying literature in the form of research journals, scientific papers, articles, and books) and the documentation stage. The results of the study show that (1) Partially, tin price has a positive and significant impact on the stock price of PT Timah Tbk. (2) Partially, variables of interest rate, NPM, and DER have a negative and not significant impact on the stock price of PT Timah Tbk. (2) Simultaneously, tin price, interest rate, NPM, and DER have a significant impact on the stock price of PT Timah Tbk.

Keywords: Tin Price, Interest Rate (BI Rate), Net Profit Margin (NPM), Debt to Equity Ratio (DER), and Stock Price

1. Introduction

Wuhan is a city in China where the Coronavirus was first discovered. WHO gave the official name for this Coronavirus outbreak, namely Covid-19 (Coronavirus disease 2019) (kompas.com, 2020). Several countries have imposed a lockdown policy to reduce the effect of Covid-19 cases. Lockdown Policy and Large-Scale Social Restrictions inhibit the world economy because they cause Domino Effect. Covid-19 has caused economic recessions in various countries due to the lack of demands for goods and services because of restricted activities (kompas.com, 2020).

The hampered world economy caused the energy and metal price. The metal price decreases 16% during the same period (world bank, 2020). Based on the data of London Metal Exchange (LME), it shows that the average tin price is only US$ 16,703/Mton in the first quarter of 2020 or down 22% from the previous price of US$ 21,505/Mton in the first quarter of 2020. International Tin Association (ITA) in Q1 of 2020 recorded that surplus of the tin of 11,000 in the market is because the volume demand is only 69,900 Mton compared to volume supply of 80,900 Mton (lme.com, 2020).

Almost 98.04% tin production of PT Timah Tbk are for export. The volume of tin ore production in the first semester of 2020 was 24,990 tons, or down 47.3%, compared to the same period in the previous year of 47,423 tons (timah.com, 2020a). BPS (Statistics Indonesia) stated that tin export value in April 2020 in Bangka Belitung decreased by 49.96% (y-on-y) compared to (m-to-m) that decreased by 13.51% (BPS, 2020). TINS recorded a loss of IDR 412 billion in Q1 of 2020, which was caused by the decrease of tin price due to the impact of the Covid-19 pandemic. This is inversely proportional with Q1 of 2019, where TINS still recorded a net profit of IDR 301 billion (timah.com, 2020b).

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NPM of TINS in Q1 2019 was 7.11%, while in Q1 2020, the NPM decreased to 9.42% (idx.co.id, 2020). Recorded in Q1 2019, DER was 159.47% and then increased to 289.27% in Q1 2020 (idx.co.id, 2020). The stock price of TINS also has been corrected at 65.84%, starting from the closing price in Q1 2019 of 1,255 to the closing price in Q1 2020 of 430 (investing.com, 2020).

The higher the NPM shows the productive company performance to earn high profit through a certain level of sale and good company ability in reducing operating costs. This increases the investor confidence to invest their capital in the company so that the demand for company shares increases, which is automatically followed by the increase of company stock prices (Ross et al, 2010). This theory is in line with study conducted by Ramadan et al., (2020), Hutami (2021), and Sukesti et al., (2020), which stated that NPM has a positive and significant influence on the stock price. In contrast to the study by Manoppo et al., (2017), which stated that NPM has a negative and significant influence on the stock price.

The higher the DER value, the stock price will actually decrease, and conversely, if the DER value decreases, the stock price will increase (Sudana, 2011). This statement is supported by the study conducted by Ratih et al., (2013), and (Djunaaidi, 2016) stated that DER has a negative impact on the stock price. However, a study by Purnamawati, (2016) stated that DER has a positive impact on the stock price.

BI Rate was 4.5% in January 2020 and continued to fall to 3.75% in the month of December 2020 to increase public consumption (bi.go.id, 2020). The relationship between interest rates and stock prices is negative. If there is an increase in interest rates, then the movement of stock prices will decrease, otherwise if there is a decrease in interest rates, then the stock price will rise (Bodie et al, 2008). A study conducted by Purwanda & Yuniarti (2014), and Ginting et al (2016) as well as Nordin et al., (2014), stated that interest rate has a negative impact on the stock price. However, it is different from the study conducted Anisa & Darmawan (2018), which stated that there is a positive impact between interest rate variables and stock price.

Anisa & Darmawan (2018) stated that there is a positive influence between tin price and stock price. This is because Indonesia is the second-largest country in producing tin. Therefore, the investors assume that the increase of world tin price will have an impact on the stock price index of the mining sector in Indonesia. However, it is different from the study by Ildırar & Iscan (2015), which stated that the commodity price does not impact the stock prices.

Based on the phenomena and explanations above, the aim of this study is to analyze the influence of Tin Price, Interest Rate, NPM, and DER on the stock price of PT Timah Tbk during the Covid-19 pandemic.

2. Literature Review

2.1. Tin Commodity Price

According to Pakasi (2008), a commodity is goods or materials with the economic value offered by producers to meet the consumer demand. The tin is divided into two, tin and lead. Lead is used in the manufacture of batteries, nuclear, electrical, or telephone cable wrapping, materials in the paint industry, ceramics, chemical industry, and others Sanusi (1984). The second type of tin is tin (white tin), which has important advantages like lead (black tin).

2.2. Interest Rate

The interest rate was stated by Boediono (2014) as a price for the use of loanable funds. Interest rate is one of the indicators in making an investment decision. The high interest rate will encourage investors to invest their capital in instruments with fixed returns. The reason is that the expected return rate on the share is lower than the profit of interest rate, so that it
causes a decrease in demand for stock price, then the stock price will decrease along with the increase of SBI interest rate.

2.3. Financial Ratio Analysis
A ratio is a tool that can be used to explain the relationship between two kinds of financial data. A ratio describes a relationship or mathematical relationship between a certain amount and another amount Munawir (2010).

(1.) Profitability Ratio
The profitability ratio is used to measure the overall effectiveness indicated by the level of profit obtained in connection with the sales or investment. The better the profitability ratio, it will be more describe the high ability to earn company profit.

a. Net Profit Margin (NPM)
NPM indicates how high the percentage of net profit earned from each sale is. The higher this ratio, the better the company's ability to earn a high profit Bastian & Suhardjono (2006). This means that there is higher efficiency so that NPM also needs to be considered in making an investment decision.

(2.) Ratio Leverage or Solvency
The solvency ratio is used to measure the company's ability to pay all its obligations, both short-term or long-term, if the company is liquidated (Kasmir, 2010). It indicates the company's ability to pay the long-term debt. This ratio is useful to know each rupiah of own capital used for debt guarantee and provides general instructions regarding the feasibility and financial risk of the company (Kasmir, 2012).

2.4. Capital Market
A capital market, according to Kasmir (2014), is a place where sellers and buyers meet to make transactions to obtain capital. Sellers in the capital market are the companies that need capital (issuer). Meanwhile, the buyers (investors) are parties who want to buy capital in the company that they find profitable. Stock is one of the instruments in the capital market.

2.5. Stock Price
According to Act Number 8 of 1995, the price of capital market is the current price of a stock in a capital market. If the market is closed, the market price is the highest when the closing price. The stock market price is the price formed in the stock market (Halim, 2005).

2.6. Hypotheses:
H1: The price of tin commodity impacts on the stock price of PT Timah Tbk during the Covid-19 pandemic
H2: Interest rate impacts on the stock price of PT Timah Tbk during the Covid-19 pandemic
H3: Net Profit Margin (NPM) impacts on the stock price of PT Timah Tbk during the Covid-19 pandemic
H4: Debt to Equity Ratio (DER) impacts on the stock price of PT Timah Tbk during the Covid-19 pandemic
3. Research Methods

3.1. Type of Study
The study conducted was explanatory research with a quantitative approach.

3.2. Research Site and Time
The research site was conducted in PT Timah Tbk. This study was conducted from May 2020 until completed.

3.3. Population and Sample
Object in this study was PT Timah Tbk. The samples used were quarterly financial statements of PT Timah Tbk during 2020, interest rate, and price of the tin commodity during 2020.

3.4. Data Type and Source
The type of data was time series secondary data, data that are observed during a certain research period in the object of the study. The price of the tin commodity was taken from www.lme.com, the interest rate was downloaded from www.bi.go.id, financial statements were downloaded from www.idx.co.id, and the stock price was downloaded from www.finance.yahoo.com.

3.5. Data Collection Technique
The data collection technique was by conducting library research, which was by studying literature in the form of research journals, scientific papers, articles, and books related to the theories and problems discussed in this study. After that, the documentation technique is a technique for collecting data obtained through the existing documents.

3.6. Data Analysis Technique
The analysis tool used was the classical assumption test and followed by multiple linear regression analysis.

1. Classical Assumption Test
a. Normality Test
This study examined normality using the Kolmogorov-Smirnov test by comparing between data distribution to be tested and standard normal distribution. The following is the basis of analysis used in Kolmogorov-Smirnov:
1) If the significance value ≥ significant level (0.05), then the data distribution is considered normal.
2) If the significance value < significant level (0.05), then the data distribution is considered not normal.

b. Multicollinearity Test
This study examined multicollinearity by looking at the Variance Inflation Factor (VIF) to show each independent variable to be a dependent variable and regressed to other independent variables. Variability of selected independent variables that were not explained by other independent variables was measured by multicollinearity cut off value of VIF ≥ 10 with the following conditions:
1) If VIF ≥ 10, multicollinearity occurs.
1) If VIF < 10, multicollinearity does not occur (Ghozali, 2013).
c. Heteroscedasticity Test
The method used in this study to test heteroscedasticity was a Scatterplot graph between predicted values of dependent variables, which are ZPRED (axis X) and the residual SRESID (axis Y). If the points spread randomly both above and below 0 (zero) in axis Y, the heteroscedasticity does not occur in the regression model, so that it is feasible to be used to predict dependent variables based on the input of independent variable (Ghozali, 2013).

d. Autocorrelation Test
The detection of autocorrelation can be performed using Durbin-Waston test (DW test). Hypotheses tested were:
H0 = no autocorrelation ($\rho = 0$)
HA = autocorrelation exists ($\rho \neq 0$)
Decision making for the presence or absence of autocorrelation was as follows:

<table>
<thead>
<tr>
<th>Hypothesis 0</th>
<th>Decision</th>
<th>If</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no positive autocorrelation</td>
<td>Reject</td>
<td>$0 &lt; d &lt; d_L$</td>
</tr>
<tr>
<td>There is no positive autocorrelation</td>
<td>No decision</td>
<td>$d_L \leq d \leq d_U$</td>
</tr>
<tr>
<td>No negative autocorrelation</td>
<td>Reject</td>
<td>$4 - d_L &lt; d &lt; 4$</td>
</tr>
<tr>
<td>No negative autocorrelation</td>
<td>No decision</td>
<td>$4 - d_U \leq d \leq 4 - d_L$</td>
</tr>
<tr>
<td>There is no positive and negative autocorrelation</td>
<td>Not rejected</td>
<td>$d_U &lt; d &lt; 4 - d_U$</td>
</tr>
</tbody>
</table>

Source: Ghozali, 2009

(2.) Inferential Statistical Analysis

a. Multiple Linear Regression Test
Multiple linear regression analysis is a statistical technique that can be used to analyze the influence and relationship between a single dependent variable and several independent variables to use the values of independent variables in predicting the values of a single dependent variable studied (Silalahi, 2010). The multiple linear regression equation for interest rate, exchange rate, and inflation to the stock price was as follows:

$$Y_1 = \alpha + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4$$

Notes:

$Y_1$: Stock Price
$\alpha$: Constant
$b_1$: Partial regression coefficient of Tin Price
$b_2$: Partial regression coefficient of Interest rate
$b_3$: Partial regression coefficient of NPM
$b_4$: Partial regression coefficient of DER
$x_1$: Tin Price
$x_2$: Interest rate
$x_3$: NPM
$x_4$: DER
b. **Coefficient of Determination Analysis**

Coefficient of Determination (R2) aims to measure the model's ability to explain the variations of the dependent variable with a value between zero and one. R2 value = 0 means that the independent variable does not have the ability to explain the variations of the dependent variable, while R2 value = 1 means that the independent variable has the ability to explain the variations of the dependent variable.

c. **F Test**

The first hypothesis uses the F test to show the simultaneous influence of the independent variables on the dependent variable (Ghozali, 2013). F test uses several basic analyses to determine the influence and relationship of variables in the study. The following is the basis of analysis used in the F test:

1) The ratio between Fcount and Ftable
   a. If $F_{count} \leq F_{table}$, then H0 is accepted, and H1 is rejected.
   b. If $F_{count} \leq F_{table}$, then H0 is rejected, and H1 is accepted.

2) The ratio between significance value and significant level
   a. If the significance value $\geq$ significant level (0.05), then H0 is accepted, and H1 is rejected.
   b. If the significance value < significant level (0.05), then H0 is rejected, and H1 is accepted.

d. **T-test**

The second hypothesis uses a t-test to show the partial influence of the independent variables on the dependent variable (Ghozali, 2013). T-test uses several basic analyses to determine the influence and relationship of variables in the study. The following is the basis of analysis used in a t-test:

1) The ratio between tcount and ttable
   a. If $|t_{count}| \leq t_{table}$, then H0 is accepted and H1 is rejected.
   b. If $|t_{count}| > t_{table}$, then H0 is rejected and H1 is accepted.

2) The ratio between significance value and significant level
   a. If the significance value $\geq$ significant level (0.05), then H0 is accepted, and H1 is rejected.
   b. If the significance value < significant level (0.05), then H0 is rejected, and H1 is accepted.

4. **Result and Discussion**

4.1. **Result**

(1.) **Classical Assumption Test**

a. **Normality Test**

   The normality test in this study used statistical analysis of One-Sample Kolmogorov-Smirnov (K-S Test) on the non-parametric test.

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Based on the table above, it can be seen that the significance value was $0.200 > 0.05$ so that it can be concluded that the data were normally distributed and met the prerequisites for the classical assumption test.

b. Multicollinearity Test

Table 3. Multicollinearity Test

Based on the table above, it can be seen that the VIF value of each independent variable was less than 10, and the tolerance value was more than 0.10. It can be concluded that the independent variable did not experience multicollinearity and met the prerequisites for the classical assumption test.
c. Heteroscedasticity Test

Table 4. Heteroscedasticity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>40.276</td>
<td>.040</td>
<td>.969</td>
</tr>
<tr>
<td>Tin Price</td>
<td>.000</td>
<td>.033</td>
<td>.007</td>
<td>.994</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>68.503</td>
<td>.353</td>
<td>.355</td>
<td>.733</td>
</tr>
<tr>
<td>NPM</td>
<td>23.526</td>
<td>.312</td>
<td>.391</td>
<td>.708</td>
</tr>
<tr>
<td>DER</td>
<td>-2.020</td>
<td>-.449</td>
<td>-.400</td>
<td>.659</td>
</tr>
</tbody>
</table>

Based on the table above, it can be seen that the significance value of each independent variable in the regression equation was higher than 0.05. It can be concluded that the independent variable did not experience heteroscedasticity and met the prerequisites for the classical assumption test.

d. Autocorrelation Test

Table 5. Autocorrelation Test

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.026</td>
<td>.862</td>
<td>.293</td>
<td>139.67106</td>
<td>1.046</td>
</tr>
</tbody>
</table>

Based on the table above, the results of the autocorrelation test showed that the Durbin-Watson value was 1.145, while in the DW table for "k" = 4 (independent variable, excluding dependent variable) and N = 12, the dl value (lower class) = 0.5120 and du (upper class) = 2.1766, 4 - dl = 3.488 and 4 - du = 1.8234. By looking at the criteria in the Durbin-Watson guidelines, the following values were obtained: dl<dl<du = 0.5120<1.145<2.1766, which means no positive autocorrelation and no decision. Besides using the Durbin Watson test, an autocorrelation test also can be performed using the run test. Run test, as a part of non-parametric statistics, is used to examine whether there is a high correlation between residuals. If there is no correlation between residuals, then it can be stated that residuals are random (Ghozali, 2016:116).

Hypotheses of Run test were as follows:

Ho: Sig value > 0.05, random residual,
Ha: Sig value < 0.05, not random residual,
From the table above, it can be concluded that the value of Asymp. Sig. (2-tailed) was above the 5% confidence level. This means that the data used were scattered (random). It can be seen that there was an autocorrelation problem between independent variables, so the regression model was feasible to use.

(2.) Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>-1195.921</td>
<td>1805.579</td>
</tr>
<tr>
<td></td>
<td>1.60</td>
<td>.059</td>
</tr>
<tr>
<td></td>
<td>-99.379</td>
<td>304.231</td>
</tr>
<tr>
<td></td>
<td>-74.794</td>
<td>94.895</td>
</tr>
<tr>
<td></td>
<td>-5.933</td>
<td>8.972</td>
</tr>
</tbody>
</table>

Based on the table above, it can be found the regression equation as follows:

\[ Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 \]

Stock Price = -1195.921 + 0.160 of Tin Price – 99.379 of Interest Rate – 74.794 of NPM – 5.933 of DER

From the multiple linear regression equation above, it can be found that:

1. The constant-coefficient value was -1195.921. This means that if tin price, interest rate, NPM, and DER are constant, it will decrease the stock price of 1195.921
2. Tin Price had a regression coefficient of 0.160, which indicated that there was a positive correlation. Each increase in the tin commodity price by one unit will increase price stock by 0.160 units. If the tin commodity price decreases by one unit, the stock price will decrease by 0.160 units with the assumption that the coefficient value of other variables remains or does not change.

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3. The interest rate had a regression coefficient of -99.379, indicating that there was a negative correlation. Each increase of interest rate by one unit will decrease price stock by 99.379 units. If the interest rate decreases by one unit, the stock price will increase by 99.379 units with the assumption that the coefficient value of other variables remains or does not change.

4. NPM had a regression coefficient of -74.794, indicating that there was a positive correlation. Each increase of NPM by one unit will decrease price stock by 74.794 units. If NPM decreases by one unit, the stock price will increase by 74.794 units with the assumption that the coefficient value of other variables remains or does not change.

5. DER had a regression coefficient of -5.933, indicating that there was a negative correlation. Each increase of DER by one unit will decrease price stock by 5.933 units. If DER decreases by one unit, the stock price will increase by 5.933 units with the assumption that the coefficient value of other variables remains or does not change.

(3.) Hypotheses Testing

a. Coefficient of Determination ($R^2$)

Table 8. Coefficient of Determination ($R^2$)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.928*</td>
<td>.862</td>
<td>.783</td>
<td>139.57106</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), DER, NPM, Tin Price, Interest Rate

The coefficient of determination of 0.862 indicated that 86% of Stock Price (Y) could be explained by the Tin Price, Interest Rate, NPM, and DER. In other words, Tin Price, Interest Rate, NPM, and DER had an impact of 86% on Stock Price (Y). Meanwhile, the remaining 14% were other factors outside the Tin Price, Interest Rate, NPM, and DER.

b. Simultaneous Test (F)

Table 9. Simultaneous Test (F)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>652316.348</td>
<td>4</td>
<td>213079.087</td>
<td>10.938</td>
<td>.004*</td>
</tr>
<tr>
<td>Residual</td>
<td>13630.556</td>
<td>7</td>
<td>19480.081</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>665946.917</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Stock Price

b. Predictors: (Constant), DER, NPM, Tin Price, Interest Rate

From the results of analysis, it was obtained $f_{count} 10.938 > f_{table} 4.12$ with a significance level of $0.004 < 0.05$. Based on the results above, it can be concluded that the variables of Tin Price, Interest Rate, NPM, and DER simultaneously had a significant impact on the stock price variable.

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c. Partial Test (T)

Based on the results of SPSS 24 output, the partial impact of four independent variables of tin price, interest rate, NPM, and DER on stock price can be seen in Table 8 as follows:

T count value of tin price was 2.691, while the t table was 2.36462. Therefore, t count was 2.691 > t table 2.36462 with a significance of 0.031 < 0.05, which means that the Tin Price partially had a significant impact on the stock price.

T count value of the interest rate was 0.327, while the t table was 2.36462. Therefore, t count was 0.327 < t table 2.36462 with a significance of 0.753 > 0.05, which means that interest rate did not have a significant impact on stock price.

T count value of NPM was 0.788, while the t table was 2.36462. Therefore, t count was 0.788 < t table 2.36462 with a significance of 0.456 > 0.05, which means that NPM did not have a significant impact on stock price.

The t count value of DER was 0.661, while the t table was 2.36462. Therefore, t count was 0.661 < t table 2.36462 with a significance of 0.530 > 0.05, which means that NPM did not have a significant impact on stock price.

4.2. Discussion

1. The Impact of Tin Price on Stock Price

The results of the study showed that the variable of tin price had a positive and significant impact on the stock price. This result of the study is supported by a study by Anisa & Darmawan (2018), which stated that the tin commodity price impacts the stock price index of the mining sector in Indonesia. However, it is different from a study by Ildırar & Iscan (2015), which stated that commodity price does not impact the stock price. This is because Indonesia is the second-largest tin producer in the world after China. Indonesia itself produces 66,000 tons, while China produces 88,000 tons in 2020, so that investors assume that the increase and decrease of tin price will directly impact the stock price of PT Timah Tbk.

2. The Impact of Interest Rate on Stock Price

The results of the study showed that the variable of interest rate had a negative and not significant impact on the stock price. This result is in line with Tandelilin, (2010), which stated that the interest rate affects stock price in reverse or ceteris paribus. This means that if the interest rate increases, the stock price will decrease, and vice versa. The result of this study is also supported by the study by Purwanda & Yuniarti (2014) and Nordin et al., (2014). A high interest rate makes investors divert high-risk investment instruments, such as stocks, to low-risk investment instruments, such as bonds. As a result, the outflow of...
the stock market occurs so that the stock price will decrease. And vice versa, if interest rest is low, the fund will enter the stock market, which is considered more capable of providing a higher return than the interest rate.

3. The Impact of NPM on Stock Price

Based on the results of the study, it can be found that NPM had a negative and not significant impact on the stock price. This result is supported by the study by (Sambelay et al., 2017) and Manoppo et al., (2017), but different from the results by Hutami (2021) and Sukesti et al., (2020), which stated that NPM has a positive and significant impact on the stock price. The phenomena that occur show that the decrease of Net Profit Margin is not always followed by the decrease of stock price. This is caused by investors who do not pay much attention to how company strategy in reducing expenses and costs. Investors usually pay more attention to sales or net profit. The increase of sales that is not accompanied by the increase of net profit can reduce the percentage of NPM.

4. The Impact of DER on Stock Price

The results of the study showed that DER had a negative and not significant impact on the stock price. This result is similar to a study by Sulistyanie & Sumantri (2020), Ratih et al., (2013), and djunaidi (2016). This indicates that when DER decreases, the stock price will increase, and vice versa. High DER can increase risk because it charges the company performance due to the interest expense and can reduce company profit. Investors prefer low DER because the risk is also low, so that the demand for stocks increases and causes the increase of stock price.

5. Conclusion and Suggestion

5.1. Conclusion

Based on data analysis result and discussion that has been done, it could be concluded that the tin price has a positive and significant impact on the stock price of PT Timah Tbk. Interest rate, NPM, and DER have a negative and not significant impact on the stock price of PT Timah Tbk. Simultaneously, the tin price, interest rate, NPM, and DER significantly impact on stock prices of PT Timah Tbk.

5.2. Suggestion

If the investors want to invest in PT Timah Tbk, the investors need to pay attention to the macro-economic variable, which is the tin commodity price, because the tin commodity price has a positive and significant impact on the stock price of PT Timah Tbk. The company should pay attention to the world price of the tin commodity because this variable has a significant impact on the stock price of PT Timah Tbk. Further researchers are expected to add other macro or microeconomic variables or add samples, periods and use other analysis methods to generate a more accurate study.


BPS. (2020). www.bps.go.id


idx.co.id. (2020). www.idx.co.id


