

## The Analysis of Stock Price of Primary Consumer Goods Sector Companies on the Indonesia Stock Exchange

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### Abstract

*This study aims to analyze the effect of Liquidity, Activity, Profitability and Exchange Rate on Stock Prices of Companies in the Primary Consumer Goods Sector on the Indonesia Stock Exchange. The population in this study are primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. The sampling technique used is probability sampling with the slovin technique, obtained 53 companies and the research period is 5 years, in order to obtain 265 research data. The data analysis technique uses panel data regression analysis with Eviews 12 and a significance level of 5%. In the study, explaining the results, namely Liquidity with the Current Ratio (CR) proxy has no effect on stock prices, Activity with the Total Asset Turnover (TATO) proxy has no effect on stock prices, Profitability with Return on Equity (ROE) proxies has a positive effect on stock prices, Value exchange with proxies The middle rate has a negative effect on stock prices. Keywords: Stock Price; Liquidity; Activities; Profitability; Exchange rate*

**Keywords :** Stock Price; Liquidity; Activities; Profitability; Exchange rate

### 1. Introduction

The expansion of economic activity has resulted in tight competition in many kinds of business sectors. Companies use the capital market in terms of adding funds through investment. Investment here is aimed at making a profit. Of the various types of investments, one of which is currently in demand by the public is stock investment. Stock price fluctuations are one of the considerations in investing activities. The price of a stock on the exchange is created on the basis of the forces of supply and demand. Investors pay close attention to the determination of the company's share price because the stock price is a picture of the shift in investor interest in the stock. Stock prices can be influenced by various factors, namely financial performance shown through financial ratios (Sunaryo, 2021) . There are various types of financial ratios to analyze financial statements including profitability ratios, liquidity ratios, solvency ratios, activity ratios and market value ratios. Meanwhile, macroeconomic factors also influence stock prices, namely the exchange rate. In the capital market, there are various types of sectors that can be used as a stock investment destination. The Primary Consumer Goods sector can be the right choice for investors to invest because it is a well-developed sector in the world economy. The Primary Consumer Goods sector is a sector with good performance improvement and is also a sector of basic needs for the community. However, there was a decline in the stock price of the Primary Consumer Goods sector, which was written on annual statistical data on the Indonesia Stock Exchange . The chart of the stock prices of companies in the primary consumer goods sector is reflected in the following figure.



Source: idx.co.id

**Figure 1.** Share Prices of Companies in the Primary Consumer Goods Sector 2016-2020

From Figure 1 above, there was a decline in stock prices in 2016-2020 that occurred in the Primary Consumer Goods sector. In 2017 the share price fell to 23.11%, in 2018 it fell to -10.21%, in 2019 it fell the most at -20.11% and in 2020 it fell -10.74%. During 2017, there were the largest companies in the primary consumer goods sector which recorded a decline in net profit growth. This was due to weak sales and ultimately resulted in the financial performance of companies in the Primary Consumer Goods sector. This shows that the pressure on the purchasing power of the Indonesian people is not over yet.

The ratio that can be a factor in decreasing stock prices is liquidity. Liquidity is the company's capability to fulfill short-term financial obligations such as short-term debt (Hutabarat, 2020). High liquidity will be good in the eyes of investors. Companies that have high liquidity are favored by investors and can make stock prices rise due to the high demand for shares (Septiana, 2019). Likewise in the research conducted by (Levina & Dermawan, 2019), (Hutajulu et al., 2020) and (Sekartaji, 2021) which prove that liquidity has a significant positive effect on stock prices. However, the research conducted (Candra & Wardani, 2021), (Christine & Apriliana, 2021) and (Sadiyah et al., 2019) which proves that liquidity has no significant effect on stock prices.

Another factor that can affect stock prices is the activity ratio. This ratio is used to estimate the effectiveness of the company to use the company's assets. The high activity ratio will be viewed favorably by investors because the company can manage its assets (Irman & Purwati, 2020). An increase in the activity ratio is seen by investors as something good because it can have an effect on higher income. Similarly, research conducted by (Levina & Dermawan, 2019) and (Awwad & Salem, 2019) which proves that activity has a significant positive effect on stock prices. However, the research conducted by (Candra & Wardani, 2021) and (Sekartaji, 2021) proves that the activity ratio has no effect on stock prices.

The next factor that can affect stock prices is profitability, which is a ratio in looking at the company's capability in creating profits for a certain period (Septiana, 2019 p. 108). The high level of profit earned will be favored and trusted by investors in investing their shares in the company and it makes the company's share price rise (Idris, 2021). Similar to the research conducted by (Levina & Dermawan, 2019), (Candra & Wardani, 2021) and (Aulia et al., 2021) which prove that profitability has a significant positive effect on stock prices. But it is not the same in the research conducted by (Sadiyah et al., 2019) and (Zulkarnain et al., 2018) which proves that profitability has no effect on stock prices.

The company's macroeconomic factor that influences stock prices is the exchange rate. The exchange rate can be said to be a vital price for an open economy because it can have a large effect on the current account balance or other economic factors (Azis, 2015 p. 268). Fluctuating exchange rates can reduce the confidence of foreign investors in the economic sector and can have a negative impact on stock trading in the capital market. Similarly, research conducted by (Yuniarti & Litriani, 2017) and (Azizah et al, 2020) proves that the exchange rate affects stock prices. However, the research conducted by (Lintang et al., 2019) and (Nur'aeni & Manda, 2021) proves that the exchange rate has no effect on stock prices.

On the basis of the problems and previous research, it attracted the attention of the author to carry out a study entitled "Analysis of Stock Prices of Companies in the Primary Consumer Goods Sector on the Indonesia Stock Exchange". The purpose of this study is to analyze the effect of financial ratios, namely liquidity, activity and profitability, and macroeconomics, namely the exchange rate on stock prices. In addition, research is useful for additional knowledge, additional insight and information on the problem of falling stock prices that can be input for companies on the Indonesia Stock Exchange.

## **2. Literature review**

### **Signal Theory**

*Signaling theory* can be interpreted as a condition that occurs from the impact of the announcement of financial statements that have an effect on users of financial statements such as investors. This signaling theory is a signaling run by an *agent* to reduce the presence of information asymmetry (Sinurat & Rico, 2021). This theory explains companies that signal hopes and desires in the future to investors. Companies that have good performance and hope for high growth can give a signal to investors if the company is in good condition (Pratiwi, 2020). The management of the company who is given the task of managing the company will give a signal to investors. Information about the company's performance is in the form of a signal that will affect the company's image and cause stock prices to move.

## **Stock price**

Share price is a measure of the level of management in the company that is used by investors to make offers and requests for shares. The high price of a stock makes the company better at providing profits. If the stock price is low, it can harm the company and investors are less interested in the company's shares (Siregar, 2021) . However, if the stock price in the market increases, investors consider that the management has managed it well.

## **Hypothesis Development**

### **Liquidity and Stock Price**

The ratio that takes into account the company's performance to meet all of its obligations or short-term debt is called liquidity (Hantono, 2018) . Increasing the high liquidity ratio can be seen as good by investors. Companies that have a high liquidity ratio are favored and trusted by investors which can affect the increase in demand for the company's shares. When demand increases, share prices also increase and this share price can signal an increase in company performance (Septiana, 2019) . Therefore, it can be concluded that liquidity has an effect on stock prices. This supports research conducted by (Levina & Dermawan, 2019) , (Awwad & Salem, 2019) , (Hutajulu et al., 2020) and (Sunaryo, 2021) proving that liquidity has a significant effect on stock prices.

H1 : Liquidity affects the stock price of companies in the primary consumer goods sector on the Indonesia Stock Exchange

### **Activity and Stock Price**

This activity ratio looks at how effective management is in managing its business (Sunaryo, 2021) . The higher the turnover in assets, the higher the profit earned by the company . The increase in profits generated by the company can make investors interested in investing their funds in the company, it can have an impact on increasing the company's stock price (Adipalguna & Suarjaya, 2016) . This is in line with the opinions (Irman & Purwati, 2020) and (Banchuenvijit, 2016) which state that the higher the activity ratio, the better the company is in managing assets and using them to obtain superior performance. Therefore, it can be concluded that activity has an effect on stock prices. This supports research conducted by (Levina & Dermawan, 2019) , (Awwad & Salem, 2019) and (Purba et al., 2019) proving that activity has a significant effect on stock prices.

H2 : Activities affect the stock price of companies in the primary consumer goods sector on the Indonesia Stock Exchange

### **Profitability and Stock Price**

A company's capability in making a profit during a certain period with its capital or current assets can be called a profitability ratio. High and low company profits are important factors for companies and can be known through analysis of financial statements with profitability ratios. The higher the company's profit will be a good signal that can make investors interested in investing in the company. From an investor's perspective, the higher the rate of return on net assets, the shareholders get the opportunity to earn even greater profits (Aulia et al., 2021) . If the state of the company is prospective for future profits so that many investors will invest their funds to buy company shares, it will be a driving force for stock prices to rise higher (Octaviani & Komalasarai, 2017) . Therefore, it is concluded that profitability has an effect on stock prices. This is supported by research conducted by (Levina & Dermawan, 2019) , (Awwad & Salem, 2019) and (Wulandari Suarka & Wiagustini, 2019) which prove that profitability has a significant effect on stock prices.

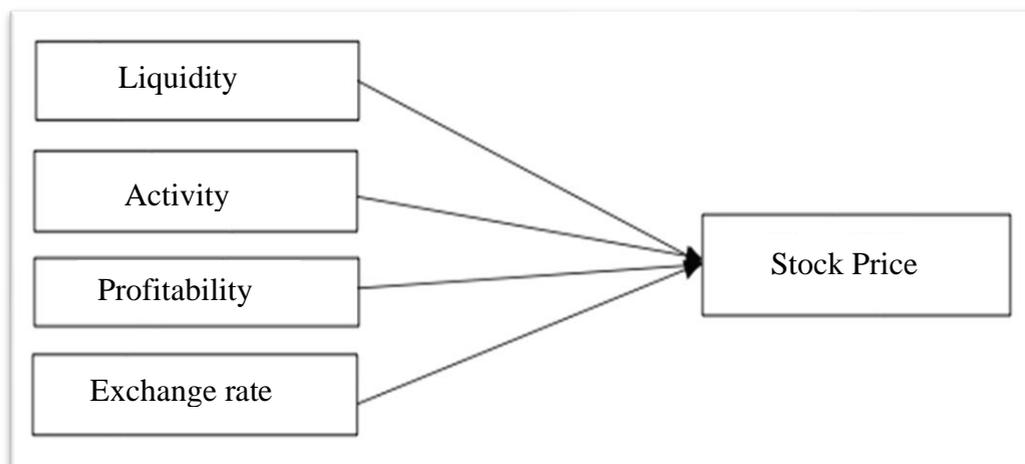
H3 : Profitability has an effect on the stock price of companies in the primary consumer goods sector on the Indonesia Stock Exchange

### **Exchange Rate and Stock Price**

The price of a foreign currency unit in the domestic currency or the price of one country's currency in another country's currency can be referred to as the exchange rate or *exchange rate* . (Falianty, 2019 p. 293) . Changes in exchange rates consist of two differentiators, namely depreciation and appreciation. A decrease in the price of the domestic currency in a foreign currency is called depreciation, if an increase in the price of the domestic currency in a foreign currency is called appreciation. For investors, if the country's exchange rate is in an appreciating condition, the company's stock price in that country can increase because it can reduce import costs and increase export costs, which can increase company profits. An increase in company profits will be a positive sign for investors to invest. If the demand for shares increases, the price will also increase (Sa'adah & Khuzaini, 2019) .

Similarly, the research conducted by (Yuniarti & Litriani, 2017) and (Azizah et al, 2020) proves that the exchange rate affects stock prices.

H4 : Exchange Rate has an effect on the Stock Price of Primary Consumer Goods Sector Companies on the Indonesia Stock Exchange



Source: Processed data (2022)

**Figure 2.** Thinking Framework

### 3. Method

#### Population and Sample

This research is a quantitative study that uses secondary data sources derived from data on the annual financial statements of companies listed on the Indonesia Stock Exchange in the 2016-2020 research period, monthly data on stock prices of companies in the primary consumer goods sector on the Indonesia Stock Exchange from the yahoo.finance.com site and Rupiah Exchange Rate data from the bi.go.id website. Collecting data in this study by literature study, namely collecting data related to the object of research and by documentation, namely providing documents with accurate evidence from recording sources of information related to research. The population in this study are all companies that have been registered in the primary consumer goods sector before the 2016-2020 research year. The research sample was determined using *probability sampling* with the following slovin technique.

$$n = \frac{N}{1 + N(e^2)}$$

Information:

- n : Sample Size
- N : Population Size
- E : Margin of error
- 1 : Constant

#### Variable Measurement

Stock price

In this study the dependent variable is the stock price (Y). The share price using the stock return formula is calculated using the monthly closing stock price (*Closing Price*) which is averaged and then calculated using the annual stock *return formula* with units measured using decimal units. Expressed by the following formula.

$$\text{Stock Return} = \frac{P_t - (P_{t-1})}{P_{t-1}}$$

Liquidity

In this study the independent variable is Liquidity (X1). Liquidity ratio with *Current Ratio proxy*. Liquidity is measured in decimal units. Expressed by the following formula.

$$\text{Current Ratio} = \frac{\text{Aktiva Lancar}}{\text{Utang Lancar}}$$

#### Activity

In this study the independent variable is Activity (X2). The ratio of activity with the proxy of *Total Assets Turnover Ratio* is to compare net sales with total assets. Activity is measured in decimal units. Expressed by the following formula.

$$\text{Total Assets Turnover} = \frac{\text{Penjualan Bersih}}{\text{Total Aktiva}}$$

#### Profitability

In this study the independent variable is Profitability (X3). Profitability ratio with *Return On Equity* proxy that is comparing the net profit after tax divided by equity. Profitability is measured in decimal units. Expressed by the following formula.

$$\text{Return On Equity} = \frac{\text{Earning After Interest and Tax}}{\text{Equity}}$$

#### Exchange rate

In this study, the independent variable used is the exchange rate (X4). The exchange rate uses Rupiah (Rp) and then uses the natural logarithm of the middle exchange rate which produces decimal units. Expressed by the following formula.

$$\text{Exchange rate} = \text{Ln (Middle Rate)}$$

### Data analysis technique

data analysis technique used in the research is panel data regression analysis using *Microsoft Excel 2019* and *eviews 12*. There are models in estimating research results, namely the *Common Effect Model (CEM)*, *Fixed Effect Model (FEM)* and *Random Effect Model (REM)*. Treated with several stages of testing to estimate the best model used in the study, namely the first test with the Chow test choosing between CEM and FEM. When the FEM results are accepted, the second test is continued with the Hausman test choosing between REM and FEM. In this test, when REM is received, it is necessary to proceed with the lagrange multiplier test by testing between CEM and REM.

## 4. Results And Discussion

### Descriptive statistics

Table 1 shows descriptive statistics of the variables used in the empirical model. The data consists of 53 companies with a research period of 5 years from 2016-2020. The total observation data obtained is 265 data.

Table 1. *Descriptive Statistical Analysis*

	STOCK RETURNS	CR	TATTOO	ROE	KT
mean	0.024811	2.092243	1.278542	0.087661	9.541200
median	-0.024400	1.495300	1.119300	0.094200	9.557000
Maximum	5.459500	10.25240	7.446100	1.446000	9.587000
Minimum	-0.535500	0.060100	0.059000	-1.352200	9.496000
Std. Dev.	0.430575	1.661987	0.963428	0.308035	0.035976
Observations	265	265	265	265	265

Source: *E-Views12* (Processed Data)

The average stock return of primary consumer goods companies in the 2016-2020 research year is 0.024811 or 2.48%. This means that if the *return* obtained by investors from funds invested in company shares in the Primary Consumer Goods sector, the average is 0.0248 or 2.48% . The difference in standard deviation which is higher than the average stock return indicates that there is a gap. The volatility of stock returns in companies in this sector is quite high, indicating that there has been a sharp change in stock returns. Judging from the CR of companies in this sector, they have an average CR of 2.092243 or 209%. This means that the CR of companies in this sector is still classified as good because it is still above the standard fair value of normal CR, which is 200%. With a standard deviation lower than the company's mean CR, it indicates a slight gap. In addition, judging from the TATO, this sector company has an average TATO of 1.278542 or 1.27 rounds, this means that the TATO in this company

is still quite good because it is still within the normal range of normal total asset turnover on sales, which is above 1-2 rounds. With a standard deviation lower than the mean TATO indicates that there is a slight gap.

Judging from the ROE of companies in this sector, they have an average ROE of 0.087661 or 8.76%, this means that the ROE of companies in this sector is quite good but still low because they are still below the normal ROE fair value standard of 15%. With a standard deviation higher than the average ROE indicates that there is a gap. The ROE volatility of companies in this sector is quite high, indicating that there has been a sharp change in ROE. When viewed from the middle *exchange rate* in 2016-2020. The natural logarithm of the highest middle rate is 9,587 in 2020 which indicates the occurrence of exchange rate depreciation in that year. Reporting from *Liputan6.com*, this happened due to the outbreak of the corona virus so that the rupiah depreciated 2.66%. And the natural logarithm of the lowest middle rate is 9,496 in 2016 which indicates an appreciation of the exchange rate in that year. Reporting from *money.kompas.com*, this occurred due to maintained macroeconomic conditions and the implementation of the tax amnesty program that went well so that the rupiah appreciated by 1.70% at the end of 2016.

## Panel Data Regression Analysis Results

### Research Model Testing

In choosing the best model in panel data regression, various tests were carried out, namely the Chow test and the Hausman test. The following is an explanation of the tests carried out in the research.

#### 1. Chow Test (Pooled Least Square vs Fixed Effect Model)

Table 2. Chow test

Effects Test	Statistics	df	Prob.
Cross-section F	1.519639271	(52,208)	0.0214
Cross-section Chi-square	85.334820	52	0.0024

Source: Eviews12 (Data processed)

The probability value of the Chi-Square Cross Section is  $0.0024 < 0.05$ .  $H_0$  is rejected while  $H_1$  is accepted. The best research model is the Fixed Effect Model.

#### 2. Hausman Test (Fixed Effect Model vs Random Effect Model)

Table 3. Hausman test

Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-section	20.5888842	4	0.0004

Source: Eviews12 (Data processed)

The probability value of Cross Section Random is  $0.0004 < 0.05$ .  $H_0$  is rejected and  $H_1$  is accepted. The best model of this research is the Fixed Effect Model.

## Panel Data Regression Model

### Partial Test (t Test)

Based on the results of the Chow test and Hausman test, the model chosen in this study is the *Fixed Effect Model*. The analysis of the influence of variables got the following results.

Table 4. *Fixed Effect Model*

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	15.58211	6.595478	2.362545	0.0191
CR	0.074749	0.039474	1.893645	0.0597

<https://ijbtob.org>

TATTOO	-0.054203	0.058419	-0.927840	0.3546
ROE	0.759893	0.180019	4.221190	0.0000
EXCHANGE RATE	-1.646649	0.692391	-2.378206	0.0183

Source: Eviews12 (Data processed)

Partially, the results of hypothesis testing explain that Liquidity and Activity have no effect on the company's stock price, while Profitability has a positive influence on the company's stock price and the exchange rate has a negative effect on the stock prices of companies in the primary goods and consumer sector on the Indonesia Stock Exchange in the 2016 research year. -2020. It can be seen in table 4, if Liquidity (CR) and Activity (TATO) have a significance value above 0.050 and are statistically supported, namely  $t$  count <  $t$  table, with  $t$  table of 1.969130 which means that there is no statistical effect. Then, in table 4 it can be seen that Profitability (ROE) and Exchange Rate (KT) have a significance value below 0.050 and are statistically supported, namely  $t$  count >  $t$  table which means that there is a statistical effect.

### Determinant Coefficient Test (Adjusted R<sup>2</sup> Test)

Table 5. Determinant Coefficient Test (Adjusted R<sup>2</sup>)

MSE root	0.346137	R-squared	0.351308
Mean dependent var	0.024811	Adjusted R-squared	0.176660
SD dependent var	0.430575	SE of regression	0.390696
Akaike info criterion	1.146222	Sum squared resid	31.74980
Schwarz criterion	1.916202	Likelihood logs	-94.87444
Hannan-Quinn Criter.	1.455588	F-statistics	2.011524
Durbin-Watson stat	2.647822	Prob(F-statistic)	0.000214

Source: E-Views 12 (Data processed)

The value of the determinant coefficient is Adjusted R-Squared 0.176660. The independent variables, namely Liquidity, Activity, Profitability and Exchange Rate, can show an influence of 17.66% on the dependent variable, namely Stock Price, 82.34% (100% - 17.66%) there is the influence of other variables that are not used in the research model.

## Discussion

### Effect of Liquidity (CR) on Stock Price

The results of the study can explain if Liquidity (CR) has no effect on stock prices. There is a difference from the theory, the research results can explain if the CR goes up and down, it doesn't always mean increasing and decreasing the company's stock price. Investors have their own perspective in making decisions. CR Throughout the research period, it shows that there is a decrease or increase that does not coincide with stock price movements, this occurs because the company's short-term liabilities and current assets fluctuate every year, so they are not in line with stock price movements. In this study, the average CR of the sector was in the good category, which was above 200%. If the company's CR is in a good condition, investors don't need to worry about CR movements again and if the capital invested in the company can be returned.

In addition, the CR that is too low is indeed noticed by investors. However, some investors in investing in stocks do not always pay attention to CR *This* is because a CR that is too high is not necessarily a sign of good conditions, it could indicate that a lot of funds in the company are idle or less productive due to the company's lack of activity in utilizing these current assets, which reduces the company's ability to generate profits. Based on this explanation, CR is not always considered by investors in investing their capital, meaning that the size of the CR has no effect on the company's stock price.

As many as 52.83% of primary consumer goods companies for the 2016-2020 period experienced an increase or decrease in the CR value and companies experienced a decrease or increase in stock *returns*, the movements were not the same. In line with the findings of other studies, namely Candra & Wardani, (2021), Sadiyah et al (2019), Octaviany et al (2021) and Astarini et al (2021).

### **Effect of Activity (TATO) on Stock Prices**

The results of the study can explain if the activity (TATO) has no effect on stock prices. There is a difference from the theory, the research results can explain that TATO is not always a consideration for investors in investing, which means that the size of the TATO has no effect on the company's stock price. If the tattoo goes up and down, it doesn't mean the company's stock price goes up and down. This could be because the TATO during the research year showed movements that did not always coincide with the movement of stock prices. Occurs because the value of the company's assets used to support sales is not always stable. If the company has a high or low TATO, it does not affect investors in investing in the company, because investors have their own perspective in making decisions, where investors review how potential the company runs a business to create profits that are not always from sales. Some investors do not always prioritize the amount of sales in the company but are very concerned about the net profit that the company gets.

In addition, the company's assets in obtaining sales do not always increase net income, but can be used to pay off the company's debts. In this study, the average TATO sector that is in good condition is 1-2 cycles. So investors don't have to worry about sales because assets can rotate well to get sales that can be profit-oriented.

A total of 47.16% of primary consumer goods companies for the 2016-2020 period experienced movement in the value of TATO and experienced movements in stock *returns*, the movements were not the same. In line with other research findings, namely Sekartaji (2021), Candra & Wardani, (2021), Somantri et al (2018), Kinata et al (2021), and Junaeni (2017).

### **Effect of Profitability (ROE) on Stock Price**

The results of the study can explain that profitability (ROE) has a positive effect on stock prices. Imansyah & Mustafa (2021) state that a high profitability ratio reflects that the company has a good future, thus making the demand for shares higher. When profitability grows well in the company, it shows better opportunities for the company in the future by investors. Based on *signaling theory*, high profit is a positive signal. This can make investors interested in investing in the company. An increase in interest and demand for shares can make the stock price increase.

This result is in line with signal theory, where high profit is a good signal that can attract investors to invest in shares in the company. When the ROE is good, it can be reviewed by investors to buy shares in the company and vice versa, the decline in ROE is a negative signal for investors. So, when the ROE of the Primary Consumer Goods sector company rises, the stock price also increases because the investor's perspective on the prospect of future profits attracts interest in buying it, it makes the demand for shares increase, the same when the ROE decreases, the stock price decreases because the demand for the company's shares decreases.

A total of 64.15% of primary consumer goods companies in 2016-2020 experienced a movement in the ROE value and experienced a movement in stock *returns*, the same movement. In line with other research findings, namely Levina & Dermawan (2019), Candra & Wardani (2021), Aulia et al (2021), Awwad & Salem (2019), and Suarka & Wiagustini (2019).

### **Effect of Exchange Rate (KT) on Stock Prices**

The results of the study explain that the exchange rate (KT) has a negative effect on stock prices. This means that if the rupiah exchange rate goes up, the price to get USD becomes more expensive, it is called depreciation of the rupiah exchange rate, then the stock price decreases and when the rupiah exchange rate decreases, it means the price to get USD becomes cheaper, this is called appreciation of the rupiah exchange rate, then the stock price goes up. Dwijayanti (2021) said that the dollar strengthened and the rupiah weakened, giving the perspective that investors will choose better when investing in dollars than investing in stocks, so investors make the decision to sell their stock investments. As a result of the high exchange rate of the rupiah or the weakening of the USD, the stock price also fell. So, when the exchange rate is low or strengthening, the company's shares are more popular (Lestari & Hasanuh, 2021).

This research is in line with the signal theory where the exchange rate is a consideration for investors in investing in stocks. Currently, most Indonesian companies still have sources of raw materials *imported* from abroad, especially the Primary Consumer Goods sector. When the rupiah weakens and the dollar strengthens, this situation results in an increase in the cost of *imported raw materials*. The increase in production costs is the cause of reduced company profits. This is a signal for investors that

the decline in the company's profit level can be seen as negative and has an impact on selling shares. From an investor's perspective, the weakening of the rupiah indicates that Indonesia's economic opportunities are not good. While the USD is strengthening, investors prefer to invest in dollars only, because if they continue to invest in the stock exchange, this situation can increase the risk for investors when the rupiah exchange rate weakens. In line with other research findings, namely Yuniarti & Litriani (2017), Saputra (2019), Kartikaningsih et al (2020), Lestari & Hasanuh (2021), and Dwijayanti (2021).

## 5. Conclusion

From the results of testing and discussion, it was found that Liquidity and Activity did not affect the movement of the company's stock price, so it can be concluded that liquidity and activity cannot always be a benchmark for investors in investing in shares and are not always a determinant of the ups and downs of the company's stock price. In addition, this study finds that profitability and exchange rates affect the company's stock price movements, so it can be concluded that profitability and exchange rates can be used as benchmarks for investors to invest in stocks where the rise and fall of stock prices is considered from the condition of the company's profitability and the state of the country's exchange rate.

It is hoped that this research can be a reference for further research to expand knowledge. The research is also expected to provide knowledge and information to investors regarding the company's stock price and can be used as material for investor review in making decisions before buying and selling company shares by looking at profitability and exchange rates. And research can be used as material for company monitoring to pay attention to factors that affect stock prices, namely profitability and exchange rates in issuing all company policies in order to improve company performance.

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