INTERNATIONAL STUDENTS' CONFERENCE ON ACCOUNTING & BUSINESS
FORKOMMSA
Magister Sains Akuntansi
Universitas Jenderal Soedirman

ANALYSIS OF MACROECONOMIC FACTORS ON STOCK PRICES IN INFRASTRUCTURE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2017 - 2022

Fazar Yudhistira[1], Mirza Hedismarlina Yuneline[2*]
[1]Sekolah Tinggi Ilmu Ekonomi (STIE) Ekuitas, fazaryudhistira@gmail.com
[2*]Sekolah Tinggi Ilmu Ekonomi (STIE) Ekuitas, mirza.yuneline@ekuitas.ac.id

Abstract

This study aims to determine the influence of Exchange Rate, Interest Rate, and Inflation on Stock Prices in Infrastructure Companies listed on the IDX for the period 2017 – 2022. The research methods used are descriptive and verification methods using documentation study, data collection techniques and library research. The data analysis technique used is descriptive statistical analysis test, classic assumption test, multiple linear analysis, coefficient correlation, coefficient of determination, T-test and F-test. The results of the study showed that partially Exchange Rates, Interest Rates and Inflation have no significant effect on Stock Prices. Simultaneously Exchange Rates, Interest Rates, and Inflation also have no significant effect on Stock Prices. Exchange rates, interest rates, and inflation affect stock prices by 23.4%, while the remaining 76.6% is thought to be influenced by other variables not included in the study.
Keywords: exchange rate, interest rate, inflation, stock prices.

INTRODUCTION

The effects of the Covid-19 pandemic have affected on declining of people purchasing power, the economy in the infrastructure, transportation and utilities sectors had experienced ups and downs (Melati & Suselo, 2022). This weakening is related to the pessimistic attitude of business and economic actors towards the Indonesian government's policies in dealing with Covid-19. The effect in the form of the impact of the Covid-19 pandemic is a decrease in development and infrastructure needs, so development and community demand for services also decreases.

Figure 1. Stock Prices in Infrastructure Sector period 2017 – 2022 (Source: investing.com)

Based on Figure 1, the infrastructure sector' stock prices have reached their highest prices in August 2017 with close priced of 1,230.07. However, after the Covid-19 pandemic, the infrastructure stock price experienced a significant decline in September 2020 with close priced of 781.92, this was due to the pandemic which continued to increase in Indonesia.

According to Bodie, et.al. (2014), the stock price index can be influenced by micro and macroeconomic factors. Micro factors are factors that come from internal companies such as announcements of financial statements, announcements of funding, announcements of the board of directors, and announcements of investments. While macro factors come from external companies such as inflation, interest rate policies, exchange rates, as well as social and political conditions.

In terms of exchange rate, the depreciation of the rupiah exchange rate was greatly influenced by the Covid-19 virus pandemic in Indonesia. Another factor that affected the weakening of the rupiah exchange rate was the actions of the investors and market participants to sell their assets, such as stocks, bonds and gold into dollar exchange rates. (Nilai et al., 2020) The Covid-19 crisis that hit the world has caused several countries to experience a financial crisis. For example, the economic crisis that occurred in the United States affected the movement of macroeconomic variables such as inflation, interest rates and exchange rates, including the condition of the capital market in a country. (Tjahjono, 2018)

The strengthening of the United States economy has led to speculation that the US Central Bank (The Fed) will soon raise interest rates (Fed Rate). High interest rates in the United States have stimulated a flow of funds into US dollar-denominated assets (other than stocks and bonds). In addition, fears that the global economy will continue to slow down have made world investors look for safe places for their investments. (Fadhilah, 2022).

When there is a depreciation where the price of foreign currency increases domestically or it is said that the value of the domestic currency decreases due to market mechanisms, what should happen is an increase in exports. Companies can increase debt as an alternative source of funds in an effort to increase export activities. The increase in debt will have an impact on tax savings for companies in accordance with the statement of the Trade-Off Theory.

The weakening of the rupiah against the US dollar is something stock investors should be wary of. For issuers whose revenues are in US dollars and are export-oriented, such as the commodity sector, the weakening of the rupiah will provide benefits. However, for issuers who have obligations in foreign currencies, especially US dollars, in large balance sheets, of course, they will bear a heavy burden.

There are several sectors that are sensitive to the weakening of the exchange rate, such as the pharmaceutical sector. This sector tends to rely on imported raw materials because these raw materials are not available domestically due to inadequate supporting industries. Then the infrastructure sector is also experiencing the same influence from raw materials, one of which is imported iron and steel due to a lack of domestic supplies. Therefore, several infrastructure companies must increase their capital if the rupiah weakens. The weakening of the rupiah will indeed have an impact on the company's financial performance. However, as an investor, it is very necessary to examine further the company's or issuer's strategy to mitigate the risks faced because of course each issuer will carry out the planning and risk management functions in order to continue to record solid performance.

Figure 2. Exchange Rate IDR - USD period 2017 – 2022 (Source: Bank Indonesia)

In addition, the crisis also had an impact on the rupiah exchange rate which moved fluctuating, indicating the dynamics of depreciation and appreciation of the rupiah against the US dollar. According to Salvatore (2019) states that the balance of the exchange rate is determined by the government and the country's supply of foreign currency. Demand for foreign exchange comes from the desire to import or buy goods and services from other countries and through inflows of foreign investment. If seen in 2017 the rupiah exchange rate against the USD is in the range of Rp. 13,220 up to IDR 13,698. However, at the start of the Covid-19 virus outbreak on March 2 2020, the rupiah exchange rate against the USD was at a price of Rp. 13,794/USD, since Covid-19 the rupiah exchange rate has continued to decline significantly. Until April 2, 2020, the rupiah exchange rate against the USD reached its highest rate of Rp. 16,824/USD. This very drastic weakening of the exchange rate had an impact on all sectors, including the capital market itself. This is because the USD is still the currency that dominates global trade payments (Salvatore, 2019). Therefore, the company's stock price and stock price index will react to changes in the exchange rate. (Pramartha, 2018)

Movements in inflation will also affect movements in the interest rate (BI rate). Interest rates are one of the monetary policy instruments that aim to influence the money supply, which in turn can suppress high inflation rates. In addition, interest rates are one of the factors that greatly influence the health of an economy. Interest rates can also be one of the guidelines for investors in making investment decisions in the capital market (Mardiyati & Rosalina, 2013). This not only affects consumers' desire to spend or save their money but also affects the business world in making decisions. Therefore, interest rates have a very broad influence, not only on the monetary sector, but also on the real sector, the employment sector, and even the international sector. (Stify, et al. 2021).

An increase in interest rates will affect lending rates. When credit interest rates increase, companies are usually reluctant to use debt to finance their operations. Companies will tend to use internal funding rather than using external funding sources. So, when interest rates increase, the proportion of debt will also decrease. Companies that tend to use internal funding rather than using external funding sources, this is in accordance with the statement of the Pecking-Order Theory.

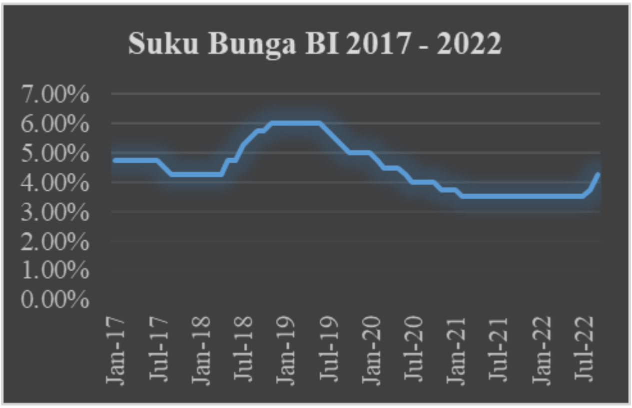

Figure 3. Interest Rate Period 2017 – 2022 (Source: Bank Indonesia)

When a country experiences high inflation, what happens is the cost of raw materials rises. Indirectly, the company's operational costs will also increase. With the increase in operational costs, the company requires large funds to finance its operational activities. One effort that can be done in order to obtain these funds is to use debt in its capital structure. With increasing debt, the company will experience tax savings, this is based on the Trade-off Theory.

The increase in interest rates did not affect infrastructure financing, this was due to the fact that most infrastructure financing in Indonesia was still based domestically. This condition is likely to affect prices, so it must be anticipated. Because the government also has to serve foreign investors to keep them feeling safe and comfortable, it is estimated that several new projects will falter as a result of economic conditions.

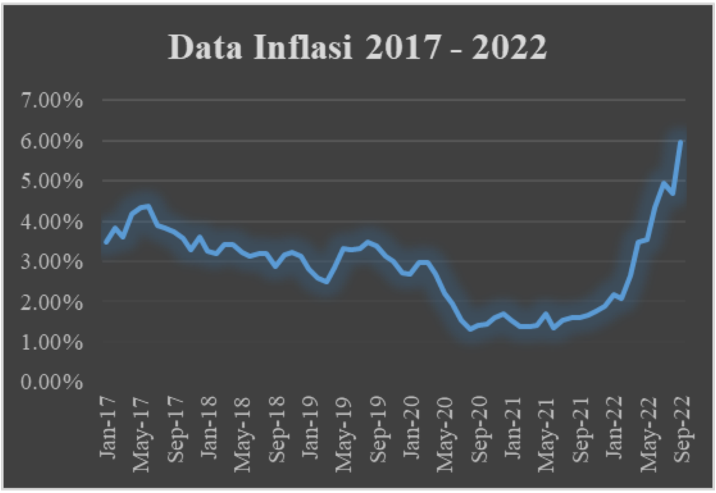

Figure 4. Inflation Data Period 2017 – 2022 (Source: BPS)

According to Tandelilin (2017: 343), an increase in inflation is a negative signal for investors in the stock market. High inflation rates can reflect unfavorable economic conditions, the impact of high inflation rates can result in a decrease in the purchasing power of money and can reduce investors' income from their investments. In addition, high inflation will reduce company profits so that it will affect the stock market. In other words, increased inflation will cause stock prices to fall.

The Covid-19 case that has shaken the world has caused global inflation which has made the performance of the consumer sector tend to be less enthusiastic due to production costs and purchasing power. In terms of purchasing power, inflation will suppress purchasing power, but will be dampened slightly by increased economic activity which will increase business turnover. Even though the consumer sector is less enthusiastic, on the other hand, the public's need for internet data makes the telecommunications sector predicted to thrive.

Meanwhile, telecommunications infrastructure companies in the short term will face challenges from a reduction in telecommunications operators due to consolidation. It is also considered that infrastructure development, which was delayed due to the pandemic, will make construction stocks more attractive in the future. Moreover, the government continues to encourage the infrastructure sector to heat up again after the pandemic has subsided.

With infrastructure development it is predicted that there will be a large trickledown effect on the overall economy, through job creation, investment, and smooth production and distribution of goods and services, and in the end will increase economic growth and equity in people's welfare. The inflation rate is increasingly unstable despite strict policies and efforts made by the government to control and fine-tune its value to a satisfactory single-digit stationary number. Factors such as income, high nominal wages, fluctuations in income and debt payments can largely influence inflation in the economy. This is like the characteristics of the economy in the country of Ghana, because the inflation rate is not constant (Kwofie & Ansah, 2018).

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A fluctuating capital market is the impact of a country's economic conditions. Fluctuations that occur in the capital market can be seen by observing the stock prices in that market. Stock prices fluctuate every day and observers believe that these stock price fluctuations are heavily influenced by various factors outside the stock market (Sirucek, 2012). Nofiatin (2013: 216) suggests that macroeconomic factors have a dominant contribution to stock price fluctuations.

The exchange rate is the amount of local money needed to buy one unit of foreign currency. Putong (2015: 366) states that foreign exchange is a foreign currency or other means of payment used to conduct or finance international economic-financial transactions and which has an official exchange rate record at the central bank. (Nilai et al., 2020) states that exchange rates have an influence on stock prices in the infrastructure sector listed on the IDX. These results show similarities with several studies conducted in developed countries. Meanwhile, according to (Mardiyati & Rosalina, 2013) The results of this study indicate that partially the exchange rate has a negative and significant effect on stock prices.

H1: Exchange rate has significant negative effect on stock prices

The level of profit or value given to the owner of the funds for the use of investment funds from the owner of the funds is based on the calculation of the economic value over an agreed period of time called the interest rate. The interest rate according to Reilly (2019: 422) is the price of borrowed funds. The increase in interest rates was followed by an increase in deposit rates. Deposit interest rates tend to have a negative effect on stock prices, so that the higher the deposit interest rate, the lower the stock price tends to be, which results in a decrease in the company's stock price.

Inflation is the percentage annual increase in the general price level measured by the consumer price index. An increase in the price of one or two goods cannot be called inflation unless the increase causes an increase in other goods. If the inflation rate is high, it can cause the level of real income that investors get from investment to decrease. With inflation, the price of goods will increase, so that people's purchasing power will decrease. This will reduce the interest of investors to invest and there will be a decline in the company's stock price. As a result, the stock price will decrease. (Adyuta, 2013).

Meanwhile, in terms of interest rates and inflation, Mardiyati & Rosalina (2013) stated that it had a positive but not significant effect on the stock price index. Based on the simultaneous test of the exchange rate, interest rates and inflation have a significant effect on the stock price index.

Meanwhile, according to (Pramartha, 2018) the inflation rate has an influence on the stock price index, the interest rate has a positive effect on the stock price index, and the exchange rate against the dollar has a negative effect on the stock price index. And according to (Sonia & Amaroh, 2019) partially stated inflation has a significant positive effect on stock prices, interest rates have a negative effect on stock prices, and the exchange rate does not affect the stock price of telecommunications companies.

H2: Interest rate has significant negative effect on stock prices H3:
Inflation has significant positive effect on stock prices
H4: Exchange rate, interest rate, and inflation have significant effect on stock prices

RESEARCH METHOD

The research object that will be examined in this study is stock prices using macroeconomic variables which include interest rates, exchange rates and inflation. The method used in this study is a descriptive and verification method with a quantitative
approach.

The population used in this study is all companies in the infrastructure sector which are listed on the Indonesia Stock Exchange (IDX) consist of 57 companies. The research period starts from 2017 – 2022 with a sample of 9 companies. The types of sampling techniques used in this study are Homogeneous purposive sampling where a homogeneous sample is a sample chosen because it has the same characteristics in the population. In determining the sample of companies that are included some criteria such as companies listed in the infrastructure sector which are included in the main board, infrastructure companies that have more than 5 billion outstanding shares, and infrastructure companies that have been listed on the Stock Exchange for more than 15 years.

For data collection techniques using data documentation studies and literature studies. Documentation study, which means recording data related to the problem under study. In this study, data collection was taken from official sites such as IDX, Bank Indonesia, and the Central Bureau of Statistics for the period 2017 – 2022. Meanwhile, literature studies, namely data collection, were carried out by reading and studying literature in the form of books, previous research, journals, and other relevant and reliable supporting data for this research.

The variable measurement used for the exchange rate is the exchange rate of the rupiah against US Dollar in the period 2017 – 2022 with a scale using a ratio. Interest rates are measured by BI Rate in the period 2017 – 2022 using a ratio scale. Inflation is measured by the inflation rate in Indonesia in the period 2017 – 2022 using a ratio scale. And finally, the stock price is measured by the closing price using a ratio scale.

And the last is data analysis techniques. The data analysis technique used is the classical assumption test which consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test; multiple linear regression analysis; correlation coefficient analysis (R); coefficient of determination analysis (R^2); and Significance test which consist of partial test t and simultaneous test f.

RESULTS AND DISCUSSION RESULTS

The variables in this study include the independent variables Exchange Rate (X_1), Interest Rates (X_2), and Inflation (X_3) as well as the dependent variable Stock Price (Y). This research was conducted on Infrastructure companies listed on the Indonesia Stock Exchange (IDX) for the period 2017-2022. Before discussing the effect of Exchange Rates, Interest Rates and Inflation on Share Prices in Infrastructure companies listed on the Indonesia Stock Exchange, it will showed the development of Exchange Rates, Interest Rates and Inflation as well as stock prices that have been processed.

Table 1. Exchange Rates, Interest Rates, Inflation, and Stock Prices

Year	Exchange Rates (Rp.)	Interest Rates (%)	Inflation (%)	Stock Prices (Rp.)
2017	13,548	4.65	3.81	1,120
2018	14,481	5.06	3.20	1,105
2019	13,901	5.63	3.03	1,141
2020	14,105	4.25	2.04	987
2021	14,383	3.52	1.56	902
2022	14,777	3.61	3.76	970

Source: www.bi.go.id, www.bps.go.id, www.idx.co.id (data processed, 2023)

The classic assumption test consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. Normality test is conducted by using One- sample Kolmogorov-Smirnov test. It was obtained that the Asymptotic Significance value of 0.200 which was greater than 5%. It is indicated the residual/error distribution regression is normally accepted, thus the regression equation obtained fulfills the assumptions and can be used to draw conclusions.

The multicollinearity test was conducted based on tolerance and variance inflation factor (VIF) value. It was obtained that the tolerance values of each variables were 0.725; 0.658;

0.892 which were higher than 10% and VIF values of each variables were 1.380; 1.520; 1.120 which were lower than 10. The values indicate that there is no multicollinearity between the independent variables in the regression model.

The autocorrelation test was conducted by Durbin-Watson test (DW test). The DW value was obtained as 1.899. The value obtained is between the following criteria dU < DW < 4-dU as followed 1.680 < 1.899 < 2.320 which is indicated that the linear regression model does not have autocorrelation.

The heteroscedasticity test was conducted by scatterplot graph where the points spread above and below the zero line and do not converge in one place, that indicated it does not have heteroscedasticity problems.

Multiple linear regression analysis in this study was used to determine the effect of three independent variables, such as Exchange Rates (X_1), Interest Rates (X_2), Inflation (X_3) on Stock Prices (Y) of infrastructure companies listed in IDX period 2017 – 2022. The results of the regression equation that has been processed with SPSS are as follows:

Table 2 Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	95.288	122.792		0.776	0.441
	X1_Exchange Rate	-0.004	0.008	-0.089	-0.541	0.591
	X2_Interest Rate	0.266	4.418	0.010	0.060	0.952
	X3_Inflation	2.496	3.416	0.108	0.731	0.468

[a]Dependent Variable: Stock Price

Source: Data processed (2023)

Based on the table above, the regression formula can be obtained as follows: Y = 95.288 – 0.004 X_1 + 0,266 X_2 + 2.496 X_3

The interpretation of the regression formula stated as follows:

1. Constant value (B_0) of 95.288 means that if the independent variables, such as Exchange Rates, Interest Rates, and Inflation are all zero (0), then the dependent variable which is Stock Price as amount as Rp. 95,288.
2. The Exchange Rate has negative direction which means that if the Exchange Rate increases assuming the other variables are constant, it will be followed by decrease in the stock price of 0.004.

3. The Interest Rate has positive direction, which means that if the Interest Rate increases assuming the other variables are constant, it will be followed by increase in the Stock Price of 0.266.
4. The inflation has positive direction, which means that if inflation rises assuming the other variables are constant, then the stock price will increase by 2.496.

Analysis of the correlation coefficient as follows:

Table 3. Correlation Coefficient Analysis Model

Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.153[a]	0.234	-0.352	19.86315

[a]Predictors: (Constant), X3_Inflation, X1_Exchange Rate, X2_Interest Rate
[b]Dependent Variable: Stock Price
Source: Data processed (2023)

The table above shows that the correlation coefficient (R) is 0.153 which stated that there is a very low relationship between Inflation, Exchange Rates, and Interest Rates as independent variables on Stock Prices as the dependent variable (Sugiyono, 2016: 287). The *R Square* value is 0.234, which means that 23.4% of the dependent variable Stock Price can be explained by the three independent variables, such as Exchange Rates, Interest Rates and Inflation. While the remaining 76.6% is influenced by other factors outside of this study.

The results of hypothesis testing are divided into partial test (t-test) and simultaneous test (F test). The result of Partial test f can be seen in the table 2 above. Within the value of T_{table} as amount of 2.008, it indicated as follow:

1. Exchange Rate (X_1) had value T_{count} of -0.541 and T_{table} of 2.008 with significance value is 0.591 which is higher than 5%. It indicated that the Exchange Rate has no significant effect on the Stock Price.
2. Interest Rate (X_2) had value T_{count} of 0.060 and T_{table} of 2.008 with significance value is 0.952 which is higher than 5%. It indicated that interest rates have no significant effect on stock prices.
3. Inflation (X_3) had value T_{count} of 0.731 and T_{table} of 2.008 with significance value is 0.468 which is higher than 5%. It Indicated that inflation has no significant effect on stock prices. Thus, the Simultaneous test (F-test) result can be seen as follows:

Table 4. Simultaneous Test (F-test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	472.958	3	157.653	0.400	0.754[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
Residual	19727.230	50	394.545		
Total	20200.188	53			

[a]Dependent Variable: Stock Price

[b]Predictors: (Constant), X3_Inflation, X1_Exchange Rate, X2_Interest Rate Source: Data processed (2023)

In the table 4 above resulted that F_{count} of 0.400 and T_{table} of 2.790 with significance value is 0.754 which is higher than 5%. It indicated that the Exchange Rate, interest rate, and inflation has no significant effect on the Stock Price.

Discussions

From the result of this study, it is shown that the Exchange Rate has no significant effect on the Stock Price of Infrastructure companies. This is due to the weakening of the Exchange Rate in 2020, 2021 and 2022 which resulted in the stock prices of infrastructure companies falling but not significantly. This is because the value of the rupiah, which has weakened, has actually attracted investors to invest in Indonesia because the price has fallen. Therefore, based on the analysis that has been done, the exchange rate has no significant effect on stock prices.

In addition, the exchange rate for the 2017-2022 period saw a decline in the rupiah against the USD, this had an impact on the price of infrastructure shares which could be seen experiencing a decline in share prices. However, the share price experienced an insignificant decrease. Based on the traditional approach with the flow oriental foundation model, changes in exchange rates have an impact on stock prices as a result of the effect of changes in exchange rates on company profits. In the portfolio approach or portfolio balance, it is stated that the stock market has an influence on exchange rates. The relationship between the exchange rate and the company's stock price focuses more on exposure to exchange rate risk on the company's stock price.

From the results of the analysis tests that have been carried out, the exchange rate does not have a significant effect on stock prices. This shows that when the exchange rate was depreciated by the USD or another country's currency during the period of this study, this resulted in a decrease in the share price of infrastructure companies. Fluctuations in the exchange rate greatly affect incoming investment in Indonesia. This action on investors will affect demand and supply activities in the capital market and will indirectly affect stock prices. This has to do with the exchange rate as one of the macroeconomic factors related to company liquidity, because if the exchange rate weakens and the value of foreign currency increases it will result in companies with foreign debt having to provide more funds for debt repayment in the form of foreign currency. This is what causes a decrease in the demand for stock prices in companies that result in a decrease in stock prices.

These results are consistent with research conducted by Mardiyati & Rosalina (2013) which states that exchange rates partially have a negative effect on stock prices which are supported by research by Pramartha (2018) and Sonia & Amaroh (2019). However, it is contrary to the research of Nilai, et al (2020) which states that exchange rates affect stock prices, which is supported by research by Octavina & Setiawina (2022) and Nofiatin (2013).

In terms of interest rates, it can be obtained that interest rates have no significant effect on the stock price of infrastructure companies. This indicates that the increase in interest rates imposed by Bank Indonesia has no significant impact on investors investing in companies. Infrastructure. However, when interest rates decrease, the opposite happens. The lower the interest rate, the higher the demand for investment. Because according to investors and economists with lower interest rates, consumers will spend more of their money. This can be used for them to finance operating costs, acquisitions and expansion at a lower rate, thus increasing their potential future income which will ultimately cause the price of investment assets, especially stocks, to increase.

This is consistent with research conducted by Octavina & Setiawina (2022) which states that interest rates have a negative impact on stock prices. These results are the same as those studied by Mardiyati & Rosalina (2013) and Sonia & Amaroh (2019). However, this research is in contrast to Pramartha's research (2018) which states that interest rates have a positive influence on stock prices, which is supported by research by Nofiatin (2013) and Andriyani & Armereo (2016).

During the research period, the results of the tests that have been carried out in the t-test can state that inflation has no significant effect on stock prices in infrastructure companies. This is because inflation that has occurred in the last 5 to 6 years has tended to be stable in the range of 1.5% to below 4%. Which means that the impact of inflation on the stock prices of infrastructure companies also has no significant effect. In an unstable economy and high inflation rates will affect the country's economic activities and end up indirectly impacting capital market activities. In addition, if inflation rises too high, Bank Indonesia tends to raise interest rates to reduce the inflation rate that occurs. Then the impact on the company, then the company will have an increased burden, especially if the company has high debt to the bank. This will have an impact on company profits and will reduce the company's stock price itself. As an investor, things like this must be a concern so that you can anticipate these conditions when making an investment.

The results of this study are in accordance with research conducted by Nofiatin (2013) which states that inflation has no positive and insignificant effect on stock prices. This research is also supported by the research of Andriyani & Armereo (2016) and Octavina & Setiwina (2022). However, it is in contrast to the research by Pramatha (2018) and Sonia & Amaroh (2019) which state that inflation has an influence on stock prices, which is supported by research by Mardiyati & Rosalina (2013).

The simultaneous effect of exchange rates, interest rates and inflation on share prices of infrastructure companies listed on the Indonesia Stock Exchange for the period 2017 – 2022 showed that simultaneously Exchange Rates, Interest Rates, and Inflation have no effect on stock Prices in infrastructure companies listed on the Indonesia Stock Exchange for the period 2017 – 2022.

The correlation coefficient value showed that the variables of Exchange Rate, Interest Rate and Inflation on Stock Prices have a very low relationship. While the coefficient determination value showed that only 23.4% of stock prices are influenced by exchange rates, interest rates and inflation. And the remaining 76.6% is influenced by other factors outside the research.

The results of this study indicate that exchange rates, interest rates and inflation have no significant effect on stock prices. These variables are macroeconomic factors that are included in fundamental analysis which can be used as measuring tools in making investment decisions. However, investors can add macroeconomic variables such as GDP, private investment, balance of trade and payments as well as other fundamental factors such as industry and company factors to determine the investment strategy to be applied. This will directly or indirectly reduce the risks and uncertainties that will be faced by investors in stock trading or when investing.

The results of this study are in contrast to the research of Mardiyati & Rosalina (2013) which states that based on simultaneous tests of exchange rates, interest rates and inflation have a significant effect on stock prices.

CONCLUSION

Partially exchange rates do not have a significant effect on stock prices. This suggests that exchange rates that experience insignificant fluctuations result in a lack of significant influence on infrastructure company stock prices. The exchange rate depreciated by USD or other countries' currencies during the period of this study, this resulted in a decrease in the share price of infrastructure companies. Fluctuations in the exchange rate greatly affect incoming investment in Indonesia. This action on investors will affect demand and supply activities in the capital market and will indirectly affect stock prices. This has to do with the exchange rate as one of the macroeconomic factors related to company liquidity, because if the exchange rate weakens and the value of foreign currency increases it will result in companies with foreign debt having to provide more funds for debt repayment in the form of foreign currency. This is what causes a decrease in the demand for stock prices in companies that result in a decrease in stock prices. Therefore, in this study, the exchange rate has less significant effect on stock prices.

Partially interest rates do not have a significant effect on the share price of infrastructure companies. This is because the interest rate imposed by Bank Indonesia does not have a significant impact on investors investing in infrastructure companies. In addition, the positive impact of monetary policy consistency is to maintain price stability. Building investment has also continued to grow well in line with the development of national strategic infrastructure projects. Interest rates which tend to fall but not significantly from 2019 – 2022 set by Bank Indonesia during the research period have little effect on the share prices of infrastructure companies. This may be due to the knowledge of the general public that interest rates are only known in the context of the banking industry, namely when opening deposits or applying for loans. When interest rates are high, people tend not to borrow from banks. Though interest rates can affect the economy as a whole. So, investors who invest their funds in infrastructure companies are not too affected by the interest rate that occurs because in his estimation changes in interest rates will only have an impact on financial sector companies.

And finally, inflation partially has no significant effect on stock prices. The inflation rate may or may not affect stock prices, depending on the inflation rate at the time of the study.

This states that inflation that occurred in Indonesia in the last 5-6 years was recorded to be quite stable and low with inflation rates ranging from 1.5% to less than 4%. Low inflation does not have a significant effect on stock prices, because if inflation is stable and low, companies, especially infrastructure companies, will improve because of the smooth distribution of raw materials or the distribution of goods needed for smooth and successful development. Because if high inflation and unstable economic conditions can affect the country's economic activities, it will indirectly have an impact on capital market activities. As an investor, things like this should be a concern in order to be able to anticipate these conditions when making an investment.

The results of this study show that the exchange rate, interest rate, and inflation simultaneously do not have a significant effect on stock prices. Because these three variables have a very low relationship. Besides that, it indicated that only 23.4% of the stock price is affected by the three independent variables. And the remaining 76.6% is influenced by other factors outside the research. Because these three factors have an insignificant effect, the share price of infrastructure companies can be classified as good and stable even though there is no significant decrease.

REFERENCE

Adyuta, D. P. (2011).VAR Analysis on Changes in the rupiah exchange rate, BI interest rates, inflation, and the Composite Stock Price Index yield for the 2002-2010 period. *Bina Nusantara University Faculty of Economics and Business Postgraduate Program*.

Andriyani, I., & Armereo, C. (2016). Pengaruh suku bunga, inflasi, nilai buku terhadap harga saham perusahaan indeks LQ45 yang terdaftar di Bursa Efek Indonesia (BEI). *Orasi Bisnis: Jurnal Ilmiah Administrasi Niaga*, Vol. 15, No. 1.

Bodie, Z., Kane, A., & Marcus, A. (2014). *EBOOK: Investments-Global edition*. McGraw Hill. Fadhilah, J. N. (2022). Faktor-Faktor yang Menyebabkan Melemahnya Nilai Tukar Mata Uang Rupiah Terhadap Nilai Tukar Mata Uang Asing. *AT-TAWASSUTH: Jurnal Ekonomi Islam*, Vol. *7,* No. 1. https://doi.org/10.30829/ajei.v7i1.10702

https://www.bps.go.id/Industri.

https://www.bps.go.id/industri,

https://www.bi.go.id/id/fungsi-utama/moneter/default.aspx,

https://www.ojk.go.id/id/kanal/perbankan/pages/Bank-Umum.aspx,

https://gopublic.idx.co.id,

Kwofie, C., & Ansah, R. K. (2018). A Study of the Effect of Inflation and Exchange Rate on Stock Market Returns in Ghana. *International Journal of Mathematics and Mathematical Sciences*, Vol. 3, No. 2. https://doi.org/10.1155/2018/7016792

Melati, Y. P., & Suselo, D. (2022). Faktor-Faktor yang Mempengaruhi Harga Saham Pada Perusahaan Sub Sektor Infrastruktur, Utilitas dan Transportasi. Jurnal Dinamika ekonomi dan Bisnis, Vol. 19, No.1 , 27-40. https://doi.org/10.34001/jdeb.v19i1.3124

Nofiatin, I. (2013). Hubungan Inflasi, Suku Bunga, Produk Domestik Bruto, Nilai Tukar, Jumlah Uang Beredar, dan Indeks Harga Saham Gabungan (IHSG) Periode 2005–2011. *Jurnal Aplikasi Manajemen*, Vol. *II,* No. 66, 215–222.

Octavina, L. N., & Setiawina, N. D. (2022). Analisis Pengaruh Inflasi, Kurs, dan SBI terhadap Indeks Harga Saham Sektor Infrastruktur di Bursa Efek Indonesia. *E-Jurnal EP Unud*, Vol.

11, No. (3), 1073–1109.

Pramartha, P. (2018). Pengaruh Variabel Makroekonomi Dan Indeks Saham Dow Jones Terhadap Indeks Harga Saham Sektoral Di Bei. *Jurnal Ilmiah*, Vol. 5, No. 12.

Putong, I. (2015). *Pengantar Ekonomi Mikro dan Makro* (2nd ed.). Jakarta: Ghalia Indonesia. Reilly, F. K. (2019). *Investment Analysis and Portfolio Management* (8th ed.). Boston: Cengage. Salvatore, D. (2019). *International economics*. John Wiley & Sons.

Sirucek, M. (2012). Munich Personal RePEc Archive Macroeconomic variables and stock market : US review Macroeconomic variables and stock market : US review. *International Journal of Computer Science and Management Studies*, *39094*. Vol. 2, No. (7), 12-16.

Sonia, G., & Amaroh, R. (2019). *Perusahaan Telekomunikasi Yang Terdaftar Di Bursa Efek*. Vol.*1,* No. (2), 1–19.

Stify, Oktavia, M., Saphira, V., & Sinaga, A. N. (2021). Pengaruh Inflasi, Kebijakan Dividen, Profitabilitas dan Ukuran Perusahaan terhadap Harga Saham pada Perusahaan Infrastruktur, Utility dan Transportasi yang Terdaftar di Bursa Efek Indonesia. *Costing*, Vol. *5,* No. (1), 634–659.

Sugiyono. (2016). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. (2nd ed) Sukabumi: Penerbit Alfabeta.

Tandelilin, E. (2017). *Pasar Modal : Manajemen Portofolio dan Investasi* (G. Sudibyo (ed.); 18th ed.). Yogyakarta: PT Kanisius.

Tjahjono, J. I. (2018). Pengaruh Variabel Makroekonomi Terhadap Volatilitas Indeks Harga Saham Sektoral.