

The Influence of Macroeconomic Factors on the Effectiveness of Manufacturing Company Share Prices in Indonesia: A Case Study at PT Mustika Ratu Tbk.

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Abstract

Beauty industry sector in Indonesia can be used as a profitable investment location for both local and foreign investors. The Investment growth levels in a country can be influenced by the level of economic growth in the country concerned. The capital market is an activity that occurs in the economic market which is used for various financial instruments that have long term terms with a time span of more than 1 year. A share is a sign of participation in capital that has been invested by a person or business entity in the company concerned. Inflation itself can be said to be a situation when the price of an item is experiencing increase that occurs continuously and also occurs globally. In general, the rupiah exchange rate is a value or can also be called the price level of a country's currency which can be measured and expressed in another country's currency. The interest rate is an interest rate that has been determined and then issued by Bank Indonesia (BI) for the issuance of securities or certificates that will also be issued by Bank Indonesia. The research being carried out also has a goal, namely to be able to analyze the independent variables, namely inflation, the rupiah exchange rate and interest rates which can influence the dependent variable, namely the share price of the company PT Mustika Ratu Tbk. The method that can be used is Ordinary Least Squares (OLS). Data processing results show that this inflation rate variable can influence, but not significantly, the level of share prices in PT Mustika Ratu Tbk. The rupiah exchange rate has a significant effect influence on the share price of PT Mustika Ratu Tbk. The interest rate variable has no influence on the share price of PT Mustika Ratu Tbk.

Keywords: *Beauty Industry, Economic Growth, Capital Markets, Inflation, Exchange Rates, Interest Rates and Stock Prices.*



A. INTRODUCTION

In general, the development of investment that is taking place in a country can be influenced by the economic growth that is taking place in that country. If economic growth is developing better, it can be ensured that the level of welfare of the people in that country will be better.

The industrial sector in Indonesia, especially those operating in the beauty sector, can currently be used as a destination for investment which is expected to result in profits that will be obtained by investors, both local and foreign, this can be caused by the sector The beauty industry in Indonesia itself continues to grow and develop every year and the development of the beauty sector in Indonesia itself is also influenced by macroeconomic factors that occur in Indonesia. These macroeconomic

factors that can influence the performance and level of shares in a company include: inflation, the rupiah exchange rate and also interest rates.

In making decisions to invest, information is an important element for economic actors and investors, this is because information is basically a tool for making decisions for all investors. Whether share prices increase or not and their constants is a signal that investors need, both positive and negative in the stock market. Stocks themselves It definitely has its advantages and risks, but has a positive relationship, where when the stock return rate is low, the risk level will also be low and this applies vice versa. To be able to estimate the rate of return on a stock very easily, investors can using one of the estimation models, one of which is CAPM (Capital Asset Pricing Model) where this estimation model can be used to estimate stock returns.

According to (Aprialinita et al., 2019) CAPM (Capitak Asset Pricing Model) is a model that has a relationship between risk and return on a portfolio and also on securities. CAPM can also be interpreted as a model of balance in the market, equilibrium, and also assets that have a risk in a portfolio in the capital market, this is because all investors will hold the portfolio that has been issued. From the use of CAMP, it is hoped that it can provides ideas about the relationship between risk and the expected return on assets, and can be used to determine the price range of an asset and can also be used as a basis for determining the group of shares that can be selected as place to invest.

The development of investment levels in a country can be influenced by the level of economic growth in the country concerned. When economic growth in a country gets better and more developed, the level of welfare of its people will also increase. When people's income is high, people will automatically have more funds. The excess funds owned by the community can be used to invest in the form of savings or in the form of shares (Marongrong, Ridwan & Nugrhoho, 2017).

The industrial sector in Indonesia itself is still a place for investment which is predicted to be profitable for investors, both foreign investors and local investors. This is because the industrial sector in Indonesia will continue to grow every year and the level of investment in an industrial sector. This can also be influenced by several macroeconomic factors. Some of these Macroeconomic factors also influence levels performance of a company or industrial sector, including inflation, the rupiah exchange rate, and also interest rates (Marongrong, Ridwan & Nugrhoho, 2017).

An increase in the rate of inflation which is quite high will generally be accompanied or balanced by rising interest rates which is used to reduce the supply of excess money. There is a tendency that can increase the price of goods or services which generally will continue in a sustainable manner. If there is an increase in the inflation rate, the price level of goods and services in the country will also increase. Soaring commodity prices can cause the value of the currency to fall. However, on the other hand, an increase in interest rates will be a promising opportunity for investors to invest, where interest rates will have an impact on share prices on the capital market (Marongrong, Ridwan and Nugrhoho, 2017).

Inflation itself is a macroeconomic factor whose presence can cause losses, but its existence can also benefit a company. So when there is an increase in the level of inflation that is currently occurring in a country, it will not necessarily be liked by investors in the capital market, this is because if there is an increase in inflation it will increase operational costs and will also increase production costs that will be incurred in the future, but in this case it also has a positive influence where when there is an increase in the inflation rate in a country, this will also increase the selling price of a product that has been produced by the company concerned. This weakening or decline in the rupiah exchange rate will later also have an impact on the rate of return on investment for investors who have invested their funds in a company, especially for companies that already have a very high level of debt to foreign countries and also a very high level of imports. The occurrence of a weakening or decline in the exchange rate will result also result in the level of costs borne by the company also increasing, which is likely to result in a decrease in the level of profits. An increase in interest rates could increase cost of capital and interest costs of a company, and impact on decreasing return on shares obtained by investors, this is because of the level share prices in the capital market is currently weakening (Andes & Puspitaningtyas, 2017).

It is also known that there are many manufacturing companies that operate in the beauty sector in Indonesia and are also listed on the Indonesia Stock Exchange, one of which is PT Mustika Ratu Tbk, where we can also know that PT Mstika Ratu Tbk is one of the companies that operates in the field of beauty products, which has been established and developing in Indonesia for a long time, PT Mustika Ratu Tbk is also one of the well-known addiction brands and has become a leading and trusted brand in Indonesia. However, with the increasing development of technology and information, many new beauty brands have emerged which are circulating among Indonesian society. Whether it is a small brand or a large brand, therefore with this research we want to prove whether the inflation rate, rupiah exchange rate and also interest rates can influence the share price level of PT Mustika Ratu Indonesia amidst the boom in beauty brands. other.

This research to find out how much influence it has and to prove whether macroeconomic factors (inflation, rupiah exchange rate and interest rates) can influence the effectiveness of share prices of manufacturing companies in Indonesia, especially companies in the beauty sector with the PT Mustika study. Ratu Tbk.

B. LITERATURE REVIEW

1. Capital market

The capital market is an activity that occurs in the economic market which is used for various financial instruments that have long term terms with a time span of more than 1 year. The capital market itself cannot be separated from stocks, bonds, securities and mutual funds. The capital market itself is an related activities a public offering as well as securities trading and also professions relating to securities. According to (Aprialinita et al., 2019) the capital market is a tool that can be used by

companies to improve and also strengthen the quality or stability of company funds in the long term by selling shares or also by issue bonds.

2. Investment

According to (Aprialinita et al., 2019) investment is a commitment to the amount of funds made by the investor and also the recipient of the capital made at that time with the aim of being able to receive some of the profits that will be found in the future of the investment itself. carried out hoping to increase the total utility value of a product.

At this time, developments in investment in a country can also be influenced by economic growth. Indonesia is a country that is in the midst of implementing economic development, so Indonesia really requires capital or internal funds quite large number in accordance with the growth that Indonesia is targeting (Amanda et al., 2020).

Investment itself is an activity that is very attached to the opportunity for profit and loss, this is because investors will have the opportunity to get a share return rate depending on the ability of the investor himself to be able to see opportunities and analyze shares in the company (Andes & Puspitaningtyas, 2017).

Investment is an investment activity, both direct and indirect, that can be carried out by investors, with the hope that in the future the capital owner or investor can obtain profits and also certain benefits that can be generated. from the process. business capital investment.

3. Share

According to (Aprialinita et al., 2019) shares are sheet of paper which states that the owner of the paper is one of the owners of the company has issue these securities and also in it determines partial ownership which has been determined by how much participation there is in the capital, invested in a company concerned. Apart from that, shares can also be interpreted as a price index that can traded within the scope Indonesia stock exchange can reflect movement trends and also overall average value issuer share values in Indonesia (Hutomo et al., 2020)

From the description above, shares can interpreted as a form of participation in capital that has been invested by a person or business entity in the company concerned. With the participation of this capital, investors have the right to do so claim the income earned by the company, not only that, the company's assets can also be claimed by investors, apart from that, investors also have the right to attend the General Meeting of Shareholders (GMS). In the stock market itself, share price ranges also fluctuate, either decreasing or increasing. The share price itself can also be formed due to the supply and demand process for the shares. This supply and demand activity can be influenced by several factors, one of which is macroeconomic factors such as the inflation rate, the rupiah exchange rate and also interest rates. Apart from macroeconomic factors, the level of demand and supply can also be influenced by

company performance and also non-economic factors such as social and political conditions in the country concerned.

4. Capital Asset Pricing Model (CAPM)

According to (Aprialinita et al., 2019) CAPM (Capital Asset Pricing Model) is a model that has relationship between expected returns rate of a risk asset and that asset where this condition occurs in a balanced market condition. CAPM itself is a connecting model risk with the expected return on a security or portfolio. The expected return of the number of shares using CAPM mathematically it can be written as follows:

$$E(r_i) = R_f + (R_{m_t} - R_f) \beta_i \quad i = 1, 2, \dots, k$$

Information:

$$\beta_i = \frac{\text{cov}(R_t, R_{m_t})}{\text{var}(R_{m_t})}$$

$E(r_i)$ = Expected return of the 1st stock

R_f = average risk-free investment interest return

R_{m_t} = average market return

β_i = measure of risk of the 1st stock

R_t = stock return

R_{m_t} = stock return

Advantages of the CAPM model; 1) The calculations are quite easy and simple which will make it easier to calculate possible outcomes; 2) A diversified portfolio, if you carry out this diversification, you can eliminate unsystematic risk; 3) Systematic risk is taken into account which can later reduce the level of risk; 4) There is variability in business risks and also from a financial perspective. Disadvantages of the CAPM model: 1) Risk free is the rate of return on government securities in the short term; 2) Market returns may result in negative market returns at any given time; 3) Built on unrealistic assumptions, this assumption assumes that investors will be able to borrowing and also lending their assets with the same risk-free interest rate to the government, but in fact this is not the case because individual investors cannot do that; 4) The need for reflective discovery is different from an investment activity

5. Inflation

Inflation is a process when the level of prices increases which can occur generally and comprehensively and also occurs over a continuous period of time. This is related to the existence of mechanisms in the market caused by various factors that can influence it, including consumption. carried out by people who experience an increase, there is an excess of the level of liquidity in the market, which can trigger levels of consumption or speculation, and can even result in obstruction of the distribution of goods. Another definition that can be explained by the explanation above is that inflation is decrease in currency value that occurs in a country which occurs continuously. Meanwhile, the explanation made by Kuncoro (1998:46) is that inflation is the level of tendency for a price level to increase globally and can occur

sustainably. The theory that can be explained from the inflation rate itself can greatly influence the size of the production level of a good. The inflation rate which is quite low and also in a stable condition can reflect the stability of macroeconomic conditions (Lintang et al., 2019)

Inflation itself is the occurrence of price levels that occur comprehensively and evenly. Where sometimes this price increase can occur continuously. Unless the increase in price levels that occurs in one or two commodities can spread to other commodities (or cause them to rise), then this cannot just be called inflation (Yuliani & Suwitho, 2020). (Supriatna, Rahman, 2021)

Inflation can also be interpreted as an improvement on amount of money in circulation or improvement the level of liquidity that occurs in an economy. So from this definition it can refer to global symptoms which can be caused by an increase in the amount of money coming in circulation which can also be expected to lead to an increase in the general level of prices for both goods and services. (Andes & Puspitaningtyas, 2017) . Apart from that, according to (Jefry & Djazuli, 2020) inflation itself is the process of increasing prices one commodity which will be followed by other commodities, which of course are the prices currently prevailing in a country's economy. Inflation itself can also be interpreted as a situation where prices rise in general and will occur continuously over a certain period of time (Hutomo et al., 2020)

6. Rupiah Exchange Rate

When the rate of inflation in a country is higher than that which can be compared with inflation in other countries, the price of export goods in that country will be felt to be more expensive and this will result in a decrease in the level of exports. In this event it will also be able to influence and also reduce the existing exchange rate in a country (Simorangkir and Suseno, 2004: 8). Therefore, the exchange rate itself is also something that exists in macroeconomics that must be encountered by a company. The exchange rate in general is a value or can also be called the price of a currency in a country that can be measured or expressed in another country's currency. From the science of exchange rates, this is a part of various monetary economics sciences that have been discussed a lot and also carried out a lot of research carried out by business circles and academic circles, this is also because it will have a very significant influence on economic activity and is also good in the context of local, national, regional, or in the global context that exists in a country. As it is also known, the exchange rate can influence the effective. The science of exchange rates is part of various monetary economics sciences which are widely discussed and also carried out a lot of research by business circles and academic circles, this is also because it will have a very significant influence. on economic activities and also in the local, national, regional and global context that exists in a countryness of the economy and also business activities which can be seen through both direct and indirect channels. So from that point on, directly, this exchange rate will be able to influence the level of the economy in a country through the level of prices of export goods and also the level of prices of imports in a country. However, what can happen indirectly is that the level

of the exchange rate can influence the level of the economy through the existence of exports and imports in a country. This exchange rate is a trading ratio level of two currencies (Lintang et al., 2019).

According to (Handayani & Oktavia, 2018) the rupiah exchange rate is the unit price of foreign currency against a unit of Indonesian currency or the rupiah exchange rate can be interpreted as domestic currency prices against international currency. When the currency or rupiah exchange rate weakens, investors will flock to invest in Indonesia and vice versa, when the rupiah exchange rate strengthens, investors will think again about investing their funds in companies in Indonesia. The weakening rupiah exchange rate will cause an increase in the costs that must be incurred in issuing bonds, this will make it more expensive for Indonesia to issue large enough capital, which will then reduce the price shares on the stock market.

Apart from this means that the rupiah exchange rate is value a unit of rupiah currency which will later be translated or exchanged for the currency of another foreign country (Jefry & Djazuli, 2020).

7. Interest rate

The interest rate is the interest rate in one month which can be published periodically by BI and is used within a certain period of time so it can be used as a signal (position) of monetary policy (Sebo & Nafi, 2021). In this economic report, it has been explained that the BI interest rate is an interest rate that can be reflected in monetary policy, and also the target for future inflation levels which can be achieved through managing the level of liquidity in the money market (Supriatna, Rahman, 2021).

The interest rate is the interest rate that has been issued and is also determined by Bank Indonesia (BI) for the issuance of certificates that will be issued by Bank Indonesia (Jefry & Djazuli, 2020). According to (Hutomo et al., 2020) who have stated that this interest rate is an interest rate that has a policy that can reflect the monetary brush that has been determined and will also be announced by Bank Indonesia. Apart from that, interest rates are a monetary policy that has been determined and determined by Bank Indonesia and the state to be able to regulate the economy and economic growth in a country (Nugroho et al., 2020).

C. METHOD

The research strategy that has been used in this research are an associative strategy. According to Sugiyono (2014; 92) states that this associative strategy is a research that looks for relationships that occur between two or more variables. According to (Sugiyono (2018) , population is a global area which can usually be an object or a subject by having certain characteristics which have been and have been determined by researchers. This is done so that it can be studied and then a conclusion will be drawn from the research carried out. The population of this research is macroeconomic factors consisting of inflation, the rupiah exchange rate and interest rates and also stock prices since PT Mustika Ratu Tbk went public in 1975.

Of the many manufacturing companies operating in the beauty sector in Indonesia, this research took one sample that was used for research, namely PT Mustika Ratu Tbk, where the samples that will be used are inflation, the rupiah exchange rate, interest rates and also the share price of the manufacturing company PT Mustika. Ratu Tbk which uses monthly average data for the period 2018 – 2022. The sample in this study is based on a purposive sampling technique. The criteria for sampling for this research are: 1) a manufacturing company whose name has of course been registered and registered and whose existence is still affiliated with a company operating in the sector manufacture; 2) the manufacturing company still and always publish their annual reports in a row and regularly never fail to do so; and 3) manufacturing companies that have not experienced losses so far 2018-2022 period.

The data used in this research is primary data and secondary data. Primary data is information that can be obtained and can be collected by research directly from existing primary data sources. Primary data itself is also called data that is still raw or can also be called new data that is still being updated. Meanwhile, secondary data is data for information obtained by researchers and comes from various existing sources. Secondary data that has been used in this research is supporting journals and reference books. In order to get very good results and also support the success of this journal, the research carried out also uses a model, namely Ordinary Least Square (OLS). The OLS model itself is a research model that refers to a model that has been used in several previous studies. The population in the research currently being carried out is data regarding inflation, the rupiah exchange rate and also interest rates contained in BI, BPS, World Bank, stock websites (www.investing.com) and also the IDX for the period 2018 to 2022.

The data analysis method used in this research is quantitative methods, used to analyze number-based data and convert the data into numerical format so as to gain useful insights. Apart from that, this data analysis method also allows you to be able to search for supporting data either in supporting journals or in data available on data provider pages which are then converted into numerical format so that it is easy to process using the supporting application, namely E-views12.

D. RESULTS AND DISCUSSION

From the previous discussion topic, it can be concluded:

Tabel 2. Estimation Model

Variables	Coefficient	Prob.
C	-1.170916	0.7705
X2 (Inflation)	0.054892	0.3595
X3 (Rupiah Exchange Rate)	4.362453	0.0054
X3 (Interest Rate)	-0.318877	0.2332
Prob(F-statistic)	0.021823	
R square	0.194943	

Based on this output, the estimated regression model for data Y (share prices) is $Y = -1.170916 + 0.054892X_1 + 4.362453X_2 - 0.318877X_3$

Statistic test

a. Multiple Linear Regression Test

- 1). the variables X1 (inflation), X2 (rupiah exchange rate) and in Indonesia it will decrease by -1.170916.
- 2). From the test results above, the inflation coefficient value (X1) is 0.054892, which means that when inflation (X1) increases by 1 billion rupiah, the share price of PT Mustika Ratu Tbk will also experience an increase of 0.054892 using the assumption that the other variables are constant.
- 3). From the test results above, value of rupiah exchange rate coefficient (X2) is 4.362453, which means that the share price of PT Mustika Ratu Tbk will decrease by 4.36% for every increase of 1 billion rupiah in the rupiah exchange rate variable (X2) assuming other variables are the same constant.
- 4). From the test results above, we get a coefficient value for the interest rate (X3) of -0.318877, meaning every time there is an increase of 1 billion rupiah, the share price level at PT Mustika Ratu Tbk will also increase by -0.318877, assuming that other variables remain constant.

b. Coefficient of Determination Test

From the results above, the regression model research used to test the coefficient of determination was used to test the R-squared test (R^2). So, it can be seen that the R^2 value of 0.194943 means that the variation of all members of the independent variables that have been used in this research (Inflation, Rupiah Exchange Rate, Interest Rates) can influence the dependent variable (PT Mustika Ratu Tbk Share Price) by 19.49% (0.194943) while the rest 80.51% (0.805057) was influenced by other variables outside the research conducted.

c. F test

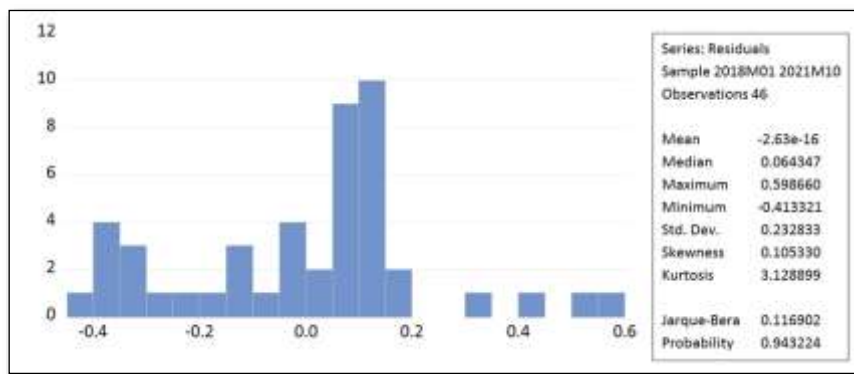
Based on the F table used as a reference with the values $df_1 = 3$ and $df_2 = 60$, it can be stated that the F table value is 2.76 from the results of the regression carried out above, it can also be seen that the results of the calculated F value are (0, 021823) < The F table value is (2.76), so with these results there is a conclusion from this research that the independent variables from this research which consist of (inflation, rupiah exchange rate, interest rates) cannot influence the dependent variable (stock prices) directly.

d. t test

Variables	T – Statistics	Prob.
C	-0.293466	0.7705
X1 (Inflation)	0.925982	0.3595
X2 (Rupiah Exchange Rate)	2.927441	0.0054
X3 (Interest Rate)	-1.208724	0.2332

- 1). In this data, the inflation variable has a t-count of 0.925982 or less than the t-table of 2,000, which means that inflation has an effect but is not significant to development share prices.
- 2). In this data the rupiah exchange rate (X2) has a calculated t-value of 2.927441 or you could say this the value shows greater than results from the t-table of 2,000, which means that the rupiah exchange rate has an influence on the development of the share price of PT Mustika Ratu Tbk.
- 3). In this data, the variable interest rate (X3) has a t-count of -1.208724 or smaller than the t-table of 2,000, which means that this interest rate cannot have an effect and is not significant on the development of stock prices.

e. Normality test



From the results of the normality test above, which can be seen from the picture above, it shows a probability of 0.9432324, this value is more significant than (5%) or $0.9432324 > 0.05$, this can lead to a conclusion that the residual data of this research can be normally distributed.

f. Autocorrelation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	19489.57	29005.90	0.671917	0.5045
X1	-5669.163	3543.688	-1.599792	0.1155
X2	-1218.563	1975.209	-0.616929	0.5399
X3	-35.88800	1098.385	-0.032673	0.9741
RESID(-1)	0.950741	0.135556	7.013642	0.0000
RESID(-2)	-0.182342	0.169401	-0.958327	0.3422

R-squared	0.597187	Mean dependent var	-4.07E-11
Adjusted R-squared	0.559889	S.D. dependent var	11742.78
S.E. of regression	7790.261	Akaike info criterion	20.85378
Sum squared resid	3.28E+09	Schwarz criterion	21.06321
Log likelihood	-619.6133	Hannan-Quinn criter.	20.93570
F-statistic	16.01144	Durbin-Watson stat	1.780787
Prob(F-statistic)	0.000000		

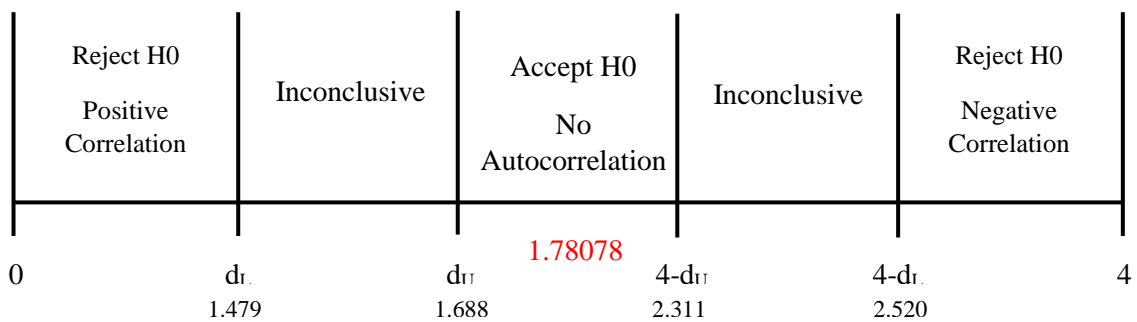
Durbin-Watson stat	1.780787
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The purpose of this autocorrelation test is to be able to test whether or not a serial correlation occurs in the regression model or can also be used to find out whether in the model that has been used there is autocorrelation that occurs between

the variables being observed. So, from the table above the results of the autocorrelation test can be seen via the Durbin-Watson stat test,

From the estimation model above, the Durbin-Watson stat value is 1.780787. It is known that $n = 60$, $k = 4 - 1 = 3$, from the DW table we get the value $dL = 1.4797$ and $du = 1.6889$. The statistical values from the Durbin-Watson stat test for this model are as follows:

$$\begin{aligned}
 d &= 1.780787 \\
 dL &= 1.4797 \\
 dU &= 1.6889 \\
 4 - dL &= 2.5203 \\
 4 - dU &= 2.3111
 \end{aligned}$$



From the results of the Durbin – Watson stat test which has been carried out above, the Durbin – Watson stat value is 1.780787, where this value can be included in the criteria $d > dL$ or $d < 4 - dL$, then from this test it can be decided for the test results Durbin – Watson This statistic is to accept H0 or it could be said that there is no autocorrelation

g. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey				
Null hypothesis: Homoskedasticity				
F-statistic	0.764077	Prob. F(3,52)	0.5194	
Obs*R-squared	2.364333	Prob. Chi-Square(3)	0.5003	
Scaled explained SS	3.094684	Prob. Chi-Square(3)	0.3773	
Test Equation:				
Dependent Variable: RESID^2				
Method: Least Squares				
Date: 10/22/23 Time: 23:37				
Sample: 2018M01 2022M08				
Included observations: 56				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.323058	0.303219	-1.065429	0.2916
X1	-0.002247	0.030385	-0.073950	0.9413
X2	0.004699	0.018925	0.248275	0.8049
LOG_X3	0.029265	0.020895	1.400618	0.1673
R-squared	0.042220	Mean dependent var	0.033010	
Adjusted R-squared	-0.013036	S.D. dependent var	0.058038	
S.E. of regression	0.058415	Akaike info criterion	-2.773731	
Sum squared resid	0.177442	Schwarz criterion	-2.629063	
Log likelihood	81.66447	Hannan-Quinn criter.	-2.717644	
F-statistic	0.764077	Durbin-Watson stat	1.122988	
Prob(F-statistic)	0.519363			

Prob. Chi-Square	0.5003
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In testing the Heteroscedasticity test, the results can be used to determine whether or not deviations from the Classical Assumption Test have occurred.

Heteroscedasticity test, namely the possibility of inequality in the variance originating from the residuals used for all observations contained in the regression model. There is also a condition that must be met in testing this regression model, namely that there are no symptoms of heteroscedasticity conditions. This can be seen when the probability value is < 0.05 , then the results can show that this condition has symptoms of heteroscedasticity in the research model being carried out, whereas when the probability value is > 0.05 then this shows that the model does not have symptoms of heteroscedasticity occurring in the research model. which is being done.

And from the results of the heteroscedasticity test, which uses the white model, it shows a probability value of $0.5003 > 0.05$ so that from these results a conclusion can be drawn that this test does not have symptoms of heteroscedasticity that occur in this research model.

h. Multicollinearity Test

Variance Inflation Factors			
Date: 10/25/23 Time: 21:01			
Sample: 2018M01 2022M12			
Included observations: 48			
Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	15.91975	5607.733	NA
LOG_X1	0.003514	3.544968	1.004452
LOG_X2	2.220677	5555.899	1.000324
LOG_X3	0.069597	55.12081	1.004130

From the results of the multicollinearity test above, it can be said that the correlation coefficient above is below 10 or < 10 , this shows that the model is free from multicollinearity problems, so H_0 is accepted.

Based on the results of an analysis and data processing that has been carried out, the results of the discussion of the inflation variables, rupiah exchange rate, interest rates and share prices at PT Mustika Ratu Tbk are:

- a. The effect of inflation on the share price of PT Mustika Ratu Tbk.

This research is also in line with research put forward by (Marongrong, and Nugrhoho, 2017) who stated that inflation will have an insignificant but insignificant effect on share prices in Indonesian manufacturing companies. Then the research that is being carried out is also in line with the results that have been produced by research that has been carried out by (Sitanggang & Munthe, 2019). In their research it has been stated that partial inflation has an insignificant influence on stock prices. However, this research has different assumptions from research by (Supriatna, Rahman, 2021) which states that there is a positive relationship between inflation and stock prices, so when inflation rises, stock prices will also rise.

When people want to invest in a company - companies that are so numerous in Indonesia, especially manufacturing companies, they definitely expect a profit when investing in a company, especially PT Mustika Ratu Tbk. Based on several tests that have been carried out above, it can be shown that inflation has an effect but is not

significant on changes in share prices at PT Mustika Ratu Tbk. So, this also means that high and low inflation cannot necessarily influence the effectiveness of stock prices.

Inflation itself occurs as a result of an increase in overall prices and a reduction in consumers' purchasing power for a product. So, this inflation does not have a significant effect on share prices PT Mustika Ratu Tbk.

b. The influence of the rupiah exchange rate against share prices of PT Mustika Ratu Tbk

From the results of several tests above, can be concluded that variable X2, namely the Rupiah exchange rate, has a significant effect on stock prices. So, the high and low rupiah exchange rate will influence changes in share prices at PT Mustika Ratu Tbk in Indonesia. The rupiah exchange rate can also influence other factors besides influencing stock prices, other factors that can usually be influenced by the rupiah exchange rate include people's income, consumer interest, policies made by the government, domestic situations and conditions, savings and others. etc.

The results of the research carried out also agree with research that has been carried out by (Sitanggang & Munthe, 2019) who in their research stated that the rupiah exchange rate will have a positive and significant influence on stock prices. The results of this research are also in line with the results of research conducted by (Dewi Sartika et al., 2019) stating that the results of the rupiah exchange rate are negative and have no significant impact on stock prices. This research is also inversely proportional to research (Marongrong, Ridwan and Nugrhoho, 2017) where in their research it can be concluded that the rupiah exchange rate has a significant effect on stock prices. However, the results obtained from this research are also inversely proportional to the results of research conducted by (Rahayu, 2019). In his research he stated that the rupiah exchange rate has a negative and insignificant effect on the share price of a company.

c. The influence of interest rates on the price of PT Mustika Ratu Tbk.

From the results of several tests that have been carried out on variable X3, namely the interest rate, it can be concluded that this interest rate has no influence on the development of share prices. From these results, it can be seen that when this interest rate experiences an increase, it will not increase the share price of PT Mustika Ratu Tbk. This also applies when the interest rate has decreased, this will not affect the decline in share prices at PT Mustika Ratu Tbk. The stability of interest rates can be influenced by a policy issued by the government which aims to adjust interest rates in the market. So, investors can be sure that they don't need to worry too much about the rise and fall of share prices, this is because the government itself can provide a guarantee against changes in interest rates, which can be said to be quite stable in Indonesia, so share prices will also be stable. An increase in interest rates will also be followed by an increase in share prices.

The results of this research are also similar to research conducted by (Marongrong, Ridwan and Nugrhoho, 2017) which gives the final result that interest rates does not have a significant influence on share prices. However, this research is also inversely proportional for research conducted by (Rahayu, 2019). This research

states that interest rates have a positive and significant influence on share prices. This research is also the same as the results of research conducted by (Dewi Sartika et al., 2019) where the research results stated that interest rates have a positive and significant influence on stock prices a company. Then this research is also supported by research conducted by (Ratnaningrum et al., 2022) where it has been stated that this interest rate will have a very significant effect on stock prices.

E. CONCLUSIONS

From the results research and discussions which has been done and explained regarding the effectiveness of the influence of inflation, the rupiah exchange rate and interest rates on the effectiveness of share price developments within PT Mustika Ratu Tbk, from this research a conclusion can be drawn: 1) This inflation rate has a positive but not significant effect on the development of share prices in PT Mustika Ratu Tbk, this is because the inflation variable itself cannot directly influence the share price of PT Mustika Ratu Tbk. Apart from that, inflation itself can further influence the prices of commodities that are needed as raw materials or as a company's needs, which then indirectly also has an impact on the share price of the company; 2) The rupiah exchange rates can have a significant effect on stock prices. So the higher the rupiah exchange rate, the share price will also experience an increase, and this will also be directly proportional to when the rupiah exchange rate weakens or can be called a decline, the share price will also experience a decline. This is because if the rupiah exchange rate rises, this will happen affect consumer interest in carrying out investment activities; and 3) From the results of the discussion above, the interest rate variable has no influence on stock prices. So when the interest rate gets higher it will not affect the rate of increase in shares and when the interest rate decreases it will not cause a decrease in the share rate in PT Mustika Ratu Tbk. This is because if interest rates increase, people will prefer saving activities rather than holding onto their money. This also applies to investors. If interest rates also increase, foreign and local investors will prefer to carry out investment activities such as purchasing shares. company.

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