Analysis of Fundamental Factors Affecting Stock Prices

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ABSTRACT

This study aims to determine the effect of profitability, solvency, liquidity, and market value on stock prices. The population and samples used were 22 mining companies. The sampling technique used was purposive sampling with descriptive and verification analysis methods, and using Eviews 9. The data analysis technique used was panel data regression analysis. Based on the results of the F test, shows that profitability, solvency, liquidity, and market value together have a significant effect on stock prices. Also, the results of the t-test show that profitability has no effect on stock prices, while solvency has a significant effect on stock prices, liquidity has a significant effect on stock prices and finally, market value also has a significant effect on stock prices. The implication of this research is that the company is expected to keep the company in a solvable state by being aware of the amount of debt it has because it will bring the risk of non-payment of debt.

Keywords   :   Profitability; Solvency; Liquidity; Market Value; Stock Price

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh profitabilitas, solvabilitas, likuiditas, dan nilai pasar terhadap harga saham. Populasi dan sampel yang digunakan sebanyak 22 perusahaan pertambangan. Teknik pengambilan sampel yang digunakan purposive sampling dengan metode analisis deskriptif dan verifikatif, serta menggunakan Eviews 9. Teknik analisis data yang digunakan yaitu analisis regresi data panel. Berdasarkan hasil uji F profitabilitas, solvabilitas, likuiditas, dan nilai pasar secara bersama-sama berpengaruh signifikan Terhadap Harga Saham. Serta, hasil uji t menunjukan bahwa profitabilitas tidak memiliki pengaruh Terhadap Harga Saham, sementara untuk solvabilitas memiliki pengaruh signifikan Terhadap Harga Saham, likuiditas memiliki pengaruh signifikan Terhadap Harga Saham dan yang terakhir untuk nilai pasar juga memiliki pengaruh signifikan Terhadap Harga Saham. Implikasi dari penelitian ini diharapkan perusahaan menjaga agar perusahaan tetap dalam keadaan solvable dengan cara mewaspadai jumlah hutang yang dimiliki karena akan mendatangkan risiko tidak terbayarnya utang.

Kata Kunci   :   *Profitabilitas; Solvabilitas; Likuiditas; Nilai Pasar; Harga Saham*

INTRODUCTION

The economy in Indonesia is growing every year, evidenced by the increasing number of companies listed on the Indonesia Stock Exchange (IDX). This is done because it is one of the company's ways to obtain additional funding sources by attracting funds from outside the company. Funds from outside can be obtained from the capital market. The capital market is a market for various long-term financial instruments (or securities) that can be traded, either in the form of debt or own capital, whether issued by the government or public or private companies (Husnan, 2009).

In this modern era, success in managing the company is an indicator of changes in stock prices. A company can be said to be successful in managing its business, if its share price continues to increase in each period, this makes many investors interested and judge that the company is successful in managing the company, because investor trust is very important and very much needed for the company, so if more and more investors believe in the company, the desire to invest in the company will also be stronger. According to Jogiyanto in Hutami (2012: 106), stock prices are prices that occur on the stock market at certain times determined by market participants and determined by the demand and supply of the shares concerned in the capital market. So it can be concluded that the stock price is the price formed due to the interaction between the sellers and buyers of shares in the hope of getting benefits from the transactions made.

In conducting analysis and choosing stocks, there are two (2) analyzes or approaches that are often used, namely technical analysis and fundamental analysis. (Lestari, 2004).

Technical analysis is a method used to value stocks, whereby using this method analysts evaluate stocks based on statistical data generated from stock trading activities, such as stock prices and transaction volume. With a variety of existing charts and chart patterns that are formed, technical analysis tries to predict the direction of future stock price movements. (Darmadji, 2006).

Fundamental analysis is a tool used to help analyze a company's financial statements so that the strengths and weaknesses of a company can be identified. Ratio analysis also provides indicators that can measure profitability, liquidity, income, and utilization of company assets and liabilities (Munawir, 2014). Table 1 shows the movement of share prices using year-end closing prices for mining companies listed on the Indonesian stock exchange in the 2016-2020 period.

Table 1. Share Prices per Mining Sector Company in 2016-2020

| No	Company Name	Share Price (IDR)					Average	Information
		2016	2017	2018	2019	2020		
1	Adro Energy	1.695	1.860	1.215	1.555	1.430	1.551	Turun
2	Atlas Resources	520	980	900	705	396	700	Turun
3	Borneo Olah Sarana Sukses	-	-	2.400	172	150	907	Turun
4	Bara Multi Sukses	1.410	2.100	2.340	1.820	1.695	1.873	Naik
5	Bumi Resources	278	270	103	66	72	157	Turun
6	Bayan Resources	6.000	10.600	19.875	15.900	15.475	13.570	Naik
7	Darma Henwa	50	50	50	50	50	50	Tetap
8	Delta Dunia Makmur	510	715	525	280	352	476	Turun
9	Dian Swastatika Sentosa	5.550	13.900	13.500	13.875	16.000	12.565	Naik
10	Alfa Energi Investama	-	1.490	7.750	326	1.320	2.721	Turun
11	Golden Energy Mines	2.700	2.750	2.550	2.550	2.550	2.620	Turun
12	Garda Tujuh Buana	260	169	238	155	75	179	Turun
13	Harum Energy	2.140	2.050	1.400	1.320	2.980	1.978	Naik
14	Indika Energy	-	-	1.585	1.195	1.730	975	Naik
15	Indo Tambang Raya Megah	1.6875	20.700	20.250	11.475	13.850	16.630	Turun
16	Resources Alam Indonesia	1.500	324	354	236	266	536	Turun
17	Mitra Bara Adiperdana	2.090	2.900	2.850	1.980	2.690	2.502	Naik
18	Samindo Resources	630	700	1.045	1.295	1.300	994	Naik
19	Bukit Asam	12.500	2.460	4.300	2.660	2.810	4.946	Turun
20	Petrosea	720	1.660	1.785	1.605	1.690	1.492	Naik
21	Golden Eagle Energy	149	133	160	123	116	136	Turun
22	Toba Bara Sejahtera	1.245	2.070	1.620	358	520	1.162	Turun

Source: www.idx.co.id data processed, 2022

Based on Table 1. of 22 companies where stock prices fluctuate every year. However, the results of the analysis in the table above show that only 8 companies experienced an increase and 14 companies tended to decrease in the last 5 years. If this is allowed to continue, it will harm the company and will further reduce investors' interest in investing.

According to Zulfikar (2016: 91-93), factors that affect stock prices can come from internal and external factors of the company, such as corporate actions, company fundamental conditions, macroeconomic conditions and government policies. Meanwhile, according to Febri (2011:11), there are internal and external factors that affect stock prices. Internal factors including the condition of issuers such as dividend distribution, and changes in strategy at the general meeting of shareholders, will be important information for investors in the capital market. While external factors include government policies, changes in the exchange rate of the rupiah against the dollar (exchange rate), the state of inflation, and the determination of interest rates by Bank Indonesia. By using financial ratios, investors can carry out an analysis to estimate stock prices in the future by estimating the value of the fundamental factors that affect stock prices and applying the relationships between these factors so that in the end the estimated stock price can be determined.

By using financial ratios, investors can carry out an analysis to estimate stock prices in the future by estimating the value of the fundamental factors that affect stock prices and applying the relationships between these factors so that in the end the estimated stock price can be determined. thus with many factors that can affect a company's stock price, this research is limited only to the influence of fundamental factors by looking at the company's condition through company performance (financial statements) using financial

ratios, namely: Net Profit Margin (NPM), Debt to Equity Ratio (DER), Current Ratio (CR) and Price to Book Value (PBV).

The results of research on the influence of the fundamental factors of financial ratios on stock prices still produce inconsistent findings, so further testing is needed to determine the consistency of the findings when applied to different environmental conditions. Seeing the results of these different studies, researchers want to analyze the effect of fundamental financial ratios such as Net Profit Margin (NPM), Debt to Equity Ratio (DER), Current Ratio (CR) and Price to Book Value (PBV) on the company's stock price. Mining was Listed on the Indonesia Stock Exchange in 2016-2020 either simultaneously or partially. Based on the explanation of theoretical concepts and differences in research results, the paradigm in this study can be formulated according to Figure 1.
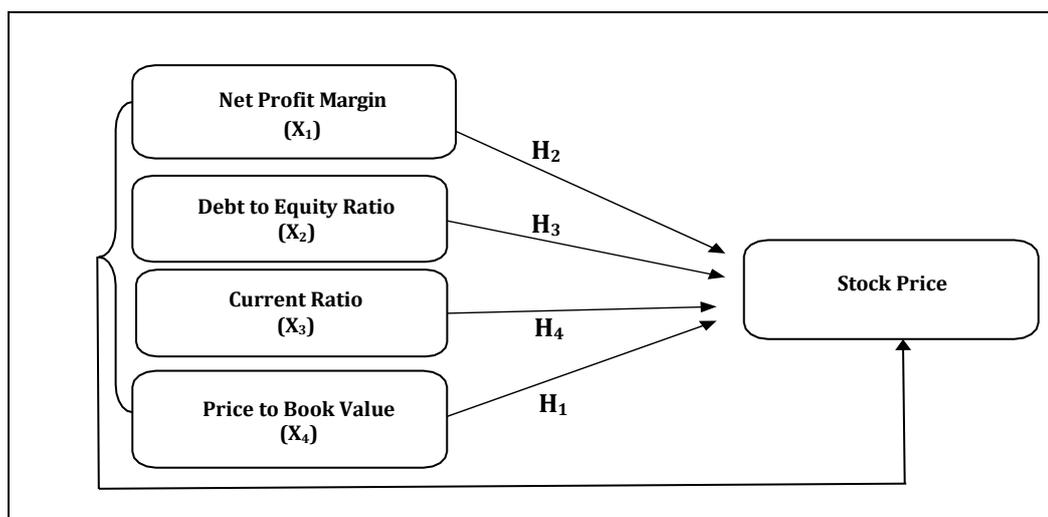
Source: Research analysis results, 2022

Figure 1. Research Model

Based on Figure 1., financial ratios are considered very effective for measuring company performance, especially in terms of measuring stock prices. Financial ratios that are considered good for measuring stock prices according to Kasmir (2011) include profitability ratios, solvency ratios, liquidity ratios and market value ratios. Based on research conducted by Watung Rosdian Widiawati and Ventje Ilat in 2016 stated that financial ratios with measures of profitability, solvency, liquidity and market value simultaneously affect stock prices. Based on this, it can be formulated formulation of the problem [H_1] Profitability, Solvability, Liquidity, and Market Value, simultaneously (simultaneously) affect stock prices. The profitability ratio is a ratio that describes a company's ability to earn profits through all existing capabilities and sources such as sales activities, cash capital, number of employees, number of branches and so on (Harahap, 2008). The size of this ratio affects the company's stock price. the research results of Watung and Ilat (2016) whose research results show that Net Profit Margin has a significant influence on stock prices.

Based on this, the hypothesis [H_2] is formulated. Profitability has a positive effect on stock prices. Solvability or leverage ratios are used to measure a company's ability to meet all of its financial obligations, which consist of short-term debt and long-term debt. In this study the solvency ratio used is the Debt to Equity Ratio, a high Debt to Equity Ratio indicates that the company's funding uses more debt, the greater the company's DER

means the company's profit is also large but it is used to pay off its debts. So investors are interested in investing their funds even though investors know the company is taking a big risk (Kanti, 2008). The results of research from Alwi and Sutrisno (2013) in which the results of the study stated that the Debt to Equity Ratio had positive results on stock prices. Based on this, the hypothesis [H$_3$] can be formulated. Solvability has a positive effect on stock prices. The liquidity ratio is a ratio that describes a company's ability to meet its short-term obligations (debt). in this study, the liquidity ratio used is the Current Ratio. The current Ratio is a ratio to measure a company's ability to meet its short-term obligations using current assets. This ratio is obtained by comparing the value of current assets with the current liabilities of the company. The higher the value of the Current Ratio means the better the company is paying off its short-term obligations (Raharjo and Muid, 2013)

This statement is reinforced by the results of research by Daniarto Raharjo and Dul Muid in 2013 which found that the Current Ratio has a positive effect on stock prices. Based on this, it can be formulated formulation of the problem [H$_4$] Liquidity has a positive effect on stock prices. In general, companies that can operate properly will have a Price to Book Value ratio above 1, which shows the value of a company's shares, valued above its book value. The higher the Price to Book Value ratio of a company shows the higher the investor's assessment of the company concerned, relative to the funds invested. Price to Book Value has a positive relationship with stock prices. This is also supported by the results of Alwi and Sutrisno's research in 2013 where the results of the study stated that Price to Book Value had a positive and significant effect on stock prices. [H5] Market Value has a positive effect on stock prices.

RESEARCH METHOD

The research method used in this study is a verification research method. The verification method according to Sugiyono (2014) is a research method that aims to find out the causal relationship between variables through a hypothesis test and through a statistical calculation so that the results of the proof show that the hypothesis is rejected or accepted. The population used in this study were mining sector companies, totalling 22 companies from 2016-2020, while the samples used in this study were mining companies whose shares were listed on the Indonesian Stock Exchange (IDX) from 2016-2020. 13 mining companies selected in this study for the 2016-2020 period. The method used for sample selection in this study is the purposive sampling method.

The data collection technique used is the documentation technique. This study uses statistical analysis tools Eviews 9 in the data processing. The data analysis technique used is panel data regression analysis.

RESULTS AND DISCUSSION

Classical Assumption Test Results
Data Normality
Figure 2 shows the results of the data normality test with the output shown.
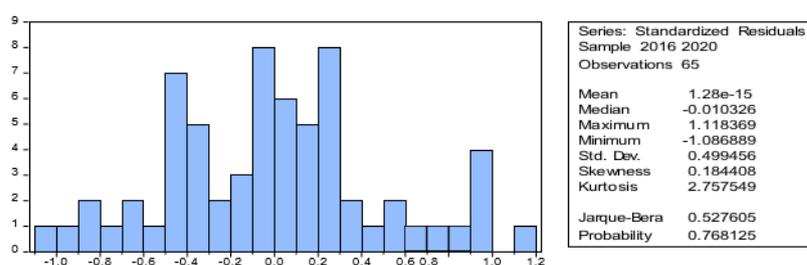
Source: Eviews output 9.0, 2022

Figure 3. Normality Test Output Results

Based on the results of the normality test in Figure 2. which shows a P-value > 0.05, namely 0.768125 > 0.05, it can be concluded that the data in this study are normally distributed.

Multicollinearity Test

Table 2. shows the results of the Multicollinearity test with the output shown.

Table 2. Multicollinearity Test Results

	NPM	DER	CR	PBV
NPM	1.000000	0.150692	0.027008	0.051010
DER	0.150692	1.000000	-0.244908	0.284369
CR	0.027008	-0.244908	1.000000	0.211031
PBV	0.051010	0.284369	0.211031	1.000000

Source: Eviews output 9.0, 2022

Based on Table 2. the results of the multicollinearity test show that there are no variables that have a value > 0.8. So it is concluded that it can be concluded that there is no multicollinearity in the regression model in this study.

Heteroscedasticity Test

Table 3. shows the results of the Heteroscedasticity test with the output shown.

Table 3. Heteroskedasticity Test: White

Heteroskedasticity Test: White		
F-statistic	1.604481Prob.F(14,49)	0.1115
Obs*R-squared	20.11699Prob.Chi-Square(14)	**0.1265**
ScaledexplainedSS	14.81451Prob.Chi-Square(14)	0.3910

Source: Eviews output 9.0, 2022

Based on Table 3. the white test results show that the P-value-obs* R-Square > 0.05 because it has a value of 0.1265 which indicates that H_0 is accepted, it can be concluded that there is no heteroscedasticity in the regression model.

Autocorrelation Test

Table 4. shows the results of the autocorrelation test with the output shown.

Table 4. Autocorrelation Test Results

R-squared	0.684545	Meandependentvar	2.771801
AdjustedR-squared	0.663515	S.D.dependentvar	0.889260
S.E.ofregression	0.515836	Akaikeinfocriterion	1.587746
Sumsquaredresid	15.96518	Schwarzcriterion	1.755007
Loglikelihood	-46.60175	Hannan-Quinncriter.	1.653741
F-statistic	32.55043	Durbin-Watsonstat	**2.416801**
Prob(F-statistic)	0.000000		

Source: Eviews output 9.0, 2022

Based on Table 4. the results of the autocorrelation test can be seen that the resulting Durbin Watson (DW) value is 2.416801. This value when compared with the DW table with a 5% confidence level with a total sample of 65 report data and 4 independent variables, the dL value is 1.4709 and the dU is 1.7311. Thus it can be concluded that there is no autocorrelation in the regression model used because the DW value lies between (4-dU) ≤ Dw ≤ (4 – dL) or 2.2689 < 2.416801 < 2.5291.

Panel Data Regression Selection Test
Chow tes0074
Table 5. shows the results of the Chow test with the output shown.

Table 5. Chow test results

RedundantFixedEffectsTests
Equation: Untitled
Testcross-section fixed effects

EffectsTest	Statistic	d.f.	Prob.
Cross-section F	0.816303	(12,48)	0.6328
Cross-section Chi-square	12.071300	12	**0.4400**

Source: Eviews output 9.0, 2022

Based on Table 5. it can be seen in the value of Prob. The Cross-Secrion Chi-Square is smaller than the value of 0.05, which is 0.4400 > 0.05, meaning that H0 is accepted or H_1 is rejected, so the best model is the Common Effect Model.

Hausman test
Table 6. shows the results of the Hausman test with the output shown.

Table 6. Hausman Test Results

CorrelatedRandomEffects-HausmanTest
Equation: Untitled
Testcross-sectionrandomeffects

TestSummary	Chi-Sq.Statistic	Chi-Sq.d.f.	Prob.
Cross-section random	1.947410	4	**0.7454**

Source: Eviews output 9.0, 2022

Based on Table 6. Prob value. The random Cross-Section value is greater than 0.05, which is 0.7454 > 0.05, meaning that H0 is accepted or H_1 is rejected, so the best model to

use is the Random Effect Model.

LM Breusch-Pegan test
Table 7. shows the results of the Breusch-Pegan LM test with the output shown.

Table 7. Breusch-Pega LM Test Results

TestHypothesis			
Cross-section		Time	Both
Breusch-Pagan	0.296157 **(0.5863)**	1.891230 (0.1691)	2.187387 (0.1391)
Honda	-0.544203 --	-1.375220 --	-1.357237 --
King-Wu	-0.544203 --	-1.375220 --	-1.463077 --
StandardizedHonda	-0.371177 --	-1.192332 --	-4.781428 --
StandardizedKing-Wu	-0.371177 --	-1.192332 --	-4.543007 --
Gourierioux, et al.*	--	--	0.000000 (>=0.10)
*Mixedchi-square asymptotic critical values:			
	1%	7.289	
	5%	4.321	
	10%	2.952	

Source: Eviews output 9.0, 2022

Based on Table 7., the Lagrange Multiplier test is carried out to determine whether the Common Effect or Random Effect model is more appropriate to use in the panel data regression equation model. From the test results with the Lagrange Multiplier (LM) test above, it can be seen that the calculated LM value is 0 .5863 > 0.05 means, the calculated LM value > chi-squared table, and the model chosen is the Common Effect Model.

Coefficient of Determination
Table 8. shows the results of the Breusch-Pegan LM test with the output shown.

Table 8. Coefficient of Determination

R-squared	0.684545	Meandependentvar	2.771801
AdjustedR-squared	**0.663515**	S.D.dependentvar	0.889260
S.E.ofregression	0.515836	Akaikeinfocriterion	1.587746
Sumsquaredresid	15.96518	Schwarz criterion	1.755007
Loglikelihood	-46.60175	Hannan-Quinncriter.	1.653741
F-statistic	32.55043	Durbin-Watsonstat	2.416801
Prob(F-statistic)	0.000000		

Source: Eviews output 9.0, 2022

Based on Table 8., the adjusted R-Squared value is 0.663515. This value means that at 66.35%, changes in the dependent variable (stock price) can be explained by the determining variables (profitability, solvency, liquidity, and market value) in this model. While the remaining 33.65% is influenced by other variables outside the model.

Hypothesis test
Simultaneous Test (Test F)
Table 9. shows the results of the Breusch-Pegan LM test with the output shown.

Table 9. F Test Results

R-squared	0.684545 Meandependentvar	2.771801
AdjustedR-squared	0.663515 S.D.dependentvar	0.889260
S.E.ofregression	0.515836 Akaikeinfocriterion	1.587746
Sumsquaredresid	15.96518 Schwarz criterion	1.755007
Loglikelihood	-46.60175 Hannan-Quinncriter.	1.653741
F-statistic	**32.55043** Durbin-Watsonstat	2.416801
Prob(F-statistic)	0.000000	

Source: Eviews output 9.0, 2022

Based on the results of the F test in Table 9. it can be seen that the calculated F value is 32.55043. The value of Ftable at the significance level α = 0.05 with df1 (number of variables-1) 5-1 = 4, and df2 (n-k-1) = 65-4-1 = 60, the result obtained by Ftable is 2.525215. because F count > F table (32.55043 > 2.525215) with a probability value of 0.000000 <0.05, then H0 is rejected and H1 is accepted, meaning that Profitability, Solvency, Liquidity and Market Value together have a significant effect Against Share Prices.

Partial Test (t-test)
Table 10. shows the results of the Breusch-Pegan LM test with the following output.

Table 10. Test Results t

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	0.497633	0.237001	2.099713	0.0400
PM	9.69E-05	0.000255	0.380787	0.7047
DER	-0.074699	0.128650	-0.580635	0.5637
CR	1.107779	0.122628	9.033638	0.0000
PBV	0.671628	0.186850	3.594472	0.0007

Source: Eviews output 9.0, 2022

Based on the calculations in Table 10. and the calculation of the t-table with a significance level of 0.05 and degrees of freedom (dk) = n (number of samples) - independent variable = 65-4 = 61, a t-table of 1.999624 is obtained. based on the t-test values obtained partially the effect of the independent variables on the dependent variable is as follows: H_2: It is known that the t_{table} is 1.999624 with a significance level of 0.05 and a t_{count} of 0.380787. When compared to $t_{count} < t_{table}$, namely 0.380787 < 1.999624 with a significance level of 0.7047 > 0.05. Then H0 is accepted and H1 is rejected. This means that profitability does not affect stock prices. So it can be said that profitability does not meet the hypothesis proposed.

H_3 it is known that t_{table} is -1.999624 with a significance level of 0.05 and t_{count} is -0.580635. when compared to tcount < ttable, namely -0.580635 < -1.999624 with a significance level of 0.5637 > 0.05. Then H0 is rejected and H1 is accepted. This means that solvency affects stock prices. So it can be said that solvency meets the hypothesis proposed.

H_4 is known that t_{table} is 1.999624 with a significance level of 0.05 and t_{count} is 9.033638. When compared to $t_{count} > t_{table}$, namely 9.033638 > 1.999624 with a significance

level of 0.0000 <0.05. Then H0 is rejected and H1 is accepted. This means that liquidity has a significant effect on stock prices. So it can be said that liquidity fulfils the proposed hypothesis.

H_5 is known that t_{table} is 1.999624 with a significance level of 0.05 and t_{count} is 3.594472. When compared to $t_{count} > t_{table}$, namely 3.594472 > 1.999624 with a significance level of 0.0007 <0.05. Then H0 is rejected and H1 is accepted. This means that the market value has a significant effect on the stock price. So it can be said that the market value meets the proposed hypothesis.

Discussion

Based on the results of panel data regression analysis and hypothesis testing, it can be seen that solvency, liquidity and market value have a simultaneous and partial and significant effect on stock prices. While profitability partially does not affect stock prices. This shows that stock prices are influenced by variations in the interaction between profitability, solvency, liquidity and market value. The adjusted R2 or the Coefficient of Determination (KD) is 0.663515 or 66.35%. this figure shows the magnitude of the influence between profitability, solvency, liquidity and market value on stock prices is 66.35%. while the remaining 33.65% is influenced by other factors such as activity ratios, investment, capital structure and others. This percentage can be used to predict stock prices and can be used as information material in making decisions regarding the company's efforts to increase stock prices (Jogiyanto, 2013: 392). The results of this study are also in line with the results of research conducted by Alwi and Sutrisno (2013) and Amaliah (2012) which state that NPM, DER, CR, and PBV simultaneously have a significant effect on stock prices.

The results of the analysis show that profitability does not affect stock prices. Based on signal theory, the higher the NPM value will encourage investors to invest in the company because it is capable of producing good profitability. However, in the tests conducted, NPM does not have a significant effect on stock prices. In this study, it means that the signalling theory does not work properly. This can occur due to other factors that may not have been included in this study. These findings are in line with previous research conducted by Husaini (2012) and Rachman and Sutrisno (2013). This may occur due to investors who have started to abandon the valuation model by only paying attention to the profitability of a company.

Solvability ratios as measured by the DER indicator show a positive effect on stock prices. Shares, this indicates that the greater the Debt to Equity Ratio, the higher the share price, under Modigliani and Miller's theory in (Husnan, 2001) which shows the extent to which interest payments can be used to reduce the tax burden and it can also increase the value of a company, the use of debt provides benefits to the owner of the company. The results of this study are research conducted by Alwi and Sutrisno (2013) and Samsuar and Akramunnas (2017) stating that the Debt to Equity Ratio has a significant effect on stock prices. Meanwhile, the variable market value partially has a significant effect on stock prices.

Based on the partial test of the liquidity variable that has been carried out, it results in H_0 rejection and H_1 acceptance. This means that the partial results of the influence test show that the liquidity variable has a significant effect on stock prices. The higher the value of the current ratio means the better the company's ability to pay off its short-term obligations. The better the company's ability to pay off its obligations means the smaller the liquidation risk experienced by the company, in other words, the smaller the risk that

must be borne by the company's shareholders. Information on an increase in the current ratio will be received by the market as a good signal that will provide positive input for investors to decide to buy shares. These results are in line with the research conducted by Raharjo and Muid (2013) and Adriana and Lukmanul (2015) which state that the current ratio has a significant effect on stock prices.

The Price to Book Value ratio is commonly used by investors because by using this ratio investors can find out how much the market believes in the company's prospects. If the Price to Book Value is high, it means that the market has more confidence in the company's prospects. And indirectly, with many investors who believe in the company's prospects, it will attract a lot of interest from investors to invest in the company. The more investors who are interested in the company's shares, the higher the share price will be. So it can be concluded that Price to Book Value influences stock prices. These results are in line with research conducted by Alwi and Sutrisno (2013), and Putri, Azieb and Senjiati (2017) which state that Price to Book Value (PBV) has a significant effect on stock prices.

CONCLUSION

Simultaneously, the fundamental factors of financial ratios consisting of Profitability (Net Profit Margin), Solvency (Debt to Equity Ratio), Liquidity (Current Ratio), and Market Value (Price to Book Value) influence the stock prices of mining companies in Indonesia Stock Exchange. This shows that the pattern of stock price movements can be influenced by the fundamental factors of financial ratios together.

Partially, the profitability ratio (net profit margin) does not affect the share price of mining companies listed on the Indonesian Stock Exchange (IDX). This shows that even though the value of the net profit margin has increased, it is not certain that the share price will have increased.

Partially, the solvency ratio (debt to equity ratio) has a significant effect on the stock prices of mining companies listed on the Indonesia Stock Exchange (IDX). This shows that an increase in the debt-to-equity ratio will be followed by an increase in the company's stock price.

Partially, the liquidity ratio (current ratio) has a significant effect on the stock prices of mining companies listed on the Indonesian Stock Exchange (IDX). This shows an increase in the current ratio will be followed by an increase in stock prices.

Partially, the market value ratio (price to book value) has a significant effect on the share price of mining companies listed on the Indonesia Stock Exchange (IDX). This means that an increase in the value of the price to book value will be followed by an increase in the stock price.

RECOMMENDATION

Based on the results of the study that solvency, liquidity and market value affect stock prices, companies are expected to keep the company in a solvable state by being aware of the amount of debt it has because the value is too much, this will bring the risk of non-payment of debt. The higher the risk faced by the company, it will make investors hesitate to invest in the company. In addition, companies also need to continue to maintain liquidity and market value.

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