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Stock Price Analysis of Infrastructure Sector Companies Listed on the Indonesia Stock Exchange

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Abstract

This type of research is quantitative, with the aim of finding factors that have an influence on stock prices in infrastructure sector companies. By utilizing probability sampling techniques with slovin formula, 30 infrastructure companies listed on the Indonesia Stock Exchange were found for research samples. The hypothesis test used in this study was regression of panel data and using the E-views 12.0 program and the significance level of 5%. The results found as follows (1) there was influence of profitability on the stock prices of infrastructure sector companies, (2) there was no influence of solvency on the stock prices of infrastructure sector companies, (3) there was influence of inflation on the stock prices of infrastructure sector companies, and (4) there was influence of exchange rates on the stock prices of infrastructure sector companies.

Keywords
profitability; solvability; inflation; exchange rate; and stock price

I. Introduction

Economic progress in industry 4.0 from year to year grew rapidly until the end of 2020. According to Handayani et al., (2021) this development cannot be separated from the role of the infrastructure industry as a facilitator of accelerating national development. In supporting efforts to accelerate national development, it is necessary to encourage capital from the government together with state-owned companies and private companies in increasing infrastructure funding capacity.

Infrastructure companies that have gone public have the opportunity to obtain additional capital in developing their business, one of which is issuing shares on the stock exchange. In building better infrastructure, the government has carried out many large projects. This has a positive impact on the revenues of infrastructure sector companies, thereby attracting investors to purchase shares of infrastructure sector companies as an illustration of the potential increase in net profit of infrastructure sector companies. However, the phenomenon that has occurred in the last five years is the stock price of infrastructure sector companies fluctuating up and down. Following are the factors of fluctuations in stock prices of infrastructure sector companies for five years, from 2016 to 2020. Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020).

The share price growth of infrastructure sector companies in 2017 was 12.14% higher than 7.57% in 2016 due to an increase in foreign investment, thereby increasing revenues and impacting the company's net profit. Then, in 2018 it decreased to -10.09% due to the weakening of the Rupiah against the USD. In 2019 there was an increase of 6.88% due to the strengthening of the Rupiah against the USD and the impact of the Presidential general election, in which President Joko Widodo placed infrastructure development as one of the important government programs. In 2020, it decreased by -12.00% due to the weakening of the Rupiah against the USD as well as the Covid-19

pandemic, which eventually led to the government diverting its budget and many companies temporarily suspending their projects due to restrictions on mobilization.

Stock prices can rise and fall due to many factors, such as increases in net income, inflation, and foreign exchange according to Manurung (2021, pp. 98-99). In addition, other factors that can affect stock prices are the level of profitability, and the level of solvency according to Sylvia et al., (2020).

Profitability is a financial ratio that explains how the company's performance in utilizing its capital to gain profit. The high profitability ratio indicates that the company is more efficient in utilizing its own capital and stock prices will also increase according to Widajanto et al., (2021). Profitability ratios have a significant impact on stock prices according to Aulia et al., (2021). However, according to researchSulistiana (2017)profitability is not significant to stock prices.

Solvency is a financial ratio that explains how the company's performance is in using its capital to pay off long-term obligations.The lower the solvency value indicates the lower the risk of bankruptcy and the stock price will increase according to Sylvia et al., (2020).The solvency ratio has a significant impact on stock pricesaccording toHastuti & Sutanto (2017). However, according to research Octaviani & Komalasarai (2017) solvency is not significant to stock prices.

Inflation is an increase in the prices of commodities (goods and services) in general and takes placesustainable over a period of time.The inflation ratehigh is generally a signal of a decline in stock prices (Dalimunthe, 2018). Inflation has a significant impact on stock prices according to Utomo et al., (2019). However, according to research Aliu et al., (2021) inflation is not significant to stock prices.

The exchange rate is the exchange price between the currency of one country and the price of another country's currency that is used for transactions. Changes in exchange rates have an impact on the company's stock price(Sari & Budiarti, 2018). Exchange rates have a significant impact on stock prices according toEfriyenty (2020). However, according to researchAliu et al., (2021)exchange rate is not significant to stock prices.

Based on the phenomenon and gap research, this study was conducted as an effort to determine the effect of profitability, solvency, inflation and exchange rates on stock prices in infrastructure sector companies listed on the Indonesia Stock Exchange. It is hoped that the results of this study will be useful for companies in understanding internal and external influences on stock prices and for investors as material for consideration before investing their capital.

II. Review of Literature

2.1 Signaling Theory

Signal theory was first introduced by Spence in 1973. According toBrigham and Houston (2019, p.538)Signals are notifications by management with the aim of creating clues about the prospects of the company to investors. Generally, there are two kinds of signals, namely a negative signal indicated by a decrease in financial statements or called bad news and a positive signal indicated by an increase in financial statements or called good news according toAbqari & Hartono (2020). Companies that issue announcements related to dividends will attract investors because it indicates the company's financial condition is in a healthy condition, thus causing share prices to increase.

Investor reactions to these forms of signals greatly affect market conditions according toAlshifa (2021). Various types of responses in the face of positive and negative signals, such as buying or selling the shares in question and doing a "wait and see" for the

development of the shares owned. The purpose of investors doing these types of responses is to minimize the risks posed by the market. Therefore, the signals that are notified by the company greatly affect the owners of capital when making decisions as well as to fluctuations in stock prices.

2.2 Stock price

A price that is taking place on the stock exchange and is determined by investors with stock supply and demand activities at a certain time is called the stock price according to Jogiyanto (2008, p. 143) inShahedeh et al., (2017). The support level price is the price level that indicates that many investors will buy shares. Meanwhile, the price of the holding level is the price level that indicates that many investors will sell shares according to Manurung (2021, p.69). Based on its use, stock prices are divided into three types according to Rusdin (2005, p.68) inVeronica & Pebriani (2020):

a. Nominal Price

Usually the price is listed on the share certificate and one type of share contains one form of nominal price.

b. Basic price

Usually determined by the company when the stock is announced and becomes the first or base price.

c. Market price

Usually determined when the market is operating or has closed. The closing price is often used as the market price.

Measurement of stock prices can be moderated by stock returns. The owner of capital hopes to receive a return on the capital he has invested, it is referred to as a stock return according toSunaryo (2021, p.8).The stock return formula according to Jogiyanto (2003, p.110) inSunaryo (2021, p.10)that is:

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

2.3 Profitability

According to Brigham & Houston (2019, p.118) profitability describes the effectiveness of the company in making a profit. according toDarmawan (2020, p.103)A high profitability value indicates a high age of the company and the company's prospects can be more guaranteed so that the company is considered capable of obtaining high profits and share prices as well..

In this research, Return on Equity (ROE) is appointed as a representative of the level of profitability because it is considered capable of providing an explanation regarding the company's capital used to generate net income and is considered accurate because in total capital there is also an element of share capital. The ROE calculation formula is:

$$\textit{Return On Equity} = \frac{\textit{Net Income}}{\textit{Total equity}} \text{ x } 100$$

According to Dalimunthe (2018) profitability value can have an influence on stock prices because the higher the profitability value generated, the higher the company's stock price. If the company can get high profits, it indicates that management has succeeded in maximizing company returns. This information can be accepted by the market because it is considered a positive signal. Thus it can be concluded that profitability can have an effect on stock prices.

This is in line with researchDalimunthe (2018),Aulia et al., (2021), andWidajanto et al., (2021)that profitability affects stock prices.
H1: Profitability has an effect on dividend policy

2.4 Solvency

According toBrigham & Houston (2019, p.118)solvency describesthe company's ability to manage its debt.according toDarmawan (2020, pp. 77-78)High solvency value is not always bad, because debt can be a cheaper source of funding compared to equity. However, a solvency value that is too high allows the company to receive liquidation proceeds. Therefore, the optimal solvency value can be in line with stock price fluctuations. However, if the solvency value is already too high above the industry average, it can be contrary to the stock price.

In this research, the Debt to Equity Ratio (DER) was chosen to represent the level of solvency because it is considered capable of providing an explanation regarding the company's capital used to pay off the company's debt.The DER calculation formula is:

$$\textit{Debt to Equity Ratio} = \frac{Total\ Debt}{Total\ Equity} \times 100$$

According to Hutabarat et al., (2019) Solvency value can have an influence on stock prices because the higher the resulting solvency value, the higher the company's stock price. Companies with large capital allow them to have a great opportunity to share profits with investors. This condition can be accepted by market participants because the increase in solvency is considered a positive signal. Thus it can be concluded that solvency can have an effect on stock prices.

This is in line with research Hastuti & Sutanto (2017), andAulia et al., (2021)that solvency has an effect on stock prices.
H2: Solvency has an effect on stock prices

2.5 Inflation

Inflation is an increase in the prices of goods and services that are general in nature and take place continuously according toRahardja and Manurung (2017, p.359). Presented byDalimunthe (2018)If inflation increases, it will be a negative signal for owners of capital and will result in a decline in stock prices.

In this research, the Consumer Price Index (CPI) was chosen to represent the inflation rate because it is considered capable of providing an explanation regarding the amount of public consumption as market participants or consumers and can be used as consideration for companies for other needs.The formula for calculating inflation is:

$$\text{Inflation} = \frac{IHK - IHK_{-1}}{IHK_{-1}}$$

According to Yuniarti & Litriani (2017)the inflation rate can have an effect on stock prices because the higher the rate of inflation, the lower the company's stock price. This condition is due to the fact that many investors secure their funds in other types of investment as an effort to increase the profits or returns obtained and to reduce the risks found. Thus it can be concluded that inflation can have an effect on stock prices.

This is in line withstudyUtomo et al., (2019),Sari & Budiarti (2018), andDalimunthe (2018)that inflation affects stock prices.
H3: Inflation affects stock prices

2.6 Exchange rate

In conducting transactions, the currency used contains a certain exchange rate in the currency of another country. The exchange rate is what gives an idea of how much currency must be exchanged in order to get one score for another currency. This term is called the exchange rate according to Rahardja & Manurung (2017, p.307). Presented by Efriyenty (2020) if the exchange rate weakens, the company will experience an increase in the burden of foreign currency which results in a decrease in stock prices.

In this research, the Logarithm of the Middle Exchange Rate is appointed as the representative of the exchange rate because it is considered capable of providing an explanation regarding the picture of the exchange rate which does not contain foreign exchange allegations. The calculation formula is as follows:

Exchange Rate = Ln (Middle Rate)

According to Octovian & Mardiati (2021)Exchange rates can have an influence on stock prices because the higher or appreciation of foreign currency, the lower the company's stock price. This condition is because the domestic economy is experiencing a wobble and many investors are waiting for the right time to reinvest in domestic companies. As a result, the company's stock price fell. Thus it can be concluded if the exchange rate can have an influence on stock prices.

This is in line withstudySari & Budiarti (2018)andAnichebe (2019)that the exchange rate affects stock prices.

H4: The exchange rate has an effect on stock prices

III. Research Method

3.1 Population and Sample

Infrastructure sector companies listed on the Indonesia Stock Exchange for the period 2016-2020constitute the population in this study. Temporaryinfrastructure sector companies listed on the Indonesia Stock Exchange before the 2016-2020 research periodis the sample in this study and the sampling technique with probability sampling technique in order to obtain 30 companies.

3.2 Data Collection Technique

Secondary data is the type of data used in this study. The secondary data in this case isannual financial report of infrastructure sector companies for the period 2016-2020obtained from the IDX website, namely www.idx.co.id and other sources.

3.3 Data Analysis Technique

Research that is quantitative, generally uses statistical methods in analyzing data in order to make it easier to conclude answers to the formulation of the problem or to test hypotheses. Therefore, the use of Microsoft Excel 2019 and E-views version 12 are used as data analysis techniques for this studywith the panel data regression model used are:

$Y_{it} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu_{it}$

Note:

Y_{it} = Stock Price

X_1 = Profitability

X_2 = Solvency

X_3 = Inflation

X_4 = Exchange Rate

β = Constant

i = Name of Infrastructure Sector Company
t = Time Period
μ = *Error Term*

There are three tests used in choosing the right panel data regression modelnamely F test (Restrictred Test), Hausmann test and Lagrange Multiplier test.

3.4 Hypothesis Testing

Hypothesis testing (temporary conjecture) uses a regression analysis model by utilizing the Eviews version 12 application, including the partial test (t test) and the coefficient of determination test (R2).

IV. Results and Discussion

4.1 Results

a. Descriptive Statistics

To describe the data obtained such as mean, maximum, minimum, and standard deviation, descriptive statistical analysis is used. The following is the result of data processingusing the E-views 12.0 appwith the total number of data in this study is 150 data, then the results are as follows:

Table 1. Descriptive Statistical Results

	PRICE SHARE	PROFITABILITY	SOLVENCY	INFLATION	MARK SWAP
mean	0.102177	0.033712	1.768264	0.031205	9.541249
median	0.112869	0.059597	1.150000	0.031975	9.557211
Maximum	1.461836	1.008672	14000000	0.038092	9.586875
Minimum	-0.793193	-1.489000	-12000000	0.020358	9.496074
Std. Dev.	0.029007	0.028115	0.432541	0.006076	0.036068
Observations	150	150	150	150	150

Source: E-views 12 (data processed)

Below is a descriptive statistical interpretation:

1. Stock price
   The average stock price calculated by stock returns from 150 observation data is 0.102177 or 10.22%. This shows that the rate of return on capital that has been invested by investors in infrastructure sector companies is on average good because it means that investors can get a return on infrastructure sector companies of 10.22% or positive value. The highest stock return was obtained by Smartfren Telecom Tbk (FREN) during the 2019 period with a value of 1.461836 due to a corporate action in the form of a 20.5% share acquisition carried out by its subsidiary. Meanwhile, the lowest stock return was obtained by Acset Indonusa Tbk (ACST) during the 2020 period with a value of -0.793193 due to the impact of the Covid-19 pandemic, resulting in a slowdown in the company's project progress. The standard deviation of the stock price, which is 0.029007, is smaller than the mean value, meaning that there is no different trend between the maximum and minimum share prices.
2. Profitability
   The average profitability calculated by Return on Equity from 150 observation data is 0.033712 or 3.37%. This indicates that if the rate of return on equity in infrastructure sector companies is on average good, because the profitability value for 5 years shows

positive results, it means that the company is able to manage the available capital to provide dividends or capital gains to the owners of capital. The highest ROE was obtained by Leyand Internasional Tbk (LAPD) during the 2019 period with a value of 1.008672 because net income and total equity both obtained negative values. Meanwhile, the lowest ROE was obtained by Acset Indonusa Tbk (ACST) during the 2019 period with a value of -1.489000 due to an increase in total liabilities with negative net income. The standard deviation of profitability, which is 0.028115, is smaller than the mean value, meaning that there is no different trend between the maximum and minimum profitability values.

3. Solvency

   The average solvency calculated by the Debt to Equity Ratio of 150 observation data is 1.768264. This shows that the average debt-to-equity level of infrastructure sector companies is not good because it is more than 1, so it has the potential to pose a risk of bankruptcy due to the company's difficulty in financing all of its short-term and long-term debts. The highest DER was obtained by Acset Indonusa Tbk (ACST) during the 2019 period with a value of 14,000,000 due to an increase in liabilities and a decrease in total equity. Meanwhile, the lowest DER was obtained by Leyand International Tbk (LAPD) during the 2019 period with a value of -12,00000 because total equity gave a negative return even though total liabilities had increased. The standard deviation of solvency is 0.432541 which is smaller than the mean value, meaning that there is no different tendency between the maximum and minimum solvency values.

4. Inflation

   Inflation for the 2016-2020 period has an average (mean) of 0.031205 or 3.12%. This shows that the inflation rate that affects stock prices in infrastructure sector companies is on average good because the inflation rate can still be tolerated by the market so that many investors invest their funds in infrastructure sector companies. The highest inflation in this sector was 0.039092 during the 2017 period. This condition was due to rising commodity prices, electricity costs, transportation and communication. As a result, the price of basic commodities is expensive and inflation has increased to 3.90%. Meanwhile, the lowest inflation in this sector was 0.020358 during the 2020 period. This condition was due to limited public mobility so that domestic demand was restrained and inflation decreased to 2.03%. The standard deviation of inflation, which is 0.006076, is smaller than the mean value, meaning that there is no different trend between the maximum and minimum inflation levels.

5. Exchange rate

   The exchange rate for the 2016-2020 period has an average (mean) of 9.541249 with the highest value in the infrastructure sector, which is 9.586875 during the 2020 period. This condition is due to the ambiguity of the global economy and financial market triggered by geopolitical news. As a result, capital flows into developing countries tended to be restrained and resulted in the exchange rate depreciating up to 2.66%. Meanwhile, the lowest value was in the infrastructure sector, which was 9.496074 during the 2016 period. This condition was due to economic fundamentals showing improvement and the government's tax amnesty program. As a result, the rupiah has strengthened or appreciated up to 1.70% which was triggered by the entry of tax amnesty refunds. The standard deviation of the exchange rate is 0.036068 which is smaller than the mean value, meaning that there is no different tendency between the maximum and minimum exchange rates.

b. Regression Model Used

Table 2. *Fixed Effect Model*

Dependent Variable: PRICE_SHARE
Method: Least Squares Panel
Date: 01/10/22 Time: 01:20
Samples: 2016 2020
Periods included: 5
Cross-sections included: 30
Total panels (balanced) observations: 150

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	2.477952	12.77311	0.193998	0.8465
PROFITABILITY	0.215275	0.124797	2.725002	0.0087
SOLVENCY	0.009618	0.016702	0.575858	0.5658
INFLATION	-0.139515	0.818589	-2.113146	0.0363
EXCHANGE RATE	-0.271329	1.316402	-2.606113	0.0083

Source: E-views 12 (data processed)

Based on the results of the panel data regression above, it is found that the equation of the panel data regression model is:

Share Price = 2.477952 + 0.215275 (ROE) + 0.009618 (DER) – 0.139515 (Inflation) – 0.271329 (Exchange Rate) + μ

c. Partial Test (t Test)

The partial test was carried out to find out whether there was an influence between the independent variables (profitability, solvency, inflation and exchange rates) on the dependent variable (stock prices).

Table 3. Partial Test Results (t Test)

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	2.477952	12.77311	0.193998	0.8465
PROFITABILITY	0.215275	0.124797	2.725002	0.0087
SOLVENCY	0.009618	0.016702	0.575858	0.5658
INFLATION	-0.139515	0.818589	-2.113146	0.0363
EXCHANGE RATE	-0.271329	1.316402	-2.606113	0.0083

Source: E-views 12 (data processed)

Based on the table above, the influence of the independent variable on the dependent variable can be interpreted as follows:

1. The Effect of Profitability on Stock Prices
   Profitability tcount value is higher than ttable, namely 2.725002 > 1.97646 (df = 150 – 5 = 145 with a significance level of 0.05) and the probability value is 0.0087 < 0.05 so H0 is rejected and Ha is accepted. In conclusion, profitability has an effect on stock prices.
2. The Effect of Solvency on Stock Prices
   Solvency tcount value is lower than ttable, namely 0.575858 < 1.97646 (df = 150 – 5 = 145 with a significance level of 0.05) and the probability value is 0.5658 > 0.05 so H0 is accepted and Ha is rejected. In conclusion, solvency has no effect on stock prices.

3. Effect of Inflation on Stock Prices
   The value of -tcount Inflation is lower than -ttable, namely -2.113146 < -1.97646 (df = 150 – 5 = 145 with a significance level of 0.05) and the probability value is 0.0363 < 0.05 so that H0 is rejected and Ha is accepted. In conclusion, inflation has an effect on stock prices.
4. Effect of Exchange Rate on Stock Prices
   The value of -tcount Exchange Rate is lower than -ttable, namely -2.606113 < -1.97646 (df = 150 – 5 = 145 with a significance level of 0.05) and the probability value is 0.0083 < 0.05 so H0 is rejected and Ha is accepted. In conclusion, the exchange rate affects stock prices.

d. Coefficient of Determination Test (R^2)

The purpose of measuring the R2 test is to find the magnitude of the influence of Profitability, Solvency, Inflation, and Exchange Ratesin describing the Share Price.

Table 4. Results of the Coefficient of Determination

Cross-section fixed (dummy variables)			
MSE root	0.763016	R-squared	0.763016
Mean dependent var	0.094867	Adjusted R-squared	0.698833
SD dependent var	0.000324	SE of regression	0.000178
Akaike info criterion	-14.24053	Sum squared resid	6.08E-06
Schwarz criterion	-13.48312	Likelihood logs	1797,465
Hannan-Quinn Criter.	-13.93552	F-statistics	11.88810
Durbin-Watson stat	1.667622	Prob(F-statistic)	0.000000

Source: E-views 12 (data processed)

Based on the table above, it is found that the adjusted R-squared (R2) is 0.698833 or 69.88%. This condition means that the variables of profitability, solvency, inflation and exchange rate have an influence on stock prices of 69.88% then the remaining 30.12% (100% - 69.88%) may be influenced by other factors such as company activities, liquidity, value market and government policy.

4.2 Discussion

a. The Effect of Profitability on Stock Prices

Profitabilitywhich is calculated by Return on Equity has a higher tcount than ttable, namely 2.725002 > 1.97646. That is, the profitability variable has an effect on stock prices. The upward movement of ROE affects the upward movement of Stock Prices, and vice versa. For example, the BUKK company from 2016 to 2018 found increased profitability accompanied by an increase in the company's stock price.

TheoryDalimunthe (2018) stated that a high profitability value indicates a high age of the company and the company's prospects can be more guaranteed so that the company is considered capable of obtaining high profits and share prices as well. The profitability value shows that management is successful in maximizing the company's return so that it can attract capital owners to invest their funds because the rate of return received is potentially large.

This study provides comparable results, namely an increase in profit followed by an increase in stock prices. This condition was due to an increase in financial income which was higher than the cost of goods sold which resulted in an increase in net income. This condition causes BUKK companies to have an influence on profitability on stock prices.

Then, in 2019 the election of Joko Widodo as President again gave a positive signal because the President placed infrastructure development as one of the important government programs. This increases public interest in seeing the long-term goals of infrastructure sector companies so that many investors invest their funds in infrastructure sector companies. As a result, share prices in infrastructure sector companies also increase

67% infrastructure sector companies during the period 2016-2020 experience increase in stock prices accompanied by increased profitability and vice versa, the company experienced decrease in share price accompanied by a decrease in profitability.

The results of this study are comparable to the research carried outDalimunthe (2018),Sylvia et al., (2020), as well asAulia et al., (2021)which concludes that profitability has an effect on stock prices.

b. The Effect of Solvency on Stock Prices

Solvency calculated by *Debt to Equity Ratio* has a lower tcount than ttable, which is 0.575858 < 1.97646. That is, the solvency variable has no effect on stock prices. The movement up or down DER does not affect the movement up or down the Stock Price. For example, the WIKA company found that solvency increased more than the average accompanied by an increase in the company's stock price.

Theory Hutabarat et al., (2019) states that the optimal solvency value can be in line with stock price fluctuations. However, if the solvency value is already too high above the industry average, it can be in conflict with the stock price. This condition is because debt can be a cheaper source of funding compared to equity. However, if the solvency value exceeds the average, it can trigger losses and even bankruptcy of the company.

Studythis gives a different result, namely solvency that has increased beyond the industry average, accompanied by an increase in stock prices as well. This condition is because companies that have a high level of solvency above the average are considered capable of providing opportunities in obtaining large profits, so that share prices also increase. This condition causes the WIKA company to have no influence on solvency on stock prices.

53% infrastructure sector companies during the period 2016-2020 experience increase in share price accompanied by an increase in solvency above averageand vice versa, the company experienceddecrease in share price accompanied by a decrease in solvency below average.

The results of this study are comparable to the research carried out Octaviani & Komalasarai (2017), Widajanto et al., (2021), as well asSolihati (2021)who concluded that solvency had no effect on stock prices.

c. Effect of Inflation on Stock Prices

Inflationwhich is calculated from the average per year has a value of -tcount lower than -ttable, namely -2.113146 < -1.97646. That is, the inflation variable has an effect on stock prices. The upward movement of Inflation affects the downward movement of stock prices, and vice versa. For example, the IBST, LINK, and META companies from 2017 to 2020 found rising inflation accompanied by a decline in stock prices.

Statement Yuniarti & Litriani (2017) where rising inflation can trigger a decline in stock prices because many investors secure their funds in other types of investments to expect high profits or returns and minimize the risks that will be accepted.

This study provides comparable results, namely an increase in inflation accompanied by a decrease in stock prices. This condition is due to the high inflation rate causing people's purchasing power to decrease. If the company's stock price decreases, the company's capital will be hampered. As a result, projects carried out by infrastructure companies will be delayed due to increased production materials and limited capital.This condition causes the company toIBST, LINK, and METAhave the effect of inflation on stock prices.

57%infrastructure sector companies during the 2016-2020 period experienced a decline in stock prices followed by an increase in inflationand vice versa,the company experienced an increase in stock prices followed by a decrease in inflation.

The results of this study are comparable to the research carried outDalimunthe (2018), Utomo et al., (2019), as well as Octovian & Mardiati (2021) which concludes that inflation affects stock prices.

d. Effect of Exchange Rate on Stock Prices

Exchange ratewhich is calculated by the Logarithm of the Middle Exchange Rate has a lower value of -tcount than -ttable, namely -2.606113 < -1.97646. That is, the exchange rate variable has an effect on stock prices. The weakening of the exchange rate affects the downward movement of stock prices, and vice versa. For example, the ADHI and LINK companies found a weakening exchange rate accompanied by a decrease in the company's stock price.

Statement Octovian & Mardiati (2021)where the weakening of the exchange rate will affect the decline in stock prices because the company experiences a decrease in profits or losses. The decline in stock prices caused by the depreciation of the Rupiah against the Dollar is one indicator that investors avoid because the returns obtained by the company allow low returns. This is because the domestic economy is experiencing instability and many capital owners are waiting for the right time to buy back shares of domestic companies.

This researchprovide comparable results, namely the depreciation of the exchange rate accompanied by a decrease in stock prices. This condition is due to some of the infrastructure projects using imported raw materials such as iron and steel so that the completion of infrastructure projects may not run optimally. That's the conditionwhich causes the companyADHI and LINKhave the effect of exchange rates on stock prices

53% infrastructure sector companies during the 2016-2020 period experienced a decline in stock prices followed by exchange rate depreciationand vice versa, the company experienced an increase in stock prices followed by an appreciation of the exchange rate.

The results of this study are comparable to the research carried outSari & Budiarti (2018), Utomo et al., (2019)as well as Octovian & Mardiati (2021) who concluded that the exchange rate had an effect on stock prices.

V. Conclusion

The results of the study stated that the profitability calculated by ROE has an effect onShare Prices of Infrastructure Sector Companieson the Indonesia Stock Exchange for the 2016-2020 period. The solvencycalculated by DER has no effect onShare Prices of Infrastructure Sector Companieson the Indonesia Stock Exchange for the 2016-2020 period. Inflation thatcalculated by the average per year has an effect onShare Prices of Infrastructure Sector Companieson the Indonesia Stock Exchange for the 2016-2020 period. The Exchange Ratecalculated byThe Logarithm of the Middle Exchange Rate affectsShare Prices of Infrastructure Sector Companieson the Indonesia Stock Exchange for the 2016-2020 period.

The results of this study are expected to be a material for the company's consideration inimprove its financial performance so that the company's share price can also increaseand help investorsmake a decision to invest.

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