Structural Model of Company Stock Return in Basic and Chemical Industries: Impact of Profitability, Market Value, Liquidity and Leverage

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Abstract

This study aims to analyze the partial and simultaneous influence of profitability, market value and leverage on the stock market returns in primary industrial and chemical companies listed on the Indonesian Stock Exchange in 2019. This is exploratory research that applied the purposive technique for collecting data. Data were analyzed using SEM Amos version 24 and hypothesis tests. The analysis shows that profitability, market value and leverage, both partially and simultaneously, have no significant effect on stock market returns. Future studies will pay more attention to the size of the business, the number of financial ratios and the expansion of observation units and other factors such as interest rates, inflation rates and changes in exchange rates.

Keywords: *stock return, profitability, market value, leverage, primary and industry companies*

A. Introduction

Data from the Indonesia Stock Exchange (ISE), in 2019, shows that the primary industry sector has the potential to regain the performance of sectoral indices with the achievement of an increase of 24.01% among the nine existing areas (Yazid Muamar, 2019). In addition to the primary industry, the chemical industry also experienced a definite increase (Ika Puspitasari, 2019); the primary industrial and chemical sectors were still able to increase when the Composite Stock Price Index corrected 2.95% due to the impact of the trade war between the United States and China. This data is also strengthened by the statements of Azizah Nur Alfi, (2019) and Benedicta Prima, (2019), arguing that shares in the basic and chemical industry sectors have increased higher than other sectors. One indicator used to analyze the increase in shares is the level of stock returns as expressed by Aditya Perdana Putranto, (2019); if based on its highest return, the basic industrial and chemical sectors are superior to other sectors (Nadya Zul El Nuha, 2019).

However, the reality is that not all companies in the sector have increased. As an example; 2 companies in the basic and chemical industry sector, namely PT Ashahimas Flat Glass Tbk (AMGF) which operates in the glass business unit and P.T. Semen Baturaja Persero Tbk (SMBR) which operates as a cement producer has alarming financial statements. AMFG's financial report shows a loss, the amount of losses has increased three times in the range of -85.19% and slightly subsided in 2018, which is -82.89%. While SMBR is also inevitable, the loss continues in the range of -43.39% and again surged in 2018, which is -48.12% (Brama, 2019). This is due to the company's inability to obtain profits so that it is unable to maintain stock prices (Victor Pattiasina, Fajar Rina Sejati, Yohanes Cores Seralurin, 2018).

Meanwhile, during the first two weeks in May 2019, all shares of cement listed companies listed on the Indonesia Stock Exchange compact experienced weakening. This was allegedly due to the disappointment of market participants. As from 1 May 2019 - 10 May 2019, the shares of P.T. Semen Indonesia (Persero) Tbk. (SMGR) fell 17.4%, while the shares of PT Indocement Tunggal Prakarsa Tbk. (INTP) and PT Solusi Bangun Indonesia Tbk. (SMCB) decreased by 11.6% and 10.1%

respectively. Meanwhile, shares of P.T. Semen Baturaja (Persero) Tbk. (SMBR) fell 26.5%. Meanwhile, the negative sentiment affecting investors' selling action is the uncertain global economic conditions, especially the US-China trade tension (Ridwan, 2019). With the selling action carried out by investors will have an impact on declining market value, the selling action is triggered by investor panic over the possibility of not getting a return, and this is normal because investors always expect high-level investment returns from any company.

Stock returns are basically influenced by several factors, including; profitability, market value, liquidity, and leverage. Profitability ratios provide a measure of the effectiveness of a company's management, as indicated by the profits generated from sales and revenue. One of them is Return On Assets (ROA) is the ratio between profit after-tax or net income after tax to total assets. Increasing ROA illustrates the company's better performance and shareholders will benefit from the increasing dividends received, or rising stock prices and stock returns. Aryaningsih et al. (2018); The Return on Assets (ROA) variable partially has a positive and significant effect on stock returns; different results are shown Febrioni (2016); Return On Assets (ROA) has no impact on stock returns.

Market Value is the second factor that affects stock returns. Price Earnings Ratio (PER) is the ratio of the ratio between the share price to the income of each share. PER information indicates the amount of rupiah that must be paid by investors to obtain one rupiah of company earnings. The higher the PER suggests the prospect of a stock price being valued higher by investors on earnings per share, so the higher PER also indicates the more expensive the shares are on the earnings per share (Cf. Fanggidae, 2019). Increased stock prices will be responded positively by investors because they will get a capital gain which is one component of stock returns. This statement is supported by research conducted by Sodikin & Wuldani (2016), which shows that PER has a positive effect on stock returns. Soedjatmiko et al. (2018) show that PER has no impact on stock returns.

B. Theoretical Review and Research Hypotheses

Positive Accounting Theory

Positive accounting theory is a theory that gives managers the freedom to choose the right accounting method based on the uncertainty of economic events that may be faced by the company in the coming year. Therefore, the choice of accounting methods by managers is not limited because managers are given the freedom to choose the accounting method that suits them—company, (Oktyawati & Agustia, 2014).

Watts and Zimmerman (1990) revealed three hypotheses regarding positive accounting theory, namely (a) Bonus Hypothesis Plan. Management chose an accounting method that maximizes its utility, which is a high bonus; (b) Debt Covenant Hypothesis. The higher the company's debt ratio, the company manager will tend to choose accounting methods that have the effect of increasing profits; and (c) Political Cost Hypothesis. In general, the larger the company, the higher the company chooses an accounting method that decreases profits because of the higher the benefit, the greater the community's demands on the company.

Stock returns

Stock returns are the results obtained from an investment of funds that have been invested that can be enjoyed by investors (Sutriani, 2014). Returns can be realized returns that are returned that have occurred, calculated based on historical data and used to measure company performance. The expected rate of return is the return that the investor will receive from his investment in the company (issuer) in the future. An investor will expect a certain return in the future, but if the investment he has done is completed, the investor will get a realized return.

Profitability

Profitability is the ability of the company to make a profit in relation to the sale of total assets and equity (Oroh et al., 2019). Profitability ratios are used to measure the level of rewards or gains (profits) compared to sales or assets, measuring how much the company's ability to make profits in

relation to sales, assets or profit and own capital (Sujarweni, 2019). Profitability is a fundamental aspect of the company, because in addition to providing a great attraction for investors who will invest their funds in the company as well as a measure of the effectiveness and efficiency of using all the resources that are in the company's operational processes.

One of the ratios used to determine profitability is Return On Assets (ROA). ROA is a ratio that shows the results (return) of the total assets used in the company. Return On Assets is a ratio used to measure the ability of capital invested in total assets to generate net profits (Sujarweni, 2019). Several studies conducted such as; Febrioni (2016) and Soedjatmiko et al. (2018); profitability has no effect on stock returns, but these results are different from Rahyuda & Puspitadewi (2016); Aryaningsih et al. (2018); Dewi & Sudiartha (2019) and Oroh et al. (2019) profitability proxied by ROA partially has a positive effect on stock returns. The research hypothesis proposed is as follows;

H1; Profitability has a positive effect on stock returns.

Market Value

Market Value is the price of goods or securities, as indicated by the market offer. Market value also shows the amount of rupiah that must be paid by investors to get one rupiah of the company's earnings (profits) reported (Putranto & Darmawan, 2018). The ratio used to determine market value is Price Earning Ratio (PER). Price Earning Ratio (PER) is the ratio used to calculate the rate of return on capital invested in a stock.

The higher the PER indicates the prospect of stock prices being valued the higher by investors on earnings/shares, the higher PER indicates the more expensive shares against earnings/shares. Increased stock prices will be responded positively by investors because investors will get capital gains which are stock returns. Rahyuda & Puspitadewi study results (2016); Sodikin & Wuldani (2016) and Soedjatmiko et al. (2018) states that PER has a positive effect on stock returns. The research hypothesis proposed is as follows;

H2; Market value has a positive effect on stock returns.

Liquidity

The liquidity ratio is used to measure the company's ability to meet short-term financial obligations in the form of short-term debts as indicated by the size of current assets (Sujarweni, 2019). One of the ratios used to measure the level of liquidity is the Current ratio as the ratio between the value of current assets and current short-term debt. Thus, a high current ratio shows that the company can meet its obligations or short-term debt by using existing assets so that in terms of shareholders have confidence in the company's ability to have a high level of current ratio. Increased liquidity of a company encourages an increase in the company's stock price and will provide returns for traders and investors in the capital market. Previous studies by; I Made Gunartha Dwi Putra, and I Made Dana, (2016); Putu Eka Dianita Marvilianti Dewi, (2016) and Dewi & Sudiartha (2019) prove that liquidity affects stock returns. The research hypothesis proposed is as follows;

H3; Liquidity has a positive effect on stock returns.

Leverage

Leverage is a ratio used to measure how much assets a company has comes from debt or capital so that this ratio can determine the company's position and obligations that are fixed to other parties and balance the value of fixed assets with existing capital (Oroh et al., 2019). There are two types of leverage, namely operating leverage and financial leverage. Operating leverage, the use of assets with fixed costs expects the revenue obtained to cover fixed costs and variable costs. In

contrast, in financial leverage, the use of funds with fixed expenses is expected to increase earnings per share.

One of the ratios used to determine leverage is Debt to Equity Ratio (DER). DER is a comparison between debt and equity in company funding and shows the ability of the company's capital to meet all its obligations (Sujarweni, 2019). Companies with high leverage ratios can have an impact on the emergence of large financial risks, but also have a great opportunity to generate high profits so that it will increase the company's stock return (Alviansyah et al., 2018). The study of Made Gunartha Dwi Putra and I Made Dana, (2016) and Rahmawati (2017) revealed that DER has a significant effect on stock returns. The research hypothesis proposed is as follows;

H4; Leverage has a positive effect on stock returns.

C. Research Method

It was an explanatory research on the effect of profitability, market value, liquidity and leverage on stock returns. Data is collected and obtained through the website access www.idx.co.id relating to financial statements of companies in the basic industrial and chemical sectors for the 2014-2017 period. The population was 71 companies, the withdrawal of a sample of 14 companies using purposive sampling techniques with the following criteria; 1) Companies listing on the IDX for the period 2014-2017; 2) Companies that include an independent auditor's report together with the audited financial statements for the 2014-2017 period; and 3) Companies that have complete financial data related to research variables in the 2014-2017 period. Data were analyzed using structural equation models to answer hypotheses.

D. Results and Discussion

Normality Test Results

Data normality test in research conducted on univariate and multivariate data. Univariate sees the value of c.r in skew is expected to be in the range of -2.58 to 2.58, but if it is outside this number, it can be tolerated if the multivariate value is still around -2.58 to 2.58. The normality test data is presented in Table 1 below.

Table 1. Testing Data Normality

Variable	skew	c.r.	kurtosis	c.r.
CR	.688	2.101	-.106	-.163
PER	-.196	-.598	-.271	-.414
DER	-.710	-2.169	2.904	4.436
ROA	-.303	-.926	.524	.800
Return	.059	.179	1.661	2.537
Multivariate			3.874	1.732

Source: Output SEM Amos (2019)

It can be seen that the value of c.r in skew for all variables is still in the range of -2.58 to 2.58, univariate normal data. The multivariate value is 1,732, which is still in the range of -2.58 to 2.58. Then it can be concluded that the data in this study are normally distributed.

Outliers Test Results

Outliers test, looking at multivariate outliers, is performed using Mahalanobis distance based on the chi-square value on free degrees of the number of indicators at the significance level of 0.001. Outliers test results are presented in Table 2 below.

Table 2. Testing Data Outliers

Observation number	Mahalanobis d-squared	p2
20	12.816	.760
14	12.560	.465
46	11.803	.352
13	11.493	.213
38	11.385	.101
15	11.332	.040
16	9.810	.164
11	9.102	.232
39	8.822	.199
31	8.728	.131
47	8.492	.109
5	8.237	.098
23	8.209	.055
21	7.902	.059
30	7.639	.060
26	7.426	.056
45	7.426	.029
49	6.614	.145
19	6.284	.197
18	5.944	.274
55	5.471	.464
33	5.450	.371
24	5.414	.294
22	5.168	.354
50	5.041	.341
34	4.980	.286
32	4.809	.305
37	4.723	.271
12	4.604	.260
9	4.480	.254
35	4.095	.449
6	3.350	.904
1	3.279	.886
28	3.007	.947
52	2.703	.984
10	2.534	.990
2	2.532	.980
56	2.504	.968
8	2.322	.981
29	2.269	.973
25	1.940	.996
40	1.913	.992
54	1.880	.985
17	1.816	.980
48	1.787	.964
36	1.662	.968

Observation number	Mahalanobis d-squared	p2
51	1.426	.989
3	1.347	.985
43	1.336	.963
4	1.320	.920
27	1.021	.978
41	.589	1.000
53	.409	1.000
7	.324	.999
42	.280	.994
44	.195	.955

With several indicators of 5 (five) indicators at the significance of 0.001, a chi-square value of 20,515 was obtained. Based on the outliers testing table, it appears that the Mahalanobis distance value of 12,816 is smaller than the chi-square value of 20,515. Then it can be concluded that the data has been free from the problem of outliers.

Multicollinearity Test Results

A good regression model should not occur the correlation between independent variables (Manafe & Setyorini, 2019). To test the problem of Multicollinearity, it can be seen from the correlation of the independent variable. If there is a correlation of more than 0.80, then there is Multicollinearity. The results of multicollinearity testing are presented in Figure 1 below.

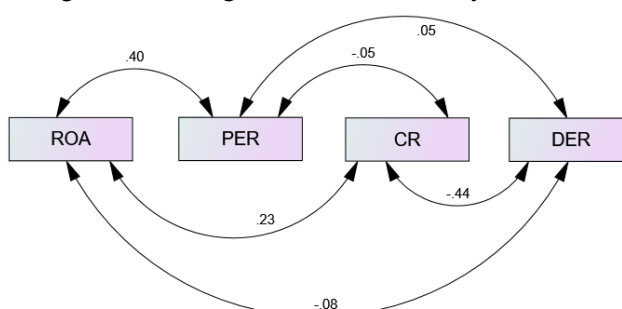Figure 1. Testing for Multicollinearity

Figure 1 shows the correlation value between independent variables, the correlation value is not greater than 0.80, so there is no multicollinearity problem in this research data. Another way to detect the presence or the absence of multicollinearity symptoms is by examining at the determinant of sample covariance matrix values. If it is far from zero, there is no multicollinearity problem. The determinant of the sample covariance matrix is shown at a value of 791,780, and this number is very far from zero, it can be concluded that there is no problem of Multicollinearity in the data of this study.

Hypothesis test

Confirmatory Factor Analysis (CFA)

The data analysis technique used to answer the problem and achieve the objectives of this study is the analysis of Structural Equation Modeling (SEM) with a regression equation without intercepts (constants). The purpose of partial effect testing uses Structural Equation Modeling (SEM) analysis to test the effect of Profitability, Market Value, Liquidity, and Leverage on Stock Returns. Structural Equation Modeling (SEM) analysis testing is performed with the help of Amos SEM Software version 24. It can be seen in the following Confirmatory Factor Analysis (CFA) test table.

Table 3. Confirmatory Factor Analysis Results

|			*Estimate*
Return	<---	ROA	.192
Return	<---	PER	-.156
Return	<---	DER	-.036
Return	<---	CR	-.146

Based on the results of the confirmatory factor analysis table above, the Structural Equation Modeling (SEM) equation of research can be explained as follows.

$$Return = 0.192\ ROA - 0.156\ PER - 0.036\ CR - 0.146\ DER + \epsilon$$

Based on the Structural Equation Modeling (SEM) equation, it can be explained that; (a) Profitability Coefficient (ROA) of 0.192 indicates that each increase in profitability (ROA) of one unit will result in an increase in Stock Return by the value of the profitability coefficient (ROA) of 0.192; (b) Market Value Coefficient (PER) of -0.156 indicates that each increase in Market Value (PER) of one unit will result in a decrease in Stock Return by a Market Value coefficient (PER) of -0.156; (c) Liquidity regression coefficient (C.R.) of -0.036 indicates that each increase in Liquidity (C.R.) of one unit will result in a decrease in Stock Return by the value of the Liquidity coefficient (C.R.) of -0.036; (d) The Leverage Regression Coefficient (DER) of -0.146 indicates that each increase in Leverage (DER) of one unit will result in a decrease in Stock Return by the value of the Leverage coefficient (DER) of -0.146.

Next, Figure 2 below shows a model with a CFA value in rounding two digits behind the comma. However, the model presented still has weaknesses in the assumption of model conformity (Goodness of Fit), i.e. no numbers appear in the suitability index of the model described.

Figure 2. Full Model of Research Results
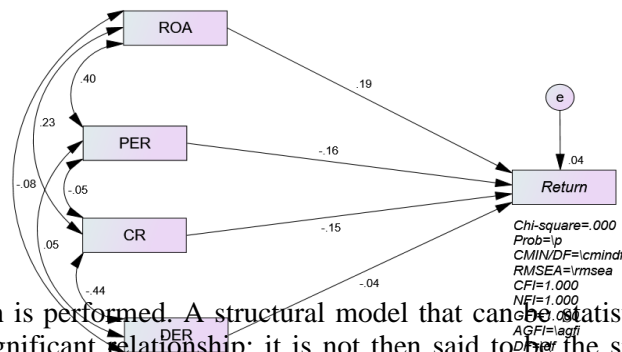
The model modification is performed. A structural model that can be statistically proven fit and between variables has a significant relationship; it is not then said to be the single best model (Santoso, 2018). In other words, it is more precisely said that the model is one of the many possible forms of other models that can be statistically accepted. Santoso (2018) explains that an SEM model can be modified. The purpose of the modification is to see whether the modifications made can reduce the value of Chi-Square; as is known the smaller the Chi-Square value indicates, the more fit the model is with existing data.

Hair et al. (2006); Competing Modeling Strategy, intended to compare the model with several alternative models, to see which model is the best fit with existing data, including in this way is to add a variable to the existing model. Modification of the model is done by making the Price Earning Ratio the focus of modification, which is to draw a constructed line from Return On Assets to Price Earning Ratio. After modifying the model, the value of goodness of fit looks like the following picture.

Figure.3
Full Model Modification
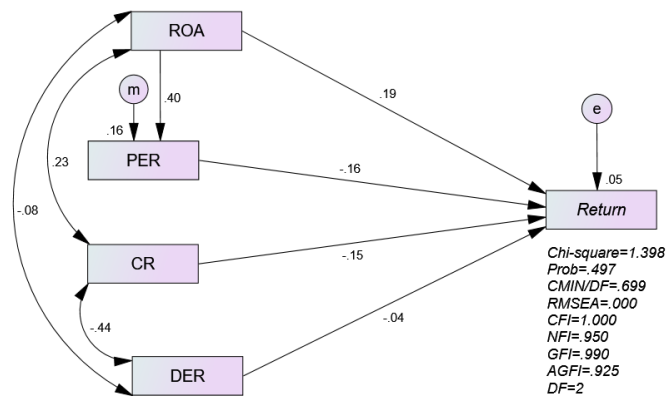
Regression Weight Analysis

Hypothesis testing in this study uses the Lambda test seen from the C.R. value with a significance level of 5%. The testing criteria are; if the C.R. value is> 2, then the hypothesis is accepted, meaning that there is a direct influence on profitability, market value, liquidity and leverage on the stock returns of basic and chemical industry companies. Tests that show the significant influence of profitability, market value, liquidity and leverage on stock returns of basic and chemical industry companies are shown in the following table.

Table 4. Partial Test Results

			C.R.	P
Return	<---	ROA	1.287	.198
Return	<---	PER	-1.074	.283
Return	<---	DER	-.242	.809
Return	<---	CR	-.962	.336

Source: Output SEM Amos (2019)

Variable Profitability (ROA) on Stock Return has a value of C.R of 1,287 <2 with a positive direction, then Ha is accepted, and Ho is rejected, and significant value of 0.198> 0.05. This means that Profitability has no influence on the Stock Returns of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange.

Market Value Variable (PER) to Stock Return has a C.R value of 1.074 <2 with a negative direction, then Ha is rejected, and Ho is accepted, and significant value of 0.283> 0.05. This means that Market Value does not influence the Stock Return of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange.

The variable Liquidity (C.R.) to Stock Return has a value of C.R of 0.962 <2 with a negative direction, then Ha is accepted, and Ho is rejected, and significant value of 0.809> 0.05. This means that Liquidity (C.R.) does not influence the Stock Return of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange.

The variable Leverage (DER) on Stock Return has a C.R value of 0.962 <2 with a negative direction, then Ha is accepted, and Ho is rejected, and significant value of 0.336> 0.05. This means that Leverage has no influence on the Stock Returns of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange.

Assumption of Goodness of Fit

Structural models are categorized as the goodness of fit if they meet several requirements. The following is the suitability index of the model in testing whether a model can be accepted or rejected, as presented in Table 5 below.

Table 5. Testing of Goodness of Fit

The goodness of Fit Index	Value	Cut-off Value	Assumption
Chi-square ($\chi 2$)	1.398	< 5.99 (DF=2)	Fit
Significance Probability	0.497	≥ 0.05	Fit
CMIN/DF	0.699	≤ 2.0	Fit
RMSEA	0.000	≤ 0.08	Fit
CFI	1.000	≥ 0.95	Fit
NFI	0.950	≥ 0.95	Fit
GFI	0.990	≥ 0.90	Fit
AGFI	0.925	≥ 0.90	Fit

Source: Amos 24 SEM Output Results (2019)

Based on testing the suitability of the model (goodness of fit), it can be seen that the suitability index value of the model that appears meets the assumption of goodness of fit so that the model used in this study is appropriate and said to be good.

Assumption of F-Test

The F test shows whether all independent variables entered in the model have a simultaneous influence on the dependent variable. The testing criteria, at the 5% significance level, is F arithmetic> F table. Its phenomena shows that the hypothesis is accepted. In the other words, there is a simultaneous effect of Profitability, Market Value, Liquidity, and Leverage on Stock Returns of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange. The value of F table with N1 = 4 and N2 = 51 is 2.55. Simultaneous test results are presented in Table 6 below.

Table 6. Simultaneous Testing

DF		F table	F count	Sig
N_1	4			
N_2	51			
Total	55	2.55	0.562	0.691
Y	1			
Sample	56			

Based on the table above, the calculated F value is 0.562 <2.55 (F-count <F table), then Ha is accepted, and Ho is rejected, and the significant value is 0.691> 0.05. This means that Profitability, Market Value, Liquidity, and Leverage simultaneously do not affect the Stock Return of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange.

Coefficient of determination

The coefficient of determination (R^2) essentially measures how far the model's ability to explain variations in the dependent variable. A small R^2 value means that the ability of the independent variable to explain the variation of the dependent variable is very limited. A value close to one means that the independent variable provides almost all the information needed to predict variations in the dependent variable. Squared Multiple Correlation value is 0.042 or 4.2%. In comparison, the remaining 95.8% is influenced by other variables outside the research model.

Furthermore, based on the results have been presented above, it is described the disscussion as follows.

1. *Effect of profitability on stock returns*

Based on the test results, the direct effect is seen that profitability has a C.R. of 1,287 <2 with a positive direction, and significant value of 0.198> 0.05. Based on this analysis, the results of the study show that profitability does not affect stock returns. This means that the rise and fall of profitability do not affect the increase or decrease in stock returns. The higher the sales turnover of a company, the generally better financial performance.

The level of profit of the company is able to provide confidence to investors in assessing the performance of the company which will certainly have an impact on increasing stock prices which causes the rate of return of stock (return) also increases. However, a large burden tends to close the income turnover so that it produces less than maximum profits. So that investor confidence is reduced and no longer interested in the company's shares. The results of this study are relevant to Soedjatmiko et al. (2018) which shows that profitability does not influence stock returns.

2. *Effect of Market Value on Stock Returns*

Based on the test results of direct influence, it appears that the market value has a C.R. of 1,074 <2 with a negative direction, and significant value of 0.283> 0.05. Based on the analysis, the results of this study indicate that Market Value does not affect Stock Return. This means that the rise and fall of Market Value have no effect on increasing or decreasing Stock Return. The absence of the effect of PER on stock returns shows that investors pay less attention to PER in calculating the shares of a company. When stock prices increase or decrease investors immediately sell, then PER is more related to other factors, besides that it is also due to economic and political conditions and because of sentiment from the stock market itself.

The willingness of investors to accept PER increases is highly dependent on the company's prospects. Companies that have very low profits or suffer losses cause PER has no meaning. The results of this study are relevant to Sinaga (2019), which shows that the Market Value proxied by PER has no effect on Stock Returns.

3. *Effect of Liquidity on Stock Returns*

Based on the test results of direct influence, it appears that liquidity has a C.R. value of 0.962 <2 with a negative direction, and significant value of 0.336> 0.05. Based on the analysis, the results of the study showed that liquidity had no effect on stock returns. This means that the rise and fall of liquidity do not affect the increase or decrease in Stock Return. High liquidity towards current liabilities reflects idle funds so that the company's operational activities cannot run optimally and will reduce the company's optimal output (Raningsih and Putra 2015). The results of this study are relevant to Febrioni (2016), which shows that liquidity has no effect on stock returns.

4. *Effect of Leverage on Stock Returns*

Based on the test results, the direct effect is seen that leverage has a C.R value of 0.242 <2 with a negative direction, and significant value of 0.809> 0.05. Based on the analysis, the results of the study indicate that leverage does not affect stock returns. This means that the rise and fall of leverage do not affect the increase or decrease in stock returns. A high leverage ratio indicates that the company's performance is getting worse because the level of capital dependence of the company on outsiders is higher. If the company makes a profit, the company tends to use that profit to pay its debt compared to dividend distribution. This triggers investors to immediately release their shares in the company because they are no longer profitable. The results of this study are relevant to Sinaga (2019), which shows that leverage does not have an effect on stock returns.

5. *Effect of Profitability, Market Value, Liquidity, and Leverage on Stock Returns*

The results of the analysis showed simultaneously that Profitability, Market Value, Liquidity, and Leverage have a calculated F value of 0.562 <2.55 (F derived <F table), and significant amount of 0.691> 0.05. Based on this analysis, the fifth hypothesis is known the results of the study show that Profitability, Market Value, Liquidity, and Leverage simultaneously have no effect on Stock Returns of Basic and Chemical Industrial Companies listed on the Indonesia Stock Exchange, while the contribution made is 4.2% while the remaining 95.8% is caused by other factors outside of this research test.

E. Conclusions

Based on the results of the analysis and discussion above, it can be concluded that the profitability variables, market value and liquidity and leverage have no significant effect on stock returns either partially or simultaneously. This, indeed, becomes an issue for primary and chemical industry companies listed on the Jakarta Stock Exchange. Limitations of this study are; 1) selection of non-random companies is limited to 14 companies; 2) the size of the company (size effect) needs to be considered because it also affects the company's ability to obtain that can affect the level of shares acquired by investors, and 3) need to take into account the company's financial ratios because they affect the company's shares. Future studies can expand on the same research by considering economic factors, such as inflation rates, interest rates, foreign exchange rates.

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