

## THE EFFECT OF INFLATION, EXCHANGE EXCHANGE, INTEREST RATE ON STOCK PRICE IN THE TRANSPORTATION SUB-SECTOR, 2018-2020

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### Abstract

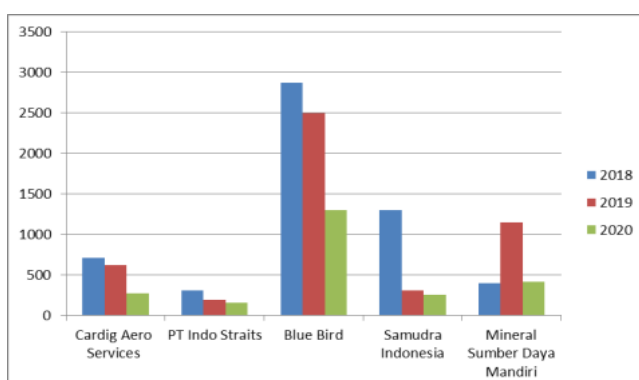
This study aims to examine the effect of inflation, exchange rates, interest rates on stock prices in the transportation sub-sector in 2018-2020. For the purposes of data analysis, quantitative methods were used. The data used is secondary data obtained from the website [id.investing.com](http://id.investing.com) and data published by Bank Indonesia. The sample in this study were 11 transportation companies listed on the IDX for the 2018-2020 period. The sampling technique used purposive sampling. The data analysis method in this study is the panel data regression analysis method. The results of the study prove that partially, the inflation variable (X1) has a positive and significant effect on stock prices (Y), exchange rates (X2) has no significant negative effect on stock prices (Y), interest rates (X3), no significant positive effect on stock prices. Furthermore, the simultaneous test results prove that  $F_{table}$  of 4.46 is much smaller than  $F_{count}$ , namely 11.73007. So it can be concluded that simultaneously the independent variables namely Inflation, Exchange Rates, Interest rates have a positive and significant effect on the dependent variable, namely the stock price of registered transportation companies on the IDX in 2018-2020.

**Keywords:** Stock prices, inflation, exchange rates, interest rates

### INTRODUCTION

Currently the development of investment in a country is influenced by economic growth. Indonesia as a country carrying out economic development, Indonesia needs capital or funds in large amounts in proportion to the targeted growth. At the present time the capital market is the most popular instrument because it can provide very high returns but also has a high risk as well. The capital market is an investment alternative for investors who want long-term returns. An advanced and developing capital market is a picture of a country's economy. Therefore, many countries are trying to increase capital market growth through various policies, either directly or indirectly.

However, in March 2020 the world health organization (WHO) officially declared the corona virus (Covid-19) a pandemic (Gloria Setyvani Putri, 2020). Apart from posing a threat to human health, the COVID-19 pandemic also poses a threat to economic growth in a country. This is evidenced by global economic growth which experienced a recession of -4.2% in 2020 (CNN Indonesia, 2020). In addition, a significant slowdown in economic growth also occurred in Indonesia. The spread of the Covid-19 virus outbreak which impacted the Indonesian capital market caused stock prices on the Indonesia Stock Exchange (IDX) to plummet. One of the industrial sectors that has been affected by the pandemic is the transportation sector.



Based on data obtained from Panel Figure, shows that the stock prices of 5 companies in the transportation sub-sector show a significant decline. As in the Cardig Aero Services company in 2018 it was 710 but in 2019 it decreased to 620 and in 2020 it experienced a significant decrease of 270. Then at PT. Indo Straits Tbk in 2018 amounted to 312, but in 2019 it also experienced a significant decrease, namely to 194, while in 2020 it decreased again to 160. At PT. Blue Bird Tbk in 2018 amounted to 2,870. and in 2019 it decreased to 2,490 and in the following year in 2020 it decreased again to 1,300. PT Samudra Indonesia. in 2018 by 1. 300 and in 2019 it has decreased quite a lot to 310 in 2020 it has also decreased again to 254 Furthermore, PT. Mineral Sumber Daya Mandiri Tbk in 2018 amounted to 394, but in 2019 it experienced a very significant increase to 1,145 and in 2020 it

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has decreased very significantly to 414, a drastic decrease. According to the research and development agency of the Ministry of Transportation, the impact of the pandemic on land, sea and air transportation has decreased significantly. The government implements regulations regarding sea, land and air transportation services in the form of limiting passengers to a maximum of 50% of the total seating capacity. Mineral Sumber Daya Mandiri Tbk in 2018 amounted to 394, but in 2019 it experienced a very significant increase to 1,145 and in 2020 it has decreased very significantly to 414, a drastic decrease. According to the research and development agency of the Ministry of Transportation, the impact of the pandemic on land, sea and air transportation has decreased significantly. The government implements regulations regarding sea, land and air transportation services in the form of limiting passengers to a maximum of 50% of the total seating capacity. according to the research and development agency of the ministry of transportation, there has been a significant decline. The government implements regulations regarding sea, land and air transportation services in the form of limiting passengers to a maximum of 50% of the total seating capacity. according to the research and development agency of the ministry of transportation, there has been a significant decline. The government implements regulations regarding sea, land and air transportation services in the form of limiting passengers to a maximum of 50% of the total seating capacity.

Inflation is defined as a decrease in the purchasing power of currency. The higher the price of a product circulating in society, the lower the value of the currency. Stock prices fell dramatically, it affected inflation. In March 2020 inflation was quite low at 0.10% so that it affected the stock price index of 4539.93 or 0.17%. The inflation rate again increased to 0.45% in December. Maria Ginting (2020) stated that in her research she found that an increase in the inflation rate would lower the stock price level, this could affect stock price fluctuations in transportation sector companies in Indonesia.

The exchange rate or rupiah exchange rate can also affect investment returns. The rupiah exchange rate against the US dollar experienced weakness in March 2020 of 16,267.01. Starting to strengthen in June 2020 the exchange rate has strengthened by 1.7%, namely 14,484 and until December the exchange rate was still quite strong even though it was still at 14,000. When the rupiah exchange rate weakens, it means that foreign currencies are strengthening, then this indicates that the economy is in a bad condition and vice versa. All companies listed on the IDX feel these things, including companies engaged in the transportation sector.

BI's benchmark interest rate throughout 2020 has continuously decreased. The interest rate at the beginning of 2020 was at the level of 5%, then on 20 February it fell to 4.75%, 18 June 2020 it was again reduced by 4.25%. Interest rates were reported to have fallen several times, the reduction in the BI Rate to 3.75% was the lowest level in history and ended 2020. This decision was made as an effort to maintain stability and economic recovery during the Covid-19 pandemic (Laucereno, 2020).

In this research, researchers will examine the share prices of transportation companies on the Indonesia Stock Exchange (IDX). Transportation companies were chosen for research because during the Covid-19 pandemic, people's mobility was very limited. This is due to efforts to minimize the chain of spread of the Covid-19 virus. So that the transportation company as a means of community mobility was greatly affected due to the drastic reduction in passengers which also caused the transportation company's income to decrease and even make a loss.

## **LITERATURE REVIEW**

### **Signaling theory**

Signal theory is one of the pillar theories in understanding financial management. In general, a signal is defined as a signal made by the company (manager) to outsiders (investors). Signals in the form of information will explain management's efforts to realize the wishes of company owners and this information is considered an important indicator for investors and other business people to make investment decisions (Aini et al, 2020).

### **Capital market**

The capital market is a place where investors meet to carry out buying and selling transactions for the long term. Instruments in the tradable capital market are in the form of securities that can be resold by their owners, both proprietary capital market instruments which are realized in the form of bonds. According to Husnan (2015) The capital market can be interpreted as a means for various financial instruments or long-term securities that can be traded, in the form of debt or equity, whether issued by the government, public authorities, or private companies.

The capital market has a very important role for the economy in a country. In the journal put forward by Maya (2019) there are several roles and benefits of the capital market which include:

- a. The capital market is a vehicle for efficient allocation of funds.
- b. Capital market as an alternative investment.
- c. Enabling investors to have healthy companies and good prospects.
- d. Implementation of company management in a professional and transparent manner.
- e. Increasing national economic activity.

### **Stock price**

The share price is the value of a share on the stock exchange or stock market which is determined by market participants based on the amount of demand or supply on the capital market itself (Rajif, 2019). The stock price is a reference for an investor to invest in a particular company. A share has a value or price. Based on its function, the value of a share is divided into three types (Rusqiati & Kangtono, 2018), namely.

- a. Nominal Value, the value listed on the shares for accounting purposes and stated in the relevant share certificate. In Indonesia, shares issued must have a nominal share value for one type of share, as in a company, it must also have one type of nominal value.
- b. The base price is the initial price used to calculate the stock price index which will change according to the actions of the issuer for new shares, such as rights issues, stock splits, base prices and initial prices.
- c. The market price is the real price which is the easiest price to determine because if the price of the stock is on the ongoing market and if the market is closed then that price is the closing price (Rusqiati & Kangtono, 2018).

### **Inflation**

Inflation is a condition that describes the price of goods has increased continuously. Unstable inflation affects investor uncertainty in making decisions. Rachmawati (2018) has a high risk for investors to invest in stocks if inflation is unstable, because there will be a decrease in trading volume which will have an impact on the decline in share value.

From this definition it can be concluded that if there is an increase in the price of one or two types of goods, it has not or cannot be said to be inflation. If the price increase occurs in a short time, for example a seasonal increase ahead of Eid, New Year and others. It cannot be categorized as inflation yet because after the end of the season prices will return to normal again, this cannot be said to be inflation. The increase in these prices did not take place continuously, so that no monetary policy or specific economic policy was needed to overcome them

### **Exchange Rate or Exchange Rate**

The exchange rate or exchange rate is the price of the currency of a country against the currency of another country. The rupiah exchange rate is a procedure that determines the level of value of a currency when it is exchanged for other countries' currencies according to Neldi et al, (2021). An increase in the price of foreign exchange is called depreciation of the domestic currency, which means that the value of foreign currency will become more expensive than the value of the rupiah, causing the value of the domestic currency to decline. When the price of foreign currency falls, it means that the appreciation in the value of the domestic currency increases. Changes in exchange rates are due to the supply in the foreign exchange market (law of supply and demand).

### **Interest rate**

Interest, namely service fees for borrowing money, this service fee is a compensation to the lender for the future benefits of the loan money if it is invested. The loan amount is called the principal debt, the percentage of the principal debt paid as compensation for services

(interest) in a certain period is called the interest rate. According to Saputra (2019) interest rates are payments made for the use of money, interest rates are the amount of interest that must be paid per unit.

According to Janah in Rismaia and Elwisan (2019) interest rates have a contradictory relationship with stock prices so that, when interest rates increase, stock prices will decrease, so investors will prefer to withdraw their shares and choose to save their money in the bank because the interest is higher so that deposit interest will increase compared to investing money in the capital market where the profit rate fluctuates.

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## **RESEARCH METHOD**

### **Location and Research Object**

This research was conducted on transportation companies listed on the Indonesia Stock Exchange (IDX). Data was retrieved by accessing the websites [id.investing.com](http://id.investing.com) and [yahoo.finance.com](http://yahoo.finance.com). The dependent variable used in this study is the stock price, which is the stock market price during the observation period for each type of stock sampled and the investors are always moving.

### **Population and Sample**

#### **Population**

The population is all of the objects to be studied and consists of several of the same traits or characteristics. The population in this study includes companies listed on the Indonesia Stock Exchange in the transportation sector. On the Indonesia Stock Exchange until the end of 2020 there were 28 transportation companies. Starting from land, sea and air transportation.

#### **Sample**

The sample is part of the population which can be interpreted as representing the entire population. According to Narbuko et al 2018 explained that the sample is part of the object to be observed from all objects. Determining the share price of the transportation company sector as a sample uses purposive sampling. Purposive sampling is a sampling technique that is determined according to the criteria (Sari et al, 2016).

There are several criteria applied in this study in selecting the sample. The criteria are:

- 1) Transportation Sub Sector Companies listed on the Indonesia Stock Exchange in 2018-2020.
- 2) Companies that publish Stock Price Data from January 2018-December 2020 consecutively.

### **Data collection technique**

The technique used in data collection uses secondary data sources, namely library data in the form of books, scientific journals, and data that has been managed by companies and government agencies in the form of documents or data on inflation, interest rates, exchange rates and stock prices at registered transportation companies. on the Indonesia Stock Exchange (IDX), the data was obtained from [idx.co.id](http://idx.co.id), Bank Indonesia's official website and the Indonesia Stock Exchange (IDX).

### **Classic assumption test**

#### **Normality test**

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2018).

#### **Multicollinearity Test**

The multicollinearity test aims to test whether the regression model found a correlation between the independent (independent) variables Ghozali (2018).

#### **Heteroscedasticity Test**

The heteroscedasticity test aims to assess whether the linear regression model has an unequal variance of the residuals, from one observation to another.

#### **Autocorrelation**

Autocorrelation aims to test whether in the linear regression model there is a correlation between the confounding errors in period t and the confounding errors in period-1 (previously) Ghozali (2011).

### **Data analysis method**

This study uses a multiple linear regression analysis model in analyzing the data. This model is used to determine how much influence the independent variables have on the dependent variable. Multiple regression analysis using the formula:

$$Y = a + b_1X_1 + b_2X_2 + c$$

Information :

Y = Share Price

a = Constant

X1 = Interest Rate

X2 = Inflation

b<sub>1,2</sub> = Variable Regression Coefficient X<sub>1,2</sub>

e = error

### Panel Data Regression Analysis

In the estimation method of the panel data regression model, several tests are needed to select the panel data multiple regression model that is suitable for this study. In panel data regression, there are three models, Gujarati & Porter (2021), namely the Common Effect Model (CEM), Fixed Effect Model (FEM), Random Effect Model (REM).

### Model Selection Techniques

The selection of the panel data regression model aims to be able to determine the model to use whether it is the Common Effect Model, Fixed Effect or Model, Random Effect Model. The steps for choosing the best model are as follows:

1. The Chow test is used to select a model in panel data regression between FEM and CEM. The Chow test is a test by looking at the results of the F statistic to see which model is better between the common effect or fixed effect models
2. *Hausman test* the Hausman test is a statistical test to see which comparison of the Fixed Effect and Random Effect models is more appropriate to use in the research being conducted.

### Hypothesis test

The accuracy of the regression function in interpreting the actual value can be measured by the statistical value of t count for the sample in interpreting the actual value. If the critical area (area with H<sub>0</sub> rejected) is different from the statistical test value, then the statistical calculation is called statistically significant. Vice versa, the statistical calculation is called insignificant.

### Partial Effect Test (t test)

The t test aims to test whether the proposed hypothesis is accepted/rejected and used to show how far the influence of each independent variable is partially in explaining the variation of the dependent variable.

### Simultaneous Influence Test (Test F)

The F statistical test basically shows whether all the independent or independent variables included in the model have a joint effect on the dependent/dependent variable (Ghozali, 2011: 98).

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## RESULTS AND DISCUSSION

### Descriptive Statistical Analysis

Descriptive analysis is used to see the mean or average, maximum value, minimum value, and standard deviation of the data used in this study. The results of the descriptive analysis of the research variables can be seen from the table below:

**Table 4.1 Descriptive Statistics Regress Results**

	LN_PRICE	INFLATION	LN_CURS	INTEREST RATE
Means	5.330719	0.027746	9.333752	0.049931
Median	5.081404	0.030000	9.247714	0.050000
Maximum	8.174703	0.034900	9.635804	0.060000
Minimum	3.401197	0.013200	9.105757	0.037500
std. Dev.	1.057089	0.006368	0.174283	0.007681
Observations	396	396	396	396

Source: Processed data, 2022

Based on Table 4.1 above, it can be seen that the average share price is 5.330719 with a standard deviation value of 1.057089. The maximum value of the share price in the research is 8.174703 and a minimum value of 3.401197. Observations made for stock prices in this study 396.

The average value of inflation is 0.027% with a standard deviation of 0.006%. While the maximum value of inflation in this study is 0.034% and the minimum value is 0.013%. The number of observations made on inflation is 396 observations.

The average exchange rate is IDR 9.333752 with a standard deviation of IDR 0.174283. While the maximum exchange rate in this study is IDR 9.635804 and the minimum value is IDR 9.105757. The number of observations made on the exchange rate is 396 observations.

The average interest rate is 0.049% with a standard deviation of 0.007%. While the maximum interest rate in this study is 0.060% and the minimum value is 0.037%. The number of observations made on interest rates is 396 observations.

### Correlation Analysis

The results of the correlation analysis in this study are as follows:

**Table 4.2 Correlation Analysis**

probability	PRICE	INFLATION	EXCHANGE RATE	INTEREST RATE
PRICE	1			
INFLATION	0.081460	1		
	(1.622335)***	-----		
EXCHANGE RATE	0.018825	0.423422	1	
	(0.373732)***	(9.277394)*	-----	
INTEREST RATE	0.073743	0.383783	0.047557	1
	1.467750***	8.249602**	(0.945052)**	-----

Source: Processed data, 2022

Note: (\*\*\*),(\*\*),(\*) significant at the level of 1%, 5% and 10%.

Table 4.2 above is the result of correlation analysis in this study which is used to see how the relationship between the independent variables consisting of inflation, exchange rates, interest rates on the dependent variable, namely stock prices, can be seen in the stock price column. It can be seen that inflation is 0.081460, exchange rate is

0.018825, interest rate is 0.073743. This means that inflation, exchange rates, interest rates have a positive correlation with stock prices.

**Classic assumption test**  
**Normality**

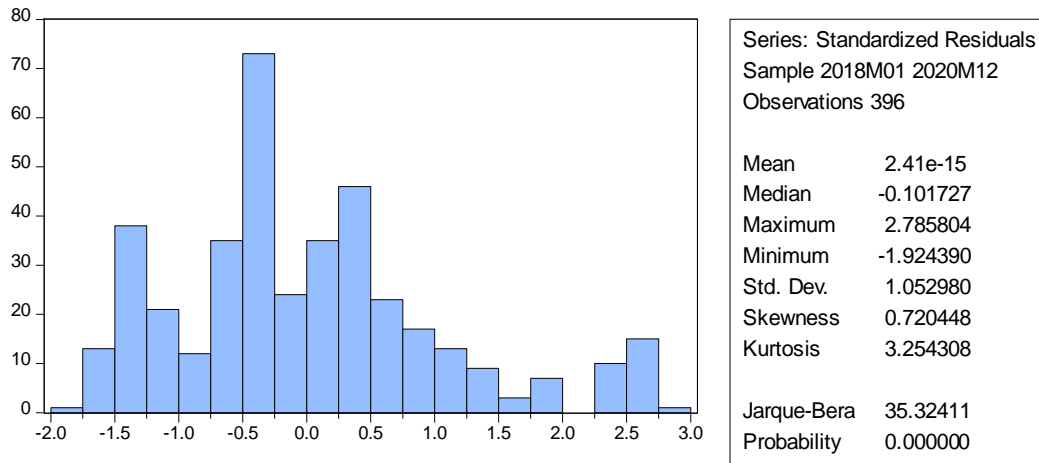


Figure 4.1 Normality Test

Based on Figure 4.1.1 above, it is known that the Jarque-Bera value in this study is 35.32411 with a probability value of 0.000000. because the probability of p is 0.05, it can be concluded that the data is not normally distributed. However, because the data in this study is in the form of panel data, where each cross section has a different data trend each year, the assumption of normality can be ignored (Gujarat & Porter, 2012).≤

**Multicollinearity Test**

Table 4.3 Multicollinearity Test Results

	PRICE	INFLATION	EXCHANGE RATE	INTEREST RATE
PRICE	1	0.081460	0.018825	0.073742
INFLATION	0.081460	1	0.423422	0.383782
EXCHANGE RATE	0.018825	0.423422	1	0.047557
INTEREST RATE	0.073742	0.383782	0.047557	1

Source: Processed data, 2022

**Heteroscedasticity Test**

Table 4.4 Heteroscedasticity Test Results

Obs*R-squared	3.412137	Prob. Chi-Square(3)	0.3323
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Source: Processed data, 2022

Based on table 4.4 it can be seen that the value of Obs\*R-square is 3.412137 and the value of Prob. Chi Square of 0.3323 > 0.05 which means there is no heteroscedasticity.

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### Autocorrelation Test

**Table 4.5 Autocorrelation Test Results**

Durbin-Watson stat	0.643507
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Source: Processed data, 2022

The autocorrelation test can be seen in table 4.5. The Durbin Watson value in this study is 0.643507. This value is between the tolerance values in the autocorrelation test, namely -2 and 2. Therefore, it can be concluded that this study is free from autocorrelation symptoms, meaning that in this research model there is no correlation disturbance between the periods used for each variable.

### Panel Data Regression Model Selection Techniques

**Table 4.6 Chow test**

Chi-square cross-sections	756.477671	10	0.0000
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Source: Processed data, 2022

Based on table 4.6 above, it shows that the probability value on the Chi Square line is 0.0000 < 0.05, so the estimation model used is the Fixed Effect Model.

**Table 4.7 Hausman test**

<i>Test Summary</i>	<b>Chi-Sq. Statistics</b>	<b>Chi-Sq. df</b>	<b>Prob.</b>
<i>Random cross-sections</i>	0.000000	3	1.0000

Source: Processed data, 2022

Based on table 4.7 above, it can be seen that the profitability value is 1.0000 where the value is above the error value of 0.05. So it can be concluded that based on the Hausman test the best model in this study is the Random Effect Model (REM).

### Panel Data Regression Estimation

Based on the results model selection that has been done, then the model that is suitable for this study is the Random Effect Model (REM). The results of panel data regression with the Random Effect Model (REM) are as follows:

**Table 4.8 Regression Results Using REM**

<b>Variables</b>	<b>coefficient</b>	<b>std. Error</b>	<b>t-Statistics</b>	<b>Prob.</b>
INFLATION	18.00546	3.990108	4.512525	0.0000
LN_CURS	-0.174027	0.132917	-1.309290	0.1912
INTEREST RATE	4.607899	2.957148	1.558224	0.1200
C	6.225395	1.261115	4.936422	0.0000
F-statistics	11.73007	Durbin-Watson stat		0.643507
Prob(F-statistic)	0.000000			

Source: Processed data, 2022

Based on table 4.8 on the regression results using REM above, the equations in this study can be arranged as follows:



$$Y = 6.225395 + 18.00546 - 0.174027 + 4.607899 + e$$

Based on the equation above, it can be seen that the constant value is 6.225395. Which means that if inflation, exchange rates, interest rates have no value (value 0), then the stock price is fixed at 6.225395. Inflation has a positive effect on stock prices with a regression coefficient of 18.00546. This shows that for every increase of 1%, the stock price will increase by 0.180546%. Furthermore, interest rates have a positive influence on stock prices with a coefficient of 4.607899, this shows that for every increase of 1%, the stock price will increase by 0.4607%.

The exchange rate has a negative effect on stock prices with a regression coefficient of -0.174027, this indicates that for every increase of 1%, the stock price will decrease by 0.174027%. In addition, it can be seen that the Adjusted R-square value is 0.075353 or 7.53%, this study indicates that inflation, exchange rates, interest rates can explain stock prices by 75.3%, while the remaining 24.7% is not analyzed in this study.

## Hypothesis test

### Partial Test (t test)

Research using t test as hypothesis testing. The t test is used to see the effect of the independent variables on the dependent variable partially. The decision-making criteria with ttable values then also look at the probability value. The hypothesis testing in this study is as follows:

#### Effect of Inflation on Stock Prices

Based on table 4.8 Estimating the Panel Data Regression with the Random Effect Model, it shows that the tcount of inflation is 4.512525 and the significance value is 0.0000, while the ttable value with  $df = nk-1$  ( $11-3-1 = 7$ ) is 1.89458 with a significance of 5%. This shows that the results of tcount  $4.512525 > ttable$  1.89458 and a significant value of  $0.0000 < 0.05$ , then H1 is rejected, which means that inflation has a positive and significant effect on the stock prices of transportation sector companies listed on the Indonesia Stock Exchange. This research is not in line with research conducted by Bancin et al (2020) which says that inflation has no effect on stock prices.

According to researchers, inflation has had a positive and significant effect on stock prices in the Transportation sector which are listed on the Indonesia Stock Exchange because during the pandemic inflation was quite low at 0.10% and even in July-December there was deflation which caused slow economic growth and causing slow movement of stocks or declining stock prices, which is why during the pandemic inflation had a positive effect on stock prices. The results of this study indicate that continuously increasing inflation is a negative thing for people who want to invest and it can be concluded that if inflation increases, stock prices will decrease and vice versa.

#### The Effect of Exchange Rates or Exchange Rates on Stock Prices

Based on table 4.8 Estimating the Panel Data Regression with the Random Effect Model, it shows that the tcount exchange rate is -1.309290 and the ttable value with  $df = nk-1$  ( $11-3-1 = 7$ ) is 1.89458 with a significance of 5%. This shows that the results of tcount  $-1.309290 > ttable$  1.89458 and a significant value of  $0.1912 < 0.05$ , then H2 is rejected, which means that the exchange rate has a negative and insignificant effect on stock prices of transportation sector companies listed on the Indonesia Stock Exchange. This research is not in line with research conducted by (Rusqiati & Kangtono 2018) which says exchange rates have a positive effect on stock prices.

So according to researchers, exchange rates have no effect and are not significant on stock prices because they are influenced by pandemic conditions and economic stability. Many things cause stock prices to fall so that the exchange rate does not affect stock prices.

#### The Effect of Interest Rates on Stock Prices

Based on table 4.9 Estimating the Panel Data Regression with the Random Effect Model, it shows that the tcount value of the interest rate is 1.558224 and the significance value is 0.1200, while the ttable value with  $df = nk-1$  ( $11-3-1 = 7$ ) is 1.89458 with a significance of 5%. This shows that the results of tcount  $1.558224 < ttable$  1.89458 and a significant value of  $0.1200 > 0.05$ , then H3 is accepted, which means that the interest rate variable has a positive and insignificant effect on the stock prices of the transportation sector listed on the Indonesia Stock Exchange. This research is not in line with research (Rusqiati & Kangtono 2018) which says interest rates have a negative effect on stock prices. However, this is in line with research (Sebo et al 2020) which says that interest rates have a positive effect on stock prices.

So according to researchers, interest rates have a not significant positive effect on stock prices in transportation companies listed on the IDX. Because during the pandemic, one of the efforts made by the government was to maintain economic stability, interest rates fell to stabilize stock prices but were still in the low category so that they had a positive impact on stock price movements.

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### **Simultaneous Test (Test F)**

Based on table 4.8 Panel Data Regression Estimation with the Random Effect Model, it shows that the Fcount value is (11.73007) > the Ftable value is 4.46 and the significant probability value of Fcount is 0.000000 < 0.05, so the hypothesis is accepted. So it can be concluded that jointly the independent variables namely Inflation, Exchange Rates, Interest rates have a positive and significant effect on the dependent variable, namely the stock prices of transportation companies listed on the IDX in 2018-2020.

### **Conclusion**

Based on the results of the research that has been analyzed in the previous chapter, the following conclusions can be drawn:

1. Inflation has a positive and significant effect on the share prices of Transportation companies listed on the IDX. This shows that inflation can be a benchmark for investors to invest in the stock market.
2. The exchange rate has no significant negative effect on the share prices of Transportation companies listed on the IDX. This shows that the exchange rate cannot be used as a benchmark for investors to invest in the stock market.
3. Interest rates have a positive and insignificant effect on the share prices of Transportation companies listed on the IDX. This shows that interest rates can be used as a benchmark for investors to invest in the stock market.

### **Suggestion**

Related to the conclusion above, the next researcher can develop further research by adding other independent variables or conducting further studies to find out other factors that can influence the stock price of the transportation sector on the Indonesia Stock Exchange (IDX).

1. For students who wish to conduct similar research, it is hoped that they can increase the research time period so that the results of the research will be even better.
2. For investors who wish to invest in the capital market, they should pay attention to information regarding stock prices on the IDX, which is then used to make the right decision regarding their investment.
3. For future researchers, it is hoped that this research can be used as a reference in conducting research.

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