The Effect Of Debt To Equity Ratio, Return On Assets And Inflation On Stock Prices Of Oil And Gas Mining Companies 2014-2019

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Abstract

This study aims to examine the effect of the variable Debt to Equity Ratio, Return On Assets, and Inflation on the Stock Price of oil and gas mining companies. The population in this study were 9 companies that are members of the oil and gas mining sub-sector in 2014-2019. While the sample used is 6 companies using purposive sampling technique. This research also uses secondary data, multiple linear regression analysis, descriptive statistics, classical assumption test, partial test, simultaneous test and R square test of determination. The results obtained state that DER, ROA, inflation partially or simultaneously these three variables have no effect on stock prices.

Keyword: Debt to Equity Ratio, Return On Assets, Inflation, Stock Price

INTRODUCTION

Public interest in investing in stocks, especially in Indonesia, is still low. Currently, the number of people investing is only around 0.4% of the total population of Indonesia. Whereas public investment can encourage the progress of a country. The lack of education provided and the prevalence of news about fraudulent investment or fraud with the investment mode are factors in the low interest in investment in Indonesian society. Risk factors can also affect the interest in investing in this stock because even though in the future there will be a high return, stock investment also has a high risk, such as suddenly the profit earned by the company always decreases every year, the company's debt is booming which causes the company not being able to pay the debt which resulted in the company having to sell its assets to pay its debts then the company went bankrupt in addition to internal risks, external risks such as inflation, interest rates, and foreign exchange rates which suddenly jumped sharply and made the company's performance and share prices decline also a consideration for investors to invest in a company.

No exception for manufacturing companies located in Indonesia, especially mining industry companies or the mining sector, including companies that produce raw materials / natural resource management industries that are engaged in the search, excavation, management, mining, refining, utilization and sale of minerals such as minerals, oil and gas or oil and gas, coal and geothermal. One of them is the oil and gas mining sub-sector which is listed on the Indonesian stock exchange. Investments in manufacturing companies operating in the oil and gas mining sector in Indonesia are still classified as very low because they are still considered not very attractive to some investors, the reason is that apart from the regulatory framework...
and incentives, other factors such as the difficulty of the location where oil and natural gas is located is one of the doubts of investors in investing their capital in oil and gas mining companies. One of the reasons for this is that the share price in the petroleum mining sector is rarely glimpsed by some investors and is classified as very low. Whereas in Indonesia itself, the oil and gas mining subsector companies are still one of the mainstay sectors of the Indonesian economy in the manufacturing sector, because Indonesia is rich in natural resources such as oil and natural gas.

Stock prices are considered important for a company, because many potential investors compare the stock price of a company with other companies to seek various benefits. The following is the share price of oil and gas mining companies in the 2014-2019 period.

In the stock price chart above shows an upward trend in the stock prices of oil and gas mining companies in 2014-2019, in 2015 the share prices of oil and gas mining experienced a very significant decline, namely from the price of Rp. 490 to Rp. 223, which decreased by Rp. 267. It was different in subsequent years which tended to fluctuate but did not experience a decrease or increase which tended to be significant.

Researches related to stock prices have been mostly conducted by previous researchers, but the results obtained still present inconsistencies. According to research conducted by Muhammad Ircham, Siti Ragil Handayani and Muhammad Saifi (2014) found that DER has a significant effect and has a positive relationship to stock prices. However, these results contradict research conducted by Muhammad Syaiful Bahri and Ni Putu Ayu Damayanti (2017) who found that the Debt Equity Ratio had no significant effect on stock prices. According to research conducted by Daniel in 2015, it was found that ROA has a significant effect on stock prices in LQ45 companies. The results of this study contradict research conducted by Florencia Paramitha Liwang (2011) which found that Return On Asset or ROA did not have a significant effect on stock prices in companies that are members of the LQ45. According to research conducted by Rina Ani Sapariyah, Yenni Khristiana and Juwanto (2016) that inflation has a positive and significant effect on stock prices, which contradicts the research of Herry Gunawan Soedarsa and Prita Rizky Arika that inflation has no effect on stock prices.

Based on these studies, there are differences in the results obtained by researchers, so this research needs to be reexamined and to overcome the differences that occur due to the influence of stock prices.

THEORETICAL FRAMEWORK AND HYPOTHESIS

Signaling Teory

Harton (2000) in his book entitled "Portfolio Theory and Stock Analysis" quoted in the journal owned by Herry Gunawan Soedarsa and Prita Rizky Arika states that information that has been published is an announcement or information that will give a signal to investors in making decisions about investing. If the announcement or information contains positive value, it is expected that the market will react when the announcement or information is received by the market. When the information is announced and all market participants have received the information, market participants will first interpret it and analyze the information as a good signal (good news) or a bad signal (bad news). If the announcement of this information is a good signal to investors, there will be a change in the trading volume of the stock. All investors certainly need information to evaluate the relative risk of each company so that they can diversify their portfolios and investment combinations with risk preferences in accordance with what investors want in investing.
Solvency Ratio or Leverage ratio

According to Kasmir (2008: 151), the solvency ratio or leverage is a ratio used to measure the extent to which the assets owned by the company are financed with debt or liabilities. This means how much debt burden that will be borne by the company compared to its assets.

Debt to Equity Ratio (DER)

Debt to equity ratio is the ratio used to assess the debt owned by the company to the company's total equity. This ratio is useful for knowing the amount of funds that have been provided by borrowers or creditors with the company owner. In other words, this ratio is used to determine each rupiah provided by own capital which is used as collateral for debt. The formula for calculating DER is:

\[ DER = \frac{Total \ Debt}{Total \ Equity} \]

Rasio Profitability Ratio

According to Hery (2016: 192) in his book entitled Financial Statement Analysis, he explains that the profitability ratio is a ratio used to measure the extent to which the company's ability to generate profits from various normal business activities.

Return On Asset (ROA)

The Return On Asset Ratio also known as the return on investment, is a ratio that shows the results or returns on the total assets that have been used in a company. ROA is also used as a measure of the effectiveness of the company's management in managing its investment. The formula for calculating ROA is:

\[ ROA = \frac{Net \ Profit \ After \ Tax}{Total \ Asset} \]

Inflation

According to economics, inflation is a process of increasing prices in general and as a whole and continuously or continuously related to market mechanisms which can be caused by various factors, such as continuous increase in public consumption or the existence of an irregularity in the distribution of goods.

Stocks and Stocks Price

Stocks are securities that are ownership. This means that the shareholders is also the owner of the company. The larger the stocks he owns, the greater his power in the invested company. According to Sutrisno (2009: 16) stock price is the value of shares that occurs as a result of buying and selling stocks in the capital market or stocks exchange.

Hypothesis Development
Relationship Between DER and Stock Price

The DER ratio is also commonly used by potential investors to consider whether a company is eligible for investment or not, if the company is able to maintain its profits with the use of larger debt, it means that the use of this debt is able to provide a greater profit than the costs incurred by the company. So that investors can positively assess the use of the debt. This means that if the value of the DER ratio is high, it will have an impact on stock prices, namely the higher the DER ratio value, the higher the stock price. Because this ratio is also useful for knowing the magnitude of the ratio between the amount of funds provided by creditors and the amount of funds that come from the owner of the company, in other words, this ratio has the function of knowing how much part of each rupiah of capital invested by investors is used as debt collateral by the company.

This statement is also supported by previous researchers such as research conducted by Imam Hadiwibowo and Bakti Setyadi which stated that the DER ratio has a significant positive
effect on stock prices. Other research results are also in line with studies conducted by Muhammad Ircham, Siti Ragil Handayani and Muhammad Saifi (2014) with the title "The Effect of Capital Structure and Profitability on Share Prices in a study of food and beverage companies listed on the IDX in 2009. -2012 ", the same thing also happened to Dewi Kusuma Wardani and Devita Fajar Tri Andarini (2016) with the research title "The Influence of Fundamental Conditions, Inflation, and Bank Indonesia Certificate Interest Rates on Stock Prices", both of which both state that the DER ratio affects stock prices.

H1: It is suspected that the Debt to Equity Ratio has an effect on Stock Prices.

Relationship Between ROA and Stock Price

The amount of profit earned by the company is very important for the ongoing company performance. Return on assets is also one of the ratios seen by potential investors if they want to invest in a company. Because this ratio is used to measure how much net profit the company will generate from every rupiah of funds invested or invested by investors into a total asset. So if the ROA of a company increases, the share price of a company will also increase.

This statement is also supported by previous researchers, such as research conducted by Daniel, (2015) entitled "The Influence of Internal Factors on Share Prices in LQ45 Companies Listed on the Indonesia Stock Exchange" which states that ROA affect the stock price. The same thing also happened to research conducted by I Made Angga Adikerta and Nyoman Abundanti (2020) with the title "The Effect of Inflation, Return On Assets, and Debt to Equity Ratio Against Stock Prices" and research conducted by Carmela Pinky Manoppo (2015) with the research title "The Influence Of ROA, ROE, ROS, and EPS On Stock Price" which both state that the ROA ratio affects stock prices.

H2: It is suspected that the Return On Asset has an effect on Stock Prices.

Relationship Between Inflation and Stock Price

Inflation can affect stock prices when a country's inflation rate has increased for a long time, because it can cause the raw materials to be used by companies to increase and increase the company's expenses. As a result, if inflation in a country is high, the company's stock price tends to be low, therefore investors who have invested in the company will withdraw their capital and this can result in losses to the company.

This statement is also supported by research conducted by Hanryono, Julian C Riwoe, and Nico Setiawan (2017) with the title "The Effect of Inflation, Return On Assets. And the Dividend Payout Ratio against the LQ45 Stock Price for the 2006 period which states that inflation has a negative effect on stock prices. The same thing was experienced by research conducted by Rina Ani Sapariyah, Yenni Khristiana, and Juwanto (2016) with the research title "The Effect of Return On Assets, Debt to Equity Ratio, Price Earning Ratio, Exchange Rates, and Inflation on Stock Prices" as well as research that conducted by Dewi Kusuma Wardani and Devita Fajar Tri Andarini (2016) with the research title "The Effect of Fundamental Conditions, Inflation, and Bank Indonesia Certificate Interest Rates on Stock Prices", both of which both state that inflation affects stock prices.

H3: It is suspected that the Inflation has an effect on Stock Prices.
RESEARCH METHOD

Population and Sample

The population in this study were all companies in the oil and gas mining subsector listed on the Indonesia Stock Exchange from 2014 to 2019. The population in this study were 9 companies. While the sample in this study were 6 companies selected through purposive sampling technique with several criteria, namely:

1. Oil and gas mining companies listed on the Indonesia Stock Exchange in the 2014-2019 period.
2. Oil and gas mining companies that publish complete financial reports on the Indonesia Stock Exchange and on the web of each oil and gas mining company in the research year, namely 2014-2019.
3. There is a historical stock price of oil and gas mining companies on idx.co.id and on other investment websites in the research year, namely 2014-2019.

Research Instruments

In this study using secondary data, namely DER and ROA obtained from Annual Reports that have been published by each company, while inflation is obtained from the web bps.go.id, and stock prices are obtained from idx.co.id, id.investing and yahoo.finance. There are two types of variables, namely the independent variable using DER which is the ratio between company debt and company equity, ROA is the ratio between company profit and total company assets and inflation is a continuous increase in price and the dependent variable uses Share Price which uses the company's stock price in end of year. All variables use a ratio scale.

Operational definition

Stock Price (Y)

According to Anoraga (2006: 229), share price is the present value that comes from cash flows that will be received by the shareholders in the future.

Debt to Equity Ratio

According to Kasmir (2010: 112) Debt to Equity ratio is a debt ratio that is used to measure how much assets owned by a company are financed by debt and or how much debt the company has has an effect on the company's asset management.

The formula used to calculate the DER ratio is as follows:

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

Return On Asset

According to Kasmir (2010: 115) Return On Asset is a ratio that shows the results or returns on the amount of assets that have been used in a company.

The formula used to calculate the ROA ratio is as follows:

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Asset}$$

Inflation

According to economics, inflation is a process of increasing prices in general and as a whole and continuously or continuously related to market mechanisms which can be caused by various factors, such as continuous increase in public consumption or the existence of an irregularity in the distribution of goods.
Data Analysis Tools
This study uses data analysis Classical Assumption Test which consists of 4 tests, namely: Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test. This study also uses multiple linear regression analysis.

RESULTS AND DISCUSSION

Descriptive Statistics
The results of descriptive statistical tests produce information about the value of N or data, the minimum value, the maximum value, the mean or average value and the standard deviation value of each variable used in this study.

| Table 1 Descriptive Statistics |
|--------------------------------|
| N  | Minimum | Maximum | Mean   | Std. Deviation |
|----|---------|---------|--------|---------------|
| X1_DER | 36      | 39.30   | 821.00 | 225.9244      | 162.19891 |
| X2_ROA | 36      | -29.35  | 10.00  | .7358         | 7.20149   |
| X3_INFLASI | 36     | 2.72    | 8.36   | 4.0317        | 1.98281   |
| Y_HARGA_SAHAM | 36    | 50      | 890    | 310.78        | 250.202   |
| Valid N (listwise) | 36 |

The minimum value of the debt to equity ratio variable is 39.30 and the maximum value is 821.00, while the mean value of the DER is 225.9244. The minimum value on the Return On Asset variable is -29.35 and the value is 10.00, while the mean value on the ROA variable is 0.7358. For inflation, the minimum value is 2.72 in 2019 and the maximum value is 8.36 in 2014, while the average inflation value is 4.0317. At variable Y Share Price the minimum value of the share price is Rp. 50, and a maximum value of Rp. 890, while the mean value was 310.78.

Classical Assumption Test

Normality Test
In the normality test, this study uses the One-Sample Kolmogorov-Smirnov statistical test. In this test, it can be said to be normally distributed because the Asymp.Sig (2-tailed) value is greater than 0.05, which is the Asymp.Sig (2-tailed) value of 0.492 where 0.05 < 0.492. The results of the normality test can be seen in the table below:

| Table 2 Normality Test |
|------------------------|
| One-Sample Kolmogorov-Smirnov Test |
| N                      | 36 |
| Normal Parametersa,b   |    |
| Mean                   | 0E-7 |
| Std. Deviation         | 233.70211171 |
| Absolute               | .139 |
| Positive               | .139 |
Multicollinearity Test

The results of multicollinearity can be seen in the tolerance value and Variance Inflation Factor (VIF) found in the coefficient table. The value used in this test is if the tolerance value is more than 0.10 or equal to the VIF value of less than 10, and it is obtained if there are no symptoms of multicollinearity in this study. The tolerance value on the DER variable is 0.667, ROA is 0.683 and inflation is 0.942. Meanwhile, the VIF value on the DER variable is 1,500, ROA is 1,466 and inflation is 1,061. The results of this test can be seen in the following table:

| Model   | Collinearity Statistics |
|---------|-------------------------|
|         | Tolerance | VIF   |
| 1       | X1_DER    | .667  | 1.500  |
|         | X2_ROA    | .682  | 1.466  |
|         | X3_INFLASI| .942  | 1.061  |

Heteroscedasticity Test

The heteroscedasticity test can also use the Glejser test, if the significant value is above 0.05, it can be concluded that the regression model does not have heteroscedasticity symptoms. The sig value obtained for each variable, namely the DER of 0.467, ROA of 0.832 and Inflation of 0.005, the three variables do not each have no sig value below 0.05, which means that the three variables do not indicate heteroscedasticity symptoms. The table on the Glejser test can be seen below:

| Model   | Unstandardized Coefficients | Standardized Coefficients | t  | Sig.  |
|---------|-----------------------------|----------------------------|-----|-------|
|         | B             | Std. Error | Beta     |     |       |
| 1       | (Constant)    | 35.685      | 78.503   | .455| .652  |
|         | X1_DER        | .141        | .191     | .149| .737  | .467 |
|         | X2_ROA        | -.910       | 4.251    | -.043| -.214 | .832 |
|         | X3_INFLASI    | 26.712      | 13.135   | .347| 2.034 | .050 |

Autocorrelation Test

To test whether or not there are autocorrelation symptoms it can be detected using the Durbin-Watson test. With the terms of the decision making for the presence or absence of a correlation, as follows:
1. A Durbin-Watson number below -2 means that there is positive autocorrelation
2. The Durbin-Watson number is between -2 to +2, meaning there is no autocorrelation
3. Durbin-Watson number above +2 means that there is negative autocorrelation.

In the durbin-watson table, the value is 1.104, which means there are no autocorrelation symptoms because the durbin-watson value is between -2 to +2.
The results on testing for autocorrelation are shown in the table as follows:

### Table 5
#### Autocorrelation Test

| Model | R    | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|------|----------|------------------|-----------------------------|---------------|
| 1     | 0.357* | 0.128 | 0.046 | 244.412 | 1.104 |

**Multiple Linear Regression Analysis**

Multiple regression analysis is used to calculate the magnitude of the effect and predict two or more independent or independent variables on one dependent or dependent variable. This analysis uses the SPSS version 20.0 program, so the results of the analysis are as follows:

### Table 6
#### Multiple Linear Regression

| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
|-------|-----------------------------|---------------------------|---|------|
|       | B     | Std. Error | Beta |       |       |
| 1     | (Constant) | 212.991 | 128.288 | 1.660 | .107 |
|       | X1_DER | -0.253 | 0.312 | -0.164 | -0.812 | .423 |
|       | X2_ROA | -5.955 | 6.946 | -0.171 | -0.857 | .398 |
|       | X3_INFLASI | 39.533 | 21.464 | 0.313 | 1.842 | .075 |

Based on the table above, the regression equation is obtained, namely:

\[
Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + E
\]

\[
\text{Stock Price} = 212.991 + (-0.253)X_1 + (5.955)X_2 + 39.533 + E
\]

\[a = 212.991, \text{ which means that if Debt to Equity Ratio, Return On Assets and Inflation can be said to be constant or zero, the dependent variable or stock price will decrease as much as 212.991.}\]

\[\beta_1 = -0.253, \text{ which means that if the Debt to Equity Ratio has a negative effect, every time there is an increase in DER with the assumption that other variables are constant, it will cause the share price to decrease by 0.253.}\]

\[\beta_2 = -5.955, \text{ which means that if Return on Assets has a negative effect, any increase in ROA, assuming other variables are constant, will cause the share price to decline by 5.955.}\]

\[\beta_3 = 39.533, \text{ which means that if inflation has a negative effect, then any increase in inflation assuming other variables remain, it will cause the share price to decrease by 39.533.}\]

**Hypothesis Test**

**Partial Test (T Test)**

This test is done by comparing the significant value of \(T\) with the level of testing, where this test level uses 0.05 or 5%, so it can be seen whether \(H_0\) is accepted or rejected. Below is a table to find out the partial test using the SPSS version 20.0 program:
Table 7
Partial Test

| Model | Unstandardized Coefficients | Standardized Coefficients | T    | Sig. |
|-------|-----------------------------|---------------------------|------|------|
|       | B                           | Std. Error                | Beta |      |
| 1     | (Constant)                  | 212.991                   | 128.288 | 1.660 | .107 |
|       | X1_DER                      | -0.253                    | 0.312 | -0.164 | -0.812 | .423 |
|       | X2_ROA                      | -5.955                    | 6.946 | -0.171 | -0.857 | .398 |
|       | X3_INFLASI                  | 39.533                    | 21.464 | 1.842 | .075 |

The results of testing carried out partially on the DER variable show that the T count is smaller than the T table, which is -0.812, while the T table is 2.037 or -0.812 < -2.037 and the significant value is 0.423, which means it is greater than the sig value. 0.05 or 0.423 > 0.05. This shows that the DER variable does not have a significant effect on the stock price of oil and gas mining companies, so the hypothesis that DER has a significant effect on stock prices is rejected or H0 is accepted and H1 is rejected.

This contradicts the research hypothesis and is not in line with the results of research conducted by Nurmala Alifah in 2017 which stated that DER has an effect on stock prices. But the results of this study are in line with the results of research conducted by Martina Rut Utami in 2019 which states that the DER variable has no effect on stock prices.

This shows that the level of DER and debt held by the company, whether high or low, is not a factor that can affect investors' interest in investing in a company. Because investors will see how much the company can afford to take advantage of the debt it has for the costs incurred by the company. If the company can take advantage of its debt for costs that will be incurred, it will provide a positive signal for investors, and vice versa if the company fails to take advantage of its debt, it will give a negative signal for investors. Therefore, it can be said that the DER ratio has no effect on stock prices (Reza Bagus Wicaksono, 2015).

The results of the tests carried out partially on the ROA variable show that the T count is -0.857 while the T table is 2.037 or -0.857 < -2.037 and the significant value is 0.398 which means it is greater than the sig value. 0.05 or 0.398 > 0.05. This shows that the ROA variable does not have a significant effect on the stock price of oil and gas mining companies, so the hypothesis that ROA has a significant effect on stock prices is rejected or H0 is accepted and H1 is rejected.

From the results of research which states that ROA has no significant effect. This contradicts the research hypothesis and is not in line with the results of research conducted by Carmela Pink Manopo in 2016 which stated that ROA has an effect on stock prices. But the results of this study are in line with the results of research conducted by Florencia Paramitha Liwang (2011) which states that the ROA variable has no effect on stock prices.

This is because the ROA owned by the company, both high and low, will be able to affect the results of the company's performance, because if the level of profit generated on assets is low, it shows that the company's performance is bad enough or the utilization of bad assets by management. But if the level of profit is high, it will show good performance and use of assets by management (Heri, 2015. 193). However, the level of effectiveness of company management in utilizing or increasing net income does not have a major effect on rising and falling share prices. Therefore, ROA cannot affect stock prices.

The results of testing carried out partially on the Inflation variable show that the T count is 1.842, while the T table is 2.037 or 1.842 <2.037 and a significant value of 0.075 which means it is greater than the sig value. 0.05 or 0.075 > 0.05. This shows that the inflation variable does not have a significant effect on the stock price of oil and gas mining companies, so the
hypothesis that inflation has a significant effect on stock prices is rejected or $H_0$ is accepted and $H_1$ is rejected.

From the results of the research which states that inflation has no significant effect. This contradicts the research hypothesis and is not in line with the results of research conducted by Rina Sapariyah in 2016 which stated that inflation has an effect on stock prices. But the results of this study are in line with the results of research conducted by Ayu Dek Ira Roshita in 2016 which states that the inflation variable has no effect on stock prices.

This happens because the inflation rate in Indonesia is still low in 2014 to 2019, therefore inflation cannot affect the company's stock price. In addition, the inflation rate is below 10%, the capital market can still accept it, but if the inflation rate is above 10%, there will be price imbalances in the capital market.

**Simultaneous Test (Test F)**

This test is done by comparing the significant value of F with the level of testing, where this test level uses 0.05 or 5%, it can be seen whether $H_0$ is accepted or rejected. Below is a table to find out the results of the Simultaneous F test using the SPSS version 20.0 program:

| Model  | Sum of Squares | Df | Mean Square | F     | Sig. |
|--------|----------------|----|-------------|-------|------|
| Regression | 279446.527     | 3  | 93148.842   | 1.559 | .218 |
| Residual       | 1911583.696    | 32 | 59736.990   |       |      |
| Total            | 2191030.222    | 35 |             |       |      |

From the results of the regression analysis shown in the table above, it shows that simultaneously, the independent variables, namely DER, ROA and inflation do not have a significant effect on the dependent variable Stock Price. This is evidenced by the calculated F value of 1.559 which means it is smaller than the F table, namely 2.89, 1.559 < 2.89, with a significant value of 0.218, because the significant value of the probability is much greater than the predetermined significant value of 0.05 or 5% (0.218 > 0.05). Therefore the regression model cannot be used to predict the increase or decrease in stock prices of oil and gas mining companies, and it can also be said that DER, ROA, and inflation simultaneously have no effect on stock prices and indicate that stock prices can be influenced by another factor.

**The Coefficient of determination ($R^2$)**

The coefficient of determination shows a proportion of the variance which can be explained by the regression equation to the total variance. The value of the coefficient of determination ranges from 0 to 1. If $R^2$ is equal to 1, then 100% of the total variation is explained by the regression equation variants or the independent variables X1, X2, and X3 are able to explain the Y variable by 100%. Below is a table to explain the coefficient of determination:

| Model Summary<sup>a</sup> | Coefficient of Determination |
|---------------------------|-----------------------------|
| Model | $R$ | $R$ Square | Adjusted R Square | Std. Error of the Estimate |
| 1   | .357<sup>a</sup> | .128 | .046 | 244.412 |

Based on the results of the regression calculations contained in the table above, the results obtained will be the magnitude of the influence of the independent variables on the dependent variable which can be explained by this research equation model of 0.046 or 4.6%. This shows that the magnitude of the influence of the independent variables, namely Debt to
Equity Ratio, Return On Assets and Inflation on Stock Prices which can be explained by this equation model is only 4.6% and the remaining 95.4% is influenced by other factors that are not included in the variable. In this research, for example macro factors such as GDP, exchange rates, crude oil prices or those from the company itself as in other ratios, namely liquidity ratios, market ratios and activity ratios.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of the analysis previously discussed, the conclusions can be drawn, namely. First, simultaneously the independent or independent variables, namely the variable Debt to Equity Ratio, Return on Assets and Inflation do not have a significant effect on stock prices of oil and gas mining companies. Second, partially the Debt to Equity Ratio variable has no significant effect on the stock price of oil and gas mining companies. Third partially, the Return On Asset variable does not have a significant effect on the stock price of oil and gas mining companies. Fourth, partially the inflation variable does not have a significant effect on the stock price of oil and gas mining companies.

Recommendation

Prospective investors are advised not to focus too much on Debt to Equity Ratio, Return on Assets and Inflation in making investment decisions, and dig more information and also pay attention to other factors. The management of the company should further improve the quality of the company’s performance so that more investors will invest. Company management must pay more attention to financial ratios, especially on the ratio of Debt to Equity Ratio and Return On Asset.

Due to the limitations of the research, it is hoped that the next researchers will expand the research, such as adding more years of research to obtain stronger results. It is also expected to add other financial ratios to be used as research variables, such as adding ROE, DAR, Liquidity Ratio, Market Ratio, Activity Ratio, GDP and Exchange Rate. Because the possibility of other financial ratios can affect the stock price.

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