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Analysis of the Effect of Stock Prices on Coal Sub-Sector on the Indonesia Stock Exchange 2014-2019

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Abstract: The rise and fall of stock market prices in the capital market is an interesting phenomenon to discuss related to the issue of fluctuations in the value of the company itself. The performance of a company can be seen by looking at the financial statements. To measure the financial statements of a company can use financial ratios in a certain period. This study is to determine the effect of the Current Ratio, Debt To Equity Ratio, and Price Book Value on stock prices. The object of research is the coal sub-sector which is listed on the Indonesia Stock Exchange in 2014-2019. The research design used is causal research. The sampling technique was the purposive sampling method. The population in this study were 25 coal companies listed on the Indonesia Stock Exchange (IDX) in the 2014-2019 period as many as 8 companies met the criteria so that a total of 48 observations were used. The analysis technique used was panel data regression analysis and it was found that the higher model Appropriate use is a random effect. The data used in this study is secondary data. The results of this test indicate that simultaneously (Test F) Current Ratio, Debt to Equity Ratio and Price Book Value have a significant effect on stock prices. Partially (t-test) the Price Book Value variable has a significant positive effect on stock prices and the Debt to Equity Ratio variable has a significant negative effect on stock prices. Only the Current Ratio variable has no significant effect on the share price of coal sub-sector companies on the Indonesia Stock Exchange in 2014 – 2019.

Keywords: Current Ratio (CR), Debt to Equity Ratio (DER), Price Book Value (PBV), Price Value

INTRODUCTION

Indonesia is known as an exporter of mining goods to other countries such as China, India, Japan, and South Korea. Indonesia is one of the largest coal producers and exporters in the world (BPS, 2018). Indonesia is one of the largest producers and exporters of mining, especially coal, in the world. From 2005 until now, Indonesia has become a leading exporter of coal. Coal contributes about 85 percent of total state revenue from the mining sector. This greatly affects economic growth in Indonesia. Economic growth depends on companies contributing to the export of goodsand services.

The value of the company can be measured through several aspects, one of which is the market price of the company's shares. The market price of the company's shares reflects the investor's overall assessment of each equity held. The stock-oriented approach (Stock-oriented approach) states that the cause of changes in stock prices is by inflows and outflows of portfolios or foreign capital, the third approach is the asset-market approach (asset-market approach) implies a weak/no relationship between stock prices and exchange rates (Risman, A. 2015).

The stock market price shows the central assessment of all market participants, the stock market price acts as a barometer of the company's management performance. If the value of a company can be proxied by the stock price, then maximizing the value of the company is the same as maximizing the stock market price (Brigham & Houston, 2016).
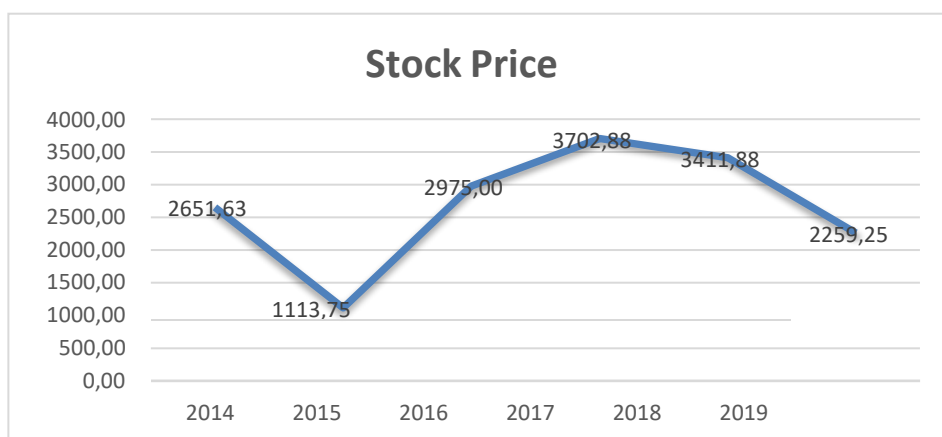

Figure 1. Average Share Price of Coal Sub-Sector Listed on the Indonesia Stock Exchangein 2014-2019.
source: processed data (2020)

Based on the figure above, the average development of coal stock prices in the period 2014–2019, shows that there is a downward trend in fluctuations. From 2014 to 2015 it can be seen that the share price of the coal sector decreased significantly from Rp. 2651.63 to Rp. 1113.75. The decline was due to the sluggish global economy, the lack of competitiveness of export products, and a decline in production.

According to Kurniawan, (2018) the decline in coal stock prices in 2018 was due to First, the imposition of import quota restrictions and the ongoing delay of permits for imported coal in China. Where Indonesia's exports are currently dominated by China, which acts as the largest coal importer in the Asia Pacific. So that with the restriction of import quotas, the demand for coal from China also weakens, which leads to a decline in global coal prices. The second (still related to Point no 1) is the excess supply of coal from Indonesia, due to weak market demand from China and India above. Along with the reduced volume of demand from China and India, at the same time, coal production in Indonesia itself was very large in 2017 and 2018. This has caused the coal supply in Indonesia to be oversupplied. Similar to 2019, coal stocks experienced a decline due to oversupply.

The use of financial ratios can be done by using comparisons between various company data in the financial statements, especially financial statements that show the profits and losses of the company. Financial ratios provide an indication of the financial strength of a company (Arief. Saratian. Nugroho. Ashshidiqy. Kolis, 2020) What is obtained is the development of a company's stock price within a certain time span, either decreasing or increasing, as well as looking for causes of price changes the stock and find out what financial ratios affect the stock price of the company. Such as the current ratio (CR), debt to equity ratio

(DER) and price book value (PBV).

LITERATURE REVIEW
Signal Theory
Signal theory discusses how signals of success or failure of management (agents) should be conveyed to owners (principals). Signal theory explains that signaling is done by management to reduce asymmetric information. According to Sari and Zuhrotun (2016), signal theory (signaling theory) explains why companies have the urge to provide financial statement information to external parties. This impetus arises because of asymmetric information between the company (management) and external parties, where management knows the company's internal information which is relatively more abundant and faster than outside parties such as investors and creditors. In signaling theory, management's motivation to present financial information is expected to give a signal of prosperity to owners or shareholders. Publication of the annual financial statements presented by the company will be able to provide a signal of dividend growth and the development of the company's stock price (Kusuma, 2016).

Stock price
The stock price becomes the closing price of the market that determines investors to buy or sell shares. If the stock price increases, investors are advised to sell, because the stock is experiencing excess demand. While the stock price has decreased, investors are advised to buy because the stock is experiencing an oversupply.

According to Brigham and Houston (2016) stock prices are based on expected cash flows in the coming years, not just the current year. So, stock price maximization asks us to look at operations in the long run.

Liquidity Ratio (Liquidity Ratio)
According to Weston in Kasmir (2016), it is stated that the liquidity ratio is a ratio that describes the company's ability to meet short-term obligations (debt). This means that if the company is billed, the company will be able to meet the debt, especially the debt that is due.

This ratio is used to determine the company's ability to finance and meet obligations (debts) when billed. The types of ratios that can be used by companies to measure capabilities, namely: current assets (current ratio), very current ratio (quick ratio or acid test ratio), cash ratio (cash ratio), cash turnover ratio, inventory to net working capital.

According to Brigham and Houston (2016), the current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. If the current ratio is low, it can be said that the company lacks the capital to pay debts. However, if the results of the measurement of the ratio are high, it does not mean that the company's condition is good. This can happen because cash is not used as well as possible.

Solvency Ratio (Leverage Ratio)
The solvency ratio or leverage ratio is the ratio used to measure the extent to which the company's assets are financed with debt. This means how much debt burden is borne by the company compared to its assets. The types of solvency ratios include: debt to asset ratio (debt ratio), debt to equity ratio (DER), long term debt to equity ratio, tangible assets debt coverage, current liabilities to net worth, times interest earned, fixed charge coverage.

According to Brigham and Houston (2016) the debt to equity ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management. The smaller

 this ratio the better. This ratio is also known as the leverage ratio. For the security of outsiders, the best ratio is if the amount of capital is greater than the amount of debt or at least the same.

Rating Ratio

The valuation ratio is a ratio that provides a measure of management's ability to create market value for its business above investment costs. According to Brigham and Houston (2016), it is a set of ratios that relate the company's stock price to its earnings, cash flow, and book value per share. This ratio indicates management of how investors view the risks and prospects of the company in the future. The types of valuation ratios that can be used are: price earning ratio (PER),price/cash flow ratio (price/cash, flow ratio), price book value (PBV).

According to Brigham and Houston (2016), the price-book value ratio is the market price of the stock to its book value which will also provide another indication of how investors view the company. Companies with relatively high returns on equity usually sell at a larger book multiplication than companies with low returns. The greater the Price to Book Value owned by thecompany, the higher the stock price will be.

Hypothesis Development

Based on the research framework, research objectives, research formulations, and existingtheories, the proposed hypothesis is:
H1: Current ratio has a significant positive effect on stock prices
H2: Debt to equity ratio has a significant negative effect on stock prices H3: Price book value has a significant positive effect on stock prices.

RESEARCH METHODS

In carrying out this research the authors obtain and collect data or information from financial reports that have been published by the Indonesia Stock Exchange (IDX) through the website www.IDX.co.id and literature studies. The companies used as the population are 25 mining sector companies listed on the IDX. The sampling technique used is purposive sampling. Purposive sampling is a technique of collecting samples with certain criteria. The sampling criteria are 1) Mining sector companies listed on the IDX from 2014-2019, 2) Companies that do not publish their financial statements and do not publish share prices.

Operasionalisasi variabel

To provide a more specific understanding of the variables of this study, the variables, definitions,and indicators used in this study are described in the following table:

Tabel 1. Operasionalisasi Variabel

No	Jenis Variable	Variable	Rumus	Skala
1	Y	Harga Saham	*Closing Price*	Rasio
2	X_1	*Current Ratio*	*Aset Lancar* / *Kewajiban Lancar*	Rasio
3	X_2	*Debt Equity Ratio*	Total Utang / Total Ekuitas	Rasio
4	X_3	*Price to Book Value*	Harga Pasar Per Saham / Nilai Buku Per Saham	Rasio

The independent variables in this study include Current Ratio, Debt to Equity Ratio, and Price Book Value. This study aims to determine the effect of the independent variables

namely Current Ratio, Debt to Equity Ratio and Price Book Value on the dependent variable, namely Stock Price. The research design is causal research. The data analysis method in this study uses panel data regression analysis. The panel data regression model can be formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Di mana:
Y   = Harga Saham
A   = Konstanta
β_{1-2} = Koefisien regresi X_1 : Current Ratio (CR)
X_2 = Debt to Equity Ratio (DER)
X_3 = Price Book Value (PBV)
ε = Error

FINDINGS AND DISCUSSION
Descriptive Statistics
The results of the analysis using descriptive statistics can be seen in the table below:

Tabel 2. Deskriptif Statistics CR, DER PBV

Date: 05/03/21
Time: 04:50
Sample: 2014 2019

	HARGA_SAHAM	CR	DER	PBV
Mean	2685.729	2.074167	2.440438	2.088420
Median	807.5000	1.630000	0.790000	1.040518
Maximum	20700.00	9.220000	34.06000	18.59120
Minimum	50.00000	0.180000	0.110000	0.325563
Std. Dev.	5090.895	1.742069	5.191730	3.316165
Skewness	2.627881	2.105770	4.943229	3.813639
Kurtosis	8.634303	8.257502	30.04258	17.88155
Jarque-Bera	118.7368	90.75678	1658.087	559.2721
Probability	0.000000	0.000000	0.000000	0.000000
Sum	128915.0	99.56000	117.1410	100.2442
Sum Sq. Dev.	1.22E+09	142.6358	1266.841	516.8568
Observations	48	48	48	48

Source: Eviews 9 data processing results (2021)

From the results of the descriptive statistical output in table 2, it can be seen that:
1) Observations = 48 means the amount of data processed in this study is 48 samples consisting of 8 companies sampled for 6 years consisting of variable data Current ratio (CR), Debt to equity ratio (DER), Price Book Value (PBV) to the share price.
2) The share price has the highest value of Rp 20,700.00 at PT Indo Tambangraya Megah Tbk (ITMG) in 2017 and the lowest share price value of Rp. 50.00 is found at PT Darma Henwa Tbk (DEWA) in 2014. Standard deviation value of 5,090,895, which is greater than the mean (average) value of 2,685.729, which means that the deviation of the stock price data can be said to be not good. This means that the average sample company has a stock price of 2,685,729.
3) Current ratio (CR) has the highest value of 9.220000 at PT. Harum Energy Tbk (HRUM) in 2019 and the lowest CR value of 0.180000 is at PT. Atlas Resources Tbk (ARII) in 2016. The standard deviation value of 1.742069 is smaller than the mean (average) value of 2.074167, meaning that the current ratio data deviation can be said to be good. This means that the average sample company can meet its short-term obligations of 2.074167 times the total assets of all observations owned by the company in one period.

4) Debt to equity ratio (DER) has the highest value of 34.06000 at PT. Atlas Resources Tbk (ARII). The DER value is quite large at PT. Atlas Resources Tbk (ARII) because the company experienced a fairly high increase in the cost of goods. In 2018 and the lowest DER value is 0.110000 PT. Harum Energy Tbk (HRUM) in 2015. The standard deviation value of 5.191730 is greater than the mean (average) value of 2.440438, meaning that the debt to equity ratio data deviation can be said to be not good. This means that the average sample company has a debt of 2.440438 which is greater than the company's capital.

5) Price Book Value (PBV) has the highest value, namely 18.59120 PT. Atlas Resources Tbk (ARII) in 2018 and the lowest PBV value of 0.325563 PT Darma Henwa Tbk (DEWA) in 2018. The standard deviation value of 3.316165 is greater than the mean (average) value of 2.088420, meaning that the PBV data deviation can be said not good. This means that the average sample company has a book value of 2.088420.

Panel Data Model Estimation Method Results

Uji Random Effect Model Tabel 3. Random Effect Model

Dependent Variable: HARGA_SAHAM
Method: Panel EGLS (Cross-section *random effect*s)
Date: 05/03/21   Time: 04:55
Sample: 2014 2019
Periods included: 6
Cross-sections included: 8
Total panel (balanced) observations: 48
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2231.439	1798.286	1.240870	0.2212
CR	-1.651068	320.9854	-0.005144	0.9959
DER	-285.9297	95.50409	-2.993900	0.0045
PBV	553.2930	134.5193	4.113113	0.0002

Effects Specification			S.D.	Rho
Cross-section random			4640.068	0.8701
Idiosyncratic random			1792.854	0.1299

Weighted Statistics				
R-squared	0.281407	Mean dependent var		418.4757
Adjusted R-squared	0.232412	S.D. dependent var		2028.511
S.E. of regression	1777.221	Sum squared resid		1.39E+08
F-statistic	5.743581	Durbin-Watson stat		2.719054
Prob(F-statistic)	0.002092			

Unweighted Statistics				
R-squared	0.228777	Mean dependent var		2685.729
Sum squared resid	9.39E+08	Durbin-Watson stat		0.402242

Source: Eviews 9 data processing results (2021)

In the random effects approach in table 3. it can be seen that the adjusted R-squared result is 0.232412 or 23.24 percent, so it can be interpreted that the independent variables in this study can describe the dependent variable, the share price is 23.24 percent while the remaining 76.76 percent is explained by other studies. Based on these results, it can be seen that the variables whose probability value < (0.05) are declared significant are Debt to equity ratio (DER) and Price Book Value (PBV), while the current ratio (CR) variable is not significant.

Panel Data model Selection Results

To choose one model that is considered the most appropriate from the three types of panel data models, it is necessary to carry out a series of tests, namely:

1. Uji *Lagrange Multiplier*

The Lagrange Multiplier test is a test to determine whether the random effect model or the common effect model is the most appropriate to use. This test uses the Breusch Pagan method. The Breusch Pagan method tested the significance of the random effect model based on the residual value of the OLS method. The hypotheses formed are as follows:

Ho: *Common effect model*

H1: *Random effect model*

The criteria for testing the hypothesis are, if the probability is < 0.05, then Ho is rejected and H1 is accepted. On the other hand, if the probability is > 0.05, then Ho is accepted and H1 is rejected.

Tabel 4. Hasil Uji *Lagrange Multiplier*

Lagrange Multiplier Tests for *Random effect*s
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
    (all others) alternatives

	Test Hypothesis Cross-section	Time	Both
Breusch-Pagan	63.74143 (0.0000)	1.890966 (0.1691)	65.63240 (0.0000)
Honda	7.983823 (0.0000)	-1.375124 --	4.673056 (0.0000)
King-Wu	7.983823 (0.0000)	-1.375124 --	4.103267 (0.0000)
Standardized Honda	9.995763 (0.0000)	-1.202739 --	2.829686 (0.0023)
Standardized King-Wu	9.995763 (0.0000)	-1.202739 --	2.143316 (0.0160)
Gourierioux, et al.*	--	--	63.74143 (< 0.01)

*Mixed chi-square asymptotic critical values:
1%   7.289
5%   4.321
10%   2.952

Source: Eviews 9 data processing results (2021)

Based on the results of the LM test in table 4. it can be seen that the probability value of both Breusch Pagan is greater than the value of (5%) which is 0.0000 < 0.05, then Ho is rejected and H1 is accepted, which means that the right model used in this test is the random effect model.

Analisis Regresi Data Panel

From the output results in table 4.4, the regression equation model is obtained as follows:Share price = 2,231,439 + - 1,651,068 CR + -285,9297 DER + 553,293 PBV

Based on the above equation, the following explanation can be obtained:

• Constant = 2,231.439, the value of the constant is positive, meaning that if the value of the variables CR, DER, and PBV is considered non-existent or equal to 0, then the value of the

stock price will decrease or increase in the value of the stock price, namely 2,231.4.
- DER = -285.9297, the coefficient of the variable DER is negative, meaning that if the PBV decreases, the share price will decrease by Rp. -285.9, assuming the other independent variables are constant.
- PBV = 553.293, the coefficient of the variable PBV is positive, meaning that if the PBV increases, the share price will increase by Rp. 553,293, assuming the other independent variables are constant values.

Results of hypothesis testing and discussion of research results
1. Uji Koefisien Determinasi (R^2)
The coefficient of determination (R2) is to measure the model's ability to explain the variation of the dependent variable. The test results are shown in Table 5.

Tabel 5. Koefisien Determinasi (R^2)

R-squared	0.281407	Mean dependent var	418.4757
Adjusted R-squared	0.232412	S.D. dependent var	2028.511
S.E. of regression	1777.221	Sum squared resid	1.39E+08
F-statistic	5.743581	Durbin-Watson stat	2.719054
Prob(F-statistic)	0.002092		

Source: Eviews 9 data processing results (2021)

Based on Table 5, it can be seen that the Adjusted R-squared value is 0.281407, meaning that 28.1407% of the dependent variable of capital structure can be explained by the independent variables, namely CR, DER, and PBV, while 71.8593% is explained by other factors not included in this study.

2. Uji Kesesuain Model Regresi Data Panel (Uji F / Simultan)
The F test was conducted to find out whether the independent variables, namely Current ratio (CR), Debt to equity ratio (DER), and Price Book Value (PBV) influence the dependent variable, namely stock prices with a significance level of (5%). The formulation of the hypothesis in this test is as follows:
H0: Simultaneously independent variables do not affect the dependent variable. If the calculated F value is < F table, or the probability value is > 0.05.
H1: Simultaneously there is an effect of the independent variable on the dependent variable. If the calculated F value > F table, or the profitability value < 0.05.

Tabel 6. Hasil Uji F

F-statistic	5.743581	Durbin-Watson stat	2.719054
Prob(F-statistic)	0.002092		

Source: Eviews 9 data processing results (2021)

Based on Table 6 above, the results of testing the Random effect model obtained the Prob (F-Statistic) value of 0.002092 <0.05. It means that H0 is rejected (H1 is accepted) because the prob value (F-Statistic) is smaller than 0.05, which means that the independent variables simultaneously affect the dependent variable.

Test Koefisien Regresi Data Panel (Uji t-statistik / Parsial)
1. Analysis of the influence of the current ratio on stock prices
Hypothesis:
H0 = profitability does not affect stock prices H1 = profitability affects stock prices.

The criteria for testing the hypothesis are, if the probability is < 0.05, then H0 is rejected. On theother hand, if the probability is > 0.05, then H0 is accepted.

Tabel 7. Hasil Pengujian CR (Uji T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2231.439	1798.286	1.240870	0.2212
CR	-1.651068	320.9854	-0.005144	0.9959

Source: Eviews 9 data processing results (2021)

Based on the Output Eviews 9 in Table 7, it can be seen that the CR coefficient value moves negatively by -1.651068 with a t-statistic value of -0.005144 which is smaller than the t table which is 1.68023, or with a probability value of 0.9959 where this value is greater than (5%) then H0 is accepted (H1 is rejected). So it can be interpreted that the Current ratio variable does not affect stock prices.

2. Analysis of the influence of Debt Equity to the Stock Price
Hypothesis:
H0 = profitability does not affect stock pricesH1 = profitability affects stock prices.

The criteria for testing the hypothesis are, if the probability is < 0.05, then H0 is rejected. On theother hand, if the probability is > 0.05, then H0 is accepted.

Tabel 8. Hasil Pengujian DER (Uji T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2231.439	1798.286	1.240870	0.2212
DER	-285.9297	95.50409	-2.993900	0.0045

Source: Eviews 9 data processing results (2021)

Based on Output Eviews 9 in Table 8, it can be seen that the DER coefficient value moves negatively by -285.9297 with a t-statistic value of -2.993900 which is smaller than the t table which is 1.68023, or with a probability value of 0.0045 where this value is smaller than (5%) then H0 is rejected (H1 is accepted). So it can be interpreted that the variable Debt to equity ratio has a significant negative effect on stock prices.

3. Analysis of the influence of price book value on stock prices
Hipotesis:
H0 = profitabilitas tidak berpengaruh terhadap harga sahamH1 = profitbilitas berpengaruh terhadap harga saham.

Kriteria pengujian hipotesis yaitu, jika probabilitas < 0,05 maka H0 ditolak. Sebaliknya,jika probabilitasnya > 0,05 maka H0 diterima.

Tabel 9. Hasil Pengujian PBV (Uji T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2231.439	1798.286	1.240870	0.2212
PBV	553.2930	134.5193	4.113113	0.0002

Source: Eviews 9 data processing results (2021)

Based on the Output Eviews 9 in Table 9, it can be seen that the PBV coefficient value moves positively at 553.2930 with a t-statistic value of 4.113113 which is greater than the t table which is 1.68023, or with a probability value of 0.0002 where this value is smaller than

(5%) then H0 is rejected (H1 is accepted). So that it can be interpreted that the Price book value variable has a significant effect on stock prices.

Discussion Of Research Results

Based on research that has been conducted on four independent variables, namely CR, DER, and PBV on the dependent variable, namely Stock Price. Where the CR variable does not affect stock prices, the DER variable has a negative and significant effect on stock prices, while the PBV variable has a positive and significant effect on stock prices. The following is a description of the results of this study.

Effect of CR on stock prices

Based on table 4.14 with regression results of -1.651068, the Current Ratio (CR) has an insignificant negative effect on stock prices with a probability value of CR greater than 0.05, namely 0.9959 > 0.05. CR is the company's ability to meet its short-term use of current assets owned by the company. **The current** ratio (CR) is used as a measuring tool to measure the liquidity of a company. A low current ratio indicates a problem in liquidity and is interpreted as an early indicator of the company's inability to meet its short-term obligations. However, the increasing current ratio indicates the company **can** meet its short-term obligations, this means showing good company performance and will have a positive impact on stock prices. While the results of this study indicate that the current ratio **does not affect** stock prices. Thus, the current ratio value in this study is assumed to be between the two positions and is constant.

The results of this study are in line with research conducted by Ariyani et al (2018) which states that the Current Ratio does not affect stock prices. This CR variable cannot be used as a signal reference for investors in making investment decisions to purchase shares in the transportation sector because the current ratio has a positive and insignificant effect on stock prices.

Effect of DER on stock prices

Based on table 4.14 with a regression result of -285.9297, the Debt to Equity Ratio (DER) has a significant negative effect on stock prices with a probability value of DER less than 0.05, namely 0.0045 < 0.05. Debt to equity ratio is a debt ratio used to measure the ratio between total debt and total assets. Theoretically, the higher the DER, the lower the stock price. If the DER increases, this means that the company is financed by creditors and not from its financial sources, if the company goes bankrupt, the company's assets will be sold to pay off the company's debts. If the company's debt is greater, the owners of capital will experience losses, because investors tend to avoid companies with large DER values. So the smaller this ratio the better.

The results of this study are in line with research by Rimbani (2016), Sari & Santoso (2017) and Ariyani et al (2018) which state that DER has a negative and significant effect on stock prices. The DER variable in this study obtained a probability value that has a significant effect on the decline and increase in stock prices which can be used as a signal for investors in making investment decisions to purchase shares because the Debt to Equity Ratio has a significant negative effect on stock prices.

Effect of PBV on stock prices

Based on table 4.15 with regression results 553,2930, Price Book Value (PBV) has a significant positive effect on stock prices with a probability value of PBV less than 0.05, namely 0.0002 < 0.05. Price book value is the market price of the stock against its book value which will also provide another indication of how investors view the company. PBV

reflects the level of success of the company's management in running the company, managing resources which is reflected in the share price at the end of the year. Companies with relatively high returns on equity usually sell at a larger book multiplication than companies with low returns. The higher the PBV value, ofcourse, gives investors hope for.

Effect of PBV on stock prices

Based on table 4.15 with regression results 553,2930, Price Book Value (PBV) has a significant positive effect on stock prices with a probability value of PBV less than 0.05, namely $0.0002 < 0.05$. Price book value is the market price of the stock against its book value which will also provide another indication of how investors view the company. PBV reflects the level of success of the company's management in running the company, managing resources which is reflected in the share price at the end of the year. Companies with relatively high returns on equity usually sell at a larger book multiplication than companies with low returns. The higher the PBV value, of course, gives investors hope to get bigger profits. Conversely, if the price book value is low, investors are not interested in buying shares. This is because the low price-book value means that the stock price in the market is also low. So that investors are afraid if they buy shares at a price that is too low, which in the future will decrease the share price. So investors will avoid stocks like this. This will cause the stock price to fall.

The results of this study are in line with previous research from Rimbani (2016), Ariyani et al (2018), Anah et al (2018) which stated that Price Book Value had a positive and significant effect on stock prices

CONCLUSION AND RECOMMENDATION

Conclusion
1. Based on the results of the study, the following are the conclusions generated in this study
2. Based on the results of the study, it is known that the current ratio has no effect on stock prices in the coal sub-sector in 2014-2019.
3. Based on the results of the study, it is known that the debt to equity ratio has a negative andsignificant effect on stock prices in the coal sub-sector in 2014-2019.
4. Based on the results of the study, it is known that the price book value has a positive and significanteffect on stock prices in the coal sub-sector in 2014-2019.

Suggestion
1) For Companies

Based on the results of the study which states that the Debt to equity ratio (DER) and Price BookValue (PBV) have an effect on stock prices in the coal sub-sector, then:
a. Companies can reduce the value of debt to obtain high profits and a low value of Debt to equity ratio so that it can attract investors to invest in the company. Because by obtaining a low debt to equity ratio, investors can judge that the company can pay dividends to these investors.
b. The company can increase its book value, so the stock price will increase. Because the greater the PBV, the better the company's performance which will affect the welfare level of investors and the level of public confidence in the transportation sub-sector is getting better. That way the company will be attracted by many *investors to invest their shares.*
2) For Investors

In making investment decisions, the indicators that need to be considered for investors are:
a. Debt to Equity Ratio (DER) of a company's financial ratios. This is based on the results of the study that the debt to equity ratio (DER) has a negative and significant effect on

stock prices. Capital structure (DER) has a negative and significant effect on stock prices. This means that the higher the debt to finance the company's operations, the lower the stock price because with a high level of debt, the burden to be borne by the company is also large.

b. Price Book Value (PBV) of a company's financial ratios. This is based on the results of research that Price Book Value (PBV) has a positive and significant effect on stock prices. Investors who want to invest in shares in the coal sub-sector are expected to pay attention to the PBV ratio because the PBV value describes the market price of the company, if the PBV is high, then the stock pricein the market is also high.

3) Suggestions for further researchers who will research similar topics are advised to use more samples and a longer observation period or add other variables that have not been studied in the research, and use other statistical analysis tools, to obtain better results.

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