
THE INFLUENCE OF MACROECONOMICS ON THE SHARE PRICE OF THE ENERGY SECTOR LISTED ON THE INDONESIAN STOCK EXCHANGE

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Abstract

The economy plays a vital role in a country's ability, in the era of globalization economic strength determines the country's international competitiveness, including involvement in global trade. The capital market is an important element in the economy, providing funding for companies for business expansion and can encourage people to manage their finances in the form of stock investment. The uncertainty in stock prices encourages investors to need information as a basis for decision making. This study aims to determine the effect of world oil prices, interest rates, rupiah exchange rates, and foreign direct investment on energy sector stock prices on the Indonesia Stock Exchange. This study uses an associative method with a quantitative approach using secondary data. The research population was 88 companies. Sampling using *purposive* sampling technique so as to obtain 24 companies. The research data is in the form of monthly time series data from January 2019 to December 2023 as much as 60 data. Secondary data was analyzed using the classical assumption test and multiple linear regression analysis techniques supported by SPSS software. The simultaneous test results state that world oil prices, interest rates, rupiah exchange rates, and foreign direct investment have a significant positive effect on energy sector stock prices. Partial test results state that world oil prices, interest rates, rupiah exchange rates, and foreign direct investment have a significant positive effect on energy sector stock prices.

Keywords: World Oil Price, Interest Rate, Rupiah Exchange Rate, Foreign Direct Investment, Stock Price

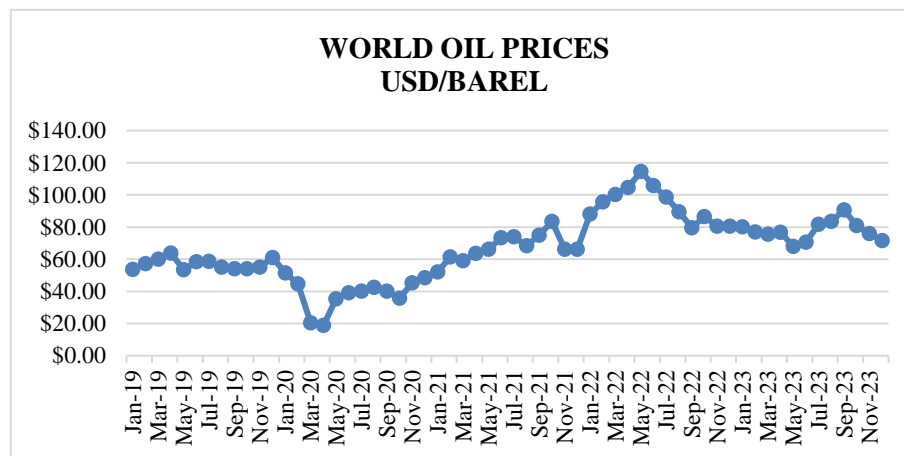
INTRODUCTION

In the era of globalization, competition in the business world is becoming increasingly fierce. Companies not only compete at the local level, but also in the international market, which demands the ability to develop and adapt to global dynamics. This condition forces companies to seek greater resources and capital to increase the company's competitiveness in the global market. One of the ways that many companies are pursuing is through the capital market, which provides an opportunity to obtain long-term funding and expand the investor base. In the current era of information technology development, the capital market has experienced rapid development in recent decades, both in terms of the number of companies listed on the Indonesia Stock Exchange (IDX) and the participation of domestic investors, the total number of companies listed on the IDX as of July 19, 2023 was 934 issuers (www.idx.co.id) and the number of domestic investors as of the end of January 2024 increased by 99.69% (www.ksei.co.id).

Currently, stock prices that tend to be directly proportional to the state of the Indonesian economy usually come from sectors that depend on economic growth and macroeconomic stability, one of which is the energy sector stocks. Saleh & Sumarsono (2015) Macroeconomics is a part of Economics that specializes in studying the mechanisms of the operation of the economy as a whole. The alignment of stock price movements with economic conditions can be described in macroeconomic variables such as world oil prices, interest rates, rupiah exchange rates, and foreign direct investment can have an influence on stock prices.

Fluctuating world oil prices can affect a country's capital market, for energy sector companies on the Indonesia Stock Exchange, an increase in world oil prices can have an impact on decreasing or increasing stock prices (Darmawan & Haq, 2023).

Figure 1.
World Oil Price Chart



Based on Figure 1, it is known that the world oil price (*Brent Crude Oil*) in April 2020 was the lowest point of the world oil price of \$18.84 due to the emergence of Covid-19. Although it has experienced a significant decline in April 2020, in May 2022, it has experienced a significant increase to reach its highest point with a price of \$114.67.

Stock prices are also influenced by interest rate factors, according to Zuhri, et al. (2023) setting interest rates is part of monetary policy carried out to control inflation. Interest rate policies carried out by Bank Indonesia have an influence on national economic conditions, including the strengthening of the rupiah. Changes in interest rates set by Bank Indonesia are used as instruments of monetary policy. Monetary policy is reflected in the determination of interest rates (BI Rate), which are expected to affect the level of money market interest rates, deposit rates, and bank lending rates.

Figure 2.
BI 7 Day Repo-Rate Chart

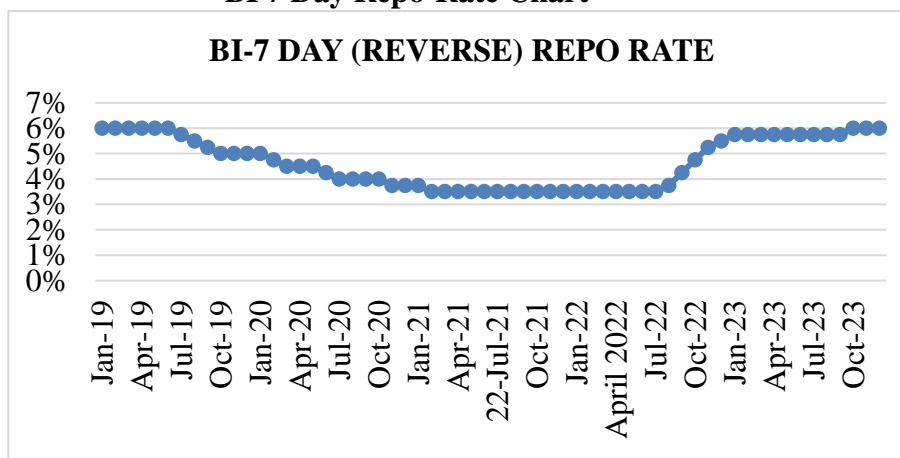
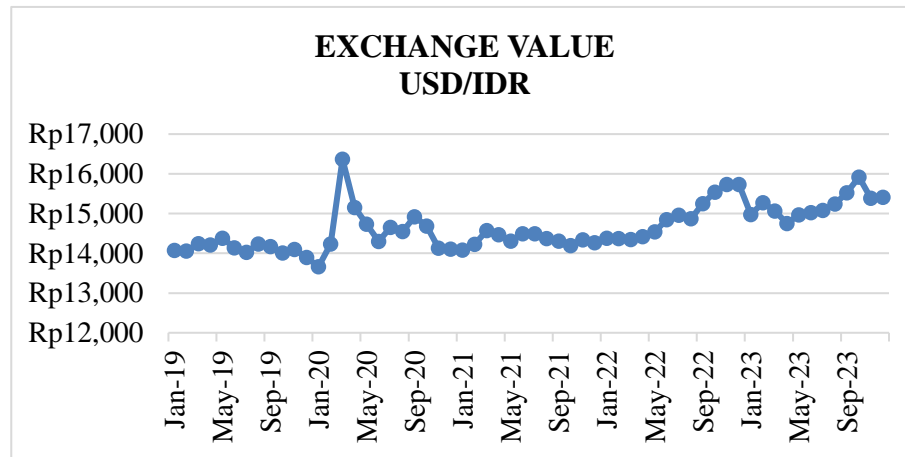


Figure 2 shows that the *BI-7 Day (Reverse) Repo Rate*, as the benchmark interest rate, shows a fluctuating movement pattern. From the fourth quarter of 2019 to the first quarter of 2021, this interest rate reached its lowest level of 3.50% due to the impact of the Covid-19 pandemic. Meanwhile, the highest level of *BI-7 Day (Reverse) Repo Rate* was recorded in 2023 at 6%, while the lowest level remained at 3.50% in 2021. Throughout 2023 Bank Indonesia has maintained the *BI 7-Day Reverse Repo Rate* at 5.75% since January 2023, after a gradual increase that began in 2022. This policy was taken to maintain inflation and exchange rate stability, as well as support Indonesia's economic resilience amid global uncertainty.

The next macroeconomic factor that can affect stock prices is the rupiah exchange rate or exchange rate. According to Aini, et al. (2021), the rupiah exchange rate is a comparison of the value of the rupiah price with the price of foreign currencies. Each country has an exchange rate, where the value is a comparison of the value of a currency with another currency, called the foreign exchange rate. The exchange rate shows how much local currency it takes to obtain one unit of foreign currency or vice versa. Currency rates have a significant impact on stock prices, especially in countries whose economies are open or heavily involved in international trade. The US Dollar rate is the world's reserve currency and is used as the standard in international trade transactions.

Figure 3.
Rupiah Exchange Rate Chart



Based on the data in Figure 3, it can be seen that the exchange rate of the rupiah against the US dollar fluctuates. The highest rate was recorded in March 2020, reaching Rp16,367.00, which shows the worst depreciation during the study period. The lowest rate occurred in January 2020 with a value of IDR13,367.00. In addition, the highest exchange rate throughout 2020 reached Rp16,625.00, reflecting the depreciation of the rupiah against the US dollar due to the implementation of lockdowns to suppress the spread of COVID-19, which ultimately weakened the global economy, including Indonesia.

The next factor that affects stock prices is Foreign direct investment. Foreign Direct Investment (FDI) or Foreign Investment is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by foreign investors, both those who use foreign capital completely or in partnership with domestic investors Law No. 25 of 2007. With this foreign direct investment, it is expected to help better economic growth. If many foreign investors invest or invest in the capital market, it will cause an increase in demand for shares, thereby encouraging the movement of the stock price index (Fitriani, et al. 2023).

Figure 4.
Foreign Direct Investment Chart

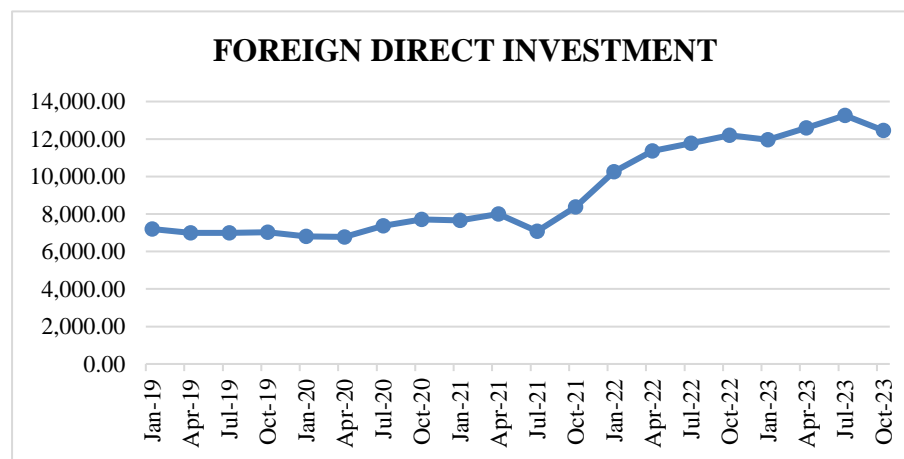
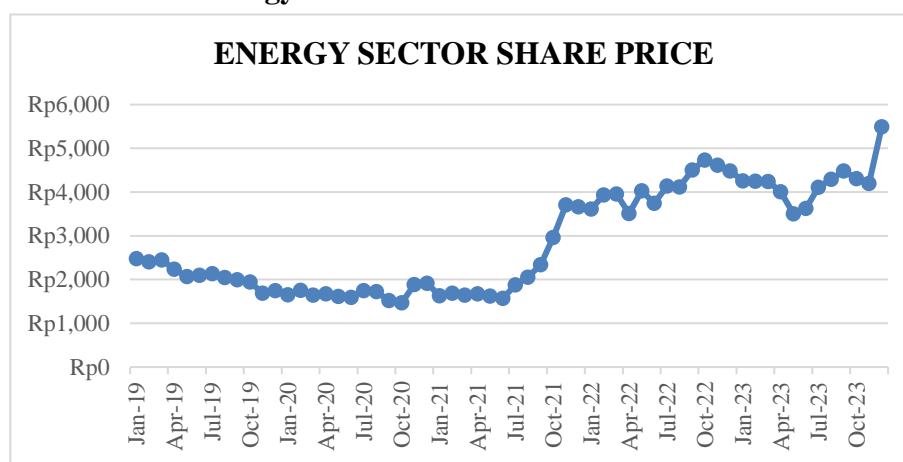


Figure 4 explains that the amount of foreign direct investment has increased. In 2020, the lowest point of foreign direct investment was IDR 6,779.60 trillion due to COVID-19. From July 2021 to July 2023, foreign direct investment experienced a significant increase. The highest point occurred in 2023 with a value of IDR 13,259.70 trillion. This shows that the level of confidence of foreign investors in the Indonesian economy will continue to grow

stock price movements are the main factor for investors in making investment decisions. According to Wikayanti, et al. (2020), Stock prices reflect the company's market value and are influenced by financial performance, growth prospects, and economic conditions. An increase in stock prices often signals investor confidence, encouraging more interest in investing. Conversely, a price drop can trigger concerns and make investors choose to sell or hold their investments. Therefore, stock price analysis is an important element in investment strategy to determine the right moment to buy or sell shares.

Figure 5.
Energy Sector Stock Price Chart



Referring to Figure 5, it explains that the share price of the energy sector fluctuates in December 2023, which is highest level of IDR 5,494. In June 2021, it decreased and reached its lowest level during the research period of IDR 1,574. This decline occurred due to the COVID-19 case. From October 2021 to December 2022, it increased again and touched its highest level, which was certainly influenced by macroeconomic factors both domestically and globally.

This study aims to determine and analyze the effect of world oil prices, interest rates, rupiah exchange rates, and foreign direct investment on the share price of the energy sector listed on the Indonesia Stock Exchange, which can be a consideration for decision-making for investors and can be useful as a source of literature for students and the public.

REVIEW OF LITERATURE

World Oil Price

According to Lobo, et al. (2024) Oil is one of the most important commodities for the Indonesian economy; changes in world oil prices can have an impact on capital market conditions in Indonesia. Oil-exporting countries and mining sector companies can experience losses as operating costs increase. An increase in oil demand is also usually followed by a

surge in demand for other mining commodities. Conversely, falling energy prices indicate a slowdown in the global economy. Therefore, an increase in the price of crude oil leads to increased expectations of improved performance of companies and their stock prices will also rise (Hasibuan et al, 2023).

Interest Rate

According to Mulyadi et al. (2020) Interest rates are usually expressed in annual percentages and serve as a monetary policy tool used by central banks to control inflation, encourage economic growth, and influence currency exchange rates. The increase in the Bank Indonesia Certificate interest rate has an impact on increasing deposit interest which in turn results in high lending rates, so that investment in the economy decreases. When interest rates increase, stock prices will decrease. Vice versa, when the interest rate decreases, the stock price will increase (Neldi et al. 2021).

Rupiah Exchange Rate

The currency exchange rate or often called the exchange rate is the price of one unit of foreign currency in domestic currency or can be said to be the price of domestic currency against foreign currency (Paid & Sasono, 2022) . The rupiah exchange rate is a comparison of the value of the rupiah currency against other countries' currencies, especially against the United States dollar (USD). According to Lin & Su (2020), currency exchange rates can have an influence on product prices, become a country's competitiveness in conducting international trade, and even have an impact on economic stability.

Foreign Direct Investment

According to Fernandez et al. (2020) Foreign Direct Investment (FDI), is a type of investment in which the investment destination country provides investment opportunities to other countries' investors to invest, the nature and type of investment can be an acquisition or joint venture or the establishment of a new company in the host country. Globally, competition to attract FDI is increasing due to the potential benefits to the host country's economy and better returns for investors. Investment activities can be carried out in full or in part, which means buying foreign companies that are already abroad, then it can also be done by contributing to providing funds or capital for the establishment of companies abroad, or at least making a purchase of 105 shares (Destiani et al. 2023) .

Share Price

Share price according to Wardhani, et al. (2022) The share price is the price set by a company for other entities that want to have share ownership rights over the company. In the process of stock prices, the law of supply and demand also determines the share price. Buyers (investors who want to buy shares) and sellers (investors who want to sell shares) meet on a stock exchange, such as the Indonesia Stock Exchange (IDX), to conduct transactions. According to Jogiyanto (2013) the stock price is the price that occurs on the stock exchange market at a certain time determined by market participants and determined by the demand and supply of the shares concerned in the capital market.

RESEARCH METHOD

This study uses associative research with a quantitative approach. Associative research is a type of research to show allegations about the relationship between two or more variables (Sugiyono, 2021) . Research with a quantitative approach was chosen to be used in

this study because it is systematic, planned, and structured from the beginning of the research design. The operational definition and measurement of variables in this study consist of independent variables and dependent variables, the independent variables consist of World Oil Prices (X1), Interest Rates (X2), Rupiah Exchange Rates (X3), and Foreign Direct Investment (X4), and the dependent variable (Y) in this study is the Energy Sector Stock Price.

The population in this study are companies listed in the energy sector listed on the Indonesia Stock Exchange for the period 2019 - 2023 with a total of 88 companies. Sampling in this study using purposive sampling. According to Sugiyono (2020) *purposive* sampling is one of the non-probability sampling techniques in which the sample is selected deliberately by the researcher based on certain criteria or characteristics that are considered most relevant to the research objectives. The criteria that have been determined by researchers include:

1. Listed and actively traded company from 2019-2023
2. The company's shares are listed on the main board of the Indonesia Stock Exchange
3. Never stock split, delisting and relisting during the period 2019-2023
4. The company has complete data on stock prices every month during the period 2019-2023

Based on these criteria, the companies that are suitable for research samples amount to 24 energy sector companies listed on the Indonesia Stock Exchange for the period 2019-2023. The type of data used in this research is quantitative data. Quantitative data collection using research instruments, data analysis is quantitative or statistical to describe and test predetermined hypotheses (Sugiyono, 2021) . The quantitative data used by researchers is time series data that has been collected periodically during the monthly period from January 2019 to December 2023 so that a sample data of 60 is obtained.

The data source used in this research is secondary data. The data source for the world oil price variable is taken from the official Yahoo Finance website www.finance.yahoo.com, the interest rate variable and the rupiah exchange rate variable are taken from the official website of Bank Indonesia www.bi.go.id, the Foreign direct investment variable is taken from the official website of the Investment Coordinating Board www.bkpm.go.id, and the energy sector stock price variable is taken from the official website of the international financial market

The use of data in this study uses monthly data summaries or closing prices at the end of the month (closing price). The data collection technique in this study is the documentation method obtained online through journals and official pages of institutions that can be accounted for.

Based on the data collected, it will be processed using data analysis techniques in the form of statistical products and services solution (SPSS). This research data analysis uses classical assumptions that contain BLUE (Best Linear Unbiased Estimator) properties on the condition that there should be no symptoms of multicollinearity, no symptoms of heteroscedasticity, no symptoms of autocorrelation and normality. Conditions that have been met in order to perform multiple linear analysis techniques, the coefficient of determination (R Square), and simultaneous and partial hypothesis testing.

RESULTS AND DISCUSSION

Classical Assumption Test

Multicollinearity Test

Multicollinearity testing is used to determine the presence of multicollinearity symptoms. So it can be calculated using the Variance Inflation Factor (VIF).

Table 1
Multicollinearity Test Results

Coefficients ^a		
Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 World Oil Price	,380	2,629
Interest Rate	,754	1,325
Rupiah Exchange Rate	,487	2,052
Foreign Direct Investment	,234	4,281

a. Dependent Variable: Energy Sector Share Price

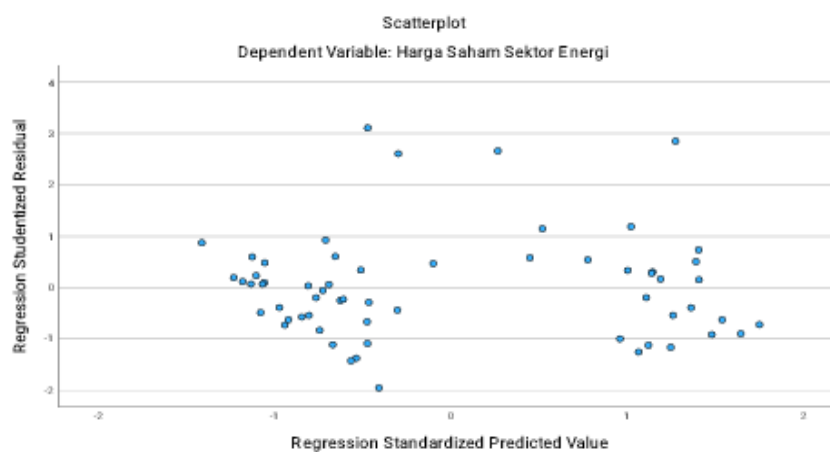
Source: Data processed by researchers

Based on table 1 above, it can be seen that the results of the multicollinearity test with the VIF value for the World Oil Price variable (X1), Interest Rate (X2), Rupiah Exchange Rate, (X3), and Foreign Direct Investment (X4) have a value that is smaller or not greater than the value of 10, so this regression model does not experience symptoms of multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. To determine the presence of heteroscedasticity, it can be seen in the plot graph between the predicted value of the dependent variable and its residuals in the figure below

Figure 6.
Heteroscedasticity Test Results



Source: Data processed by researchers

Based on Figure 6, it can be seen that the points spread randomly above and below the number 0 on the Y axis. This means that there is no heteroscedasticity in the regression model that will be used in hypothesis testing.

Autocorrelation Test

Autocorrelation testing is intended to determine the existence of a correlation or relationship in multiple linear regression models related to previous period confounding errors. To determine the presence of autocorrelation in a regression model can be done through testing the Durbin-Watson test value, the autocorrelation test can be seen in the following table:

Table 2
Durbin Watson Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,931 _a	,867	,857	446,472	,910
a. Predictors: (Constant), Foreign Direct Investment, Interest Rate, Rupiah Exchange Rate, World Oil Price					
b. Dependent Variable: Energy Sector Share Price					

Source: Data processed by researchers

Based on table 2 above, it can be seen that the Durbin-Watson number is 0, from the Durbin-Watson test results, namely the value of $-2 < 0.910 < +2$ stated by (Santoso 2018), it can be concluded that there is no autocorrelation.

Normality Test

Normality testing is used to determine whether the dependent variable regression model and the independent variable both have a normal distribution. The normality test can be seen in the P-P Plot graph, if the points spread around the diagonal line, then the data is said to be normal. To determine the presence of data normality in the regression model as follows:

Figure 7.
P-P Plot Chart



Source: Data processed by researchers

Based on Figure 7 above, it can be seen that the points spread around the diagonal line, so it can be concluded that the data obtained in this study has a normal distribution.

Multiple Linear Regression Analysis

To determine the influence of independent variables, namely world oil prices, interest rates, rupiah exchange rates, and *foreign direct investment* on the dependent variable, namely the stock prices of energy sector companies, multiple linear analysis is used as follows:

Table 3.
Multiple Linear Regression Analysis Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-7503,718	2028,764		-3,699	<,001
World Oil Price	25,347	4,611	,438	5,497	<,001
1 Interest Rate	157,194	66,194	,134	2,375	,021
Rupiah Exchange Rate	,405	,147	,194	2,751	,008
Foreign Direct Investment	,219	,051	,436	4,282	<,001

a. Dependent Variable: Energy Sector Share Price

Source: Data processed by researchers

Based on table 3, the multiple linear regression equation is known as follows:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

$$\text{Energy Sector Stock Price} = -7503.718 + 25.347 + 157.194 + 0.405 + 0.219 + e$$

Coefficient of Determination (R²)

Measurement of the percentage of the world oil price, interest rate, rupiah exchange rate and foreign direct investment in the regression model can affect the share price of energy sector companies using R² or the coefficient of determination, can be seen in the table below:

Table 4.
Coefficient of Determination Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,931 _a	,867	,857	446,472	,910

a. Predictors: (Constant), *Foreign Direct Investment*, Interest Rate, Rupiah Exchange Rate, World Oil Price

b. Dependent Variable: Energy Sector Share Price

Source: Data processed by researchers

Based on table 4, the linear regression results obtained by the value of R² = 0.867 show that 86.7% of stock prices are influenced by world oil price variables, interest rates, rupiah exchange rates, and foreign direct investment. The stock price of energy sector

companies can also be influenced by other variables not included in this research model, which is 13.3%.

Hypothesis Test

Simultaneous Testing (F Test)

The simultaneous test (F test) aims to determine the effect of World Oil Prices, Interest Rates, Rupiah Exchange Rates, and Foreign Direct Investment on the stock prices of energy sector companies together, following the F test table below:

Table 5.
F Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	71414489,03	4	17853622,25	89,565	<,001 ^b
Residuals	10963540,90	55	199337,107		
Total	82378029,93	59			

a. Dependent Variable: Energy Sector Share Price
 b. Predictors: (Constant), Foreign Direct Investment, Interest Rate, Rupiah Exchange Rate, World Oil Price

Source: Data processed by researchers

Based on the results in table 5, it is obtained that $F_{value} \geq F_{table}$ is $89.565 \geq 2.540$ then H_0 is rejected and H_1 is accepted at a significant α of 5% (0.05) so it can be concluded that the independent variables of world oil prices, interest rates, rupiah exchange rates, and *foreign direct investment* have a significant effect simultaneously on the dependent variable, namely the price of energy sector shares listed on the Indonesia Stock Exchange for the period 2019-2023.

Partial Testing (t-test)

Hypothesis testing in research using the t-test to determine the partial effect of each variable, namely World Oil Prices (X1), Interest Rates (X2), Rupiah Exchange Rates (X3), and Foreign Direct Investment (X4) on the share price of energy sector companies (Y), following the F-test table below:

Table 6.
t Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
(Constant)		-7503,718	2028,764		-	<,001
1	World Oil Prices	25,347	4,611	,438	3,699	<,001
	Interest Rates	157,194	66,194	,134	5,497	<,001
					2,375	,021

Rupiah Exchange Rate	,405	,147	,194	2,751	,008
Foreign Direct Investment	,219	,051	,436	4,282	<,001
a. Dependent Variable: Harga Saham Sektor Energi					

Source: Data processed by researchers

Based on table 6, the following results were obtained:

1. The value of $t_{\text{value}} > t_{\text{table}}$ ($5.497 > 2.004$) then H_2 is accepted and H_0 is rejected, it means that the world oil price variable (X1) has a partially significant effect on the energy sector stock price variable (Y).
2. The value of $t_{\text{value}} > t_{\text{table}}$ ($2.375 > 2.004$) then H_3 is accepted and H_0 is rejected, it means that the interest rate variable (X2) has a partially significant effect on the energy sector stock price variable (Y).
3. The value of $t_{\text{value}} > t_{\text{table}}$ ($2.751 > 2.004$) then H_4 is accepted and H_0 is rejected, it means that the rupiah exchange rate variable (X3) has a partially significant effect on the energy sector stock price variable (Y).
4. The value of $t_{\text{value}} > t_{\text{table}}$ ($4.282 > 2.004$) then H_5 is accepted and H_0 is rejected, it means that the foreign direct investment variable (X4) has a partially significant effect on the energy sector stock price variable (Y).

Simultaneous Test (F Test)

From the analysis that has been done, the F test results show that $F_{\text{value}} \geq F_{\text{table}}$ is $89.565 \geq 2.540$ then H_0 is rejected and H_1 is accepted at a significant α of 5% (0.05) so it can be concluded that the independent variables of world oil prices, interest rates, rupiah exchange rates, and foreign direct investment have a significant effect simultaneously on the dependent variable, namely the price of energy sector shares listed on the Indonesia Stock Exchange for the period 2019-2023. The results of this study are in accordance with previous research by Ratnaningtyas (2020), Anggriana & Paramita (2020), Manurung et al. (2022), Perdana & Imaningsih (2024), Fujiono & Nugroho (2022), Utomo & Nugroho (2023), and Aji & Rusdianto (2024), with the result that the independent variables in their research have a simultaneous effect and significance in the F test.

Partial Test (t Test)

The Effect of World Oil Prices on Stock Prices

The World Oil Price variable (X1) shows that the $t_{\text{value}} > t_{\text{table}}$ ($5.497 > 2.004$), then H_2 is accepted and H_0 is rejected, it means that the World Oil Price has a partially significant effect on the share price of the energy sector listed on the Indonesia Stock Exchange for the period 2019-2023. The results of multiple linear regression analysis on the World Oil Price variable amounted to 25.347. The positive coefficient value indicates a positive relationship between the world oil price variable and the share price of energy sector companies. World oil prices are one of the main factors that affect company revenue and profitability. Increased crude oil prices make expectations of improving the performance of companies will also increase and their share prices will also rise (Hasibuan et al, 2023).

The results of this study are in accordance with previous research by Aji & Rusdianto (2024), which resulted in a significant positive effect by world oil prices on stock prices,

while the results of research by Anggriana & Paramita (2020) state that it has a negative effect on the Composite Stock Price Index for the 2016-2019 period. And research conducted by Utomo & Nugroho (2023) states that world oil prices have a positive and insignificant effect on stock prices

The Effect of Interest Rates on Stock Prices

The Interest Rate variable (X2) shows that the $t_{value} > t_{table}$ ($2.375 > 2.004$) then H_3 is accepted and H_0 is rejected, it means that the Interest Rate has a partially significant effect on the share price of the energy sector listed on the Indonesia Stock Exchange for the period 2019-2023. The results of multiple linear regression analysis on the Interest Rate variable amounted to 157.194, the positive coefficient value indicates a positive relationship between the interest rate variable and the stock price of energy sector companies. Lower or stable interest rates have a positive impact on stock prices, because it creates cheaper financing allowing these companies to access the funds needed for exploration, production and expansion projects more efficiently, when interest rates increase, stock prices will decrease. Vice versa, when the interest rate decreases, the stock price will increase (Neldi et al. 2021).

The results of this study are in accordance with previous research by Ratnaningtyas (2024), Manurung et al. (2022), and Perdana & Imaningsih (2024) which resulted in a significant positive effect of interest rates on stock prices, while the results of research by Anggriana & Paramita (2020) state that interest rates have a negative effect on stock prices. And research conducted by Aji & Rusdianto (2024) states that interest rates have no significant effect on stock prices.

The Effect of Rupiah Exchange Rate on Stock Price

The Rupiah Exchange Rate variable (X3) shows that the $t_{value} > t_{table}$ ($2.751 > 2.004$) then H_4 is accepted and H_0 is rejected, it means that the Rupiah Exchange Rate has a partially significant effect on the share price of the energy sector listed on the Indonesia Stock Exchange for the period 2019-2023. The results of multiple linear regression analysis on the Rupiah Exchange Rate variable amounted to 0.405. The positive coefficient value indicates a positive relationship between the rupiah exchange rate variable and the share price of energy sector companies. . The strengthening of the rupiah exchange rate means that the cost of importing equipment and raw materials, most of which are purchased with US dollars, is lower, which reduces the cost burden for companies and increases profit margins. The exchange rate is one of the most important factors in an open economy given its enormous influence on the current account balance and other macroeconomic variables (Sinurat et al. 2024)

The results of this study are in accordance with previous research by Ratnaningtyas (2024), Fujiono & Nugroho (2022), which resulted in a significant positive effect of the rupiah exchange rate on stock prices, while the results of research by Anggriana & Paramita (2020) and Manurung, et al. (2022) state that the rupiah exchange rate has a negative effect on stock prices. Meanwhile, research conducted by Perdana & Imaningsih (2024) and Aji & Rusdianto (2024) states that the rupiah exchange rate has no significant effect on stock prices.

The Effect of Foreign Direct Investment on Stock Price

The Foreign Direct Investment variable (X4) shows that the $t_{value} > t_{table}$ ($4.282 > 2.004$) then H_5 is accepted and H_0 is rejected, it means that Foreign Direct Investment has a partially significant effect on the share price of the energy sector listed on the Indonesia Stock Exchange for the period 2019-2023. The results of multiple linear regression analysis on the

Foreign Direct Investment variable amounted to 157.194, the positive coefficient value indicates a positive relationship between the foreign direct investment variable and the stock price of energy sector companies. Foreign Direct Investment (FDI) is the most potential source of foreign financing compared to other sources, because most of the capital inflow flows to developing countries to overcome the gap of capital (Jamil & Hayati, 2021) . This foreign capital helps energy companies improve productivity and operational efficiency, the presence of foreign investment also opens up opportunities for strategic collaboration that can accelerate development and innovation in the energy sector.

The results of this study are in accordance with previous research by Ratnaningtyas (2020), which resulted in a significant positive effect of foreign direct investment on the Composite Stock Price Index (JCI) in Indonesia for the 2010-2018 period.

CONCLUSION

Based on the results of the research test, it is obtained that simultaneous hypothesis testing (F), it is known that the variables of world oil prices, interest rates, rupiah exchange rates, and foreign direct investment simultaneously have a significant effect on the energy sector stock price variable listed on the Indonesia Stock Exchange for the period 2019-2023. Partial hypothesis testing (t) can be concluded that the variables world oil prices, interest rates, rupiah exchange rates, and foreign direct investment partially have a significant effect on the energy sector stock price variable listed on the Indonesia Stock Exchange for the period 2019-2023.

The results of this study can be used as literature for investors in making investment decisions by taking into account the factors of world oil prices, interest rates, rupiah exchange rates, and foreign direct investment. As well as a reference for subsequent researchers who examine stock prices on the Indonesia Stock Exchange.

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