THE RELATIONSHIP BETWEEN RETURN ON EQUITY, CURRENT RATIO, AND DEBT TO EQUITY RATIO ON STOCK PRICE WITH PRICE EARNING RATIO AS A MODERATING VARIABLE IN TELECOMMUNICATION SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2020 – 2023

[1]Devano Alfa Rizky, [2]Dhea Amelia, [3*] Erwin Budianto

[1,2,3] Management Study Programme, Faculty of Economics and Business, University Swadaya Gunung Jati - Indonesia

e-mail:
[1]devano.121020064@ugj.ac.id
[2] dhea.121020051@ugj.ac.id
[3*]erwinbudianto@ugj.ac.id *(corresponding author)*

ABSTRACT

While accounting for the price-earnings ratio, this study aims to isolate the effect of debt-to-equity, return-on-equity, and current ratios on stock prices. From 2020 to 2023, nine companies that were listed on the Indonesia Stock Exchange were selected for this study using a sample approach. The data was analyzed quantitatively using a variety of approaches in SPSS 23, including multiple linear regression and moderation regression analysis. Aside from the current ratio, the results show that no other variable significantly affects stock price. Furthermore, the ratio of debt to equity to stock price is moderated by the ratio of stock price to net income.

Keywords: *Return On Equity; Current Ratio; Debt to Equity Ratio; Price Earning Ratio*

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INTRODUCTION

One of the most important parts of any economy is the capital market, which connects people who have money to invest and others who need money to issue (Lubis et al., 2024). The capital market provides investors with a wide range of products and services, including stocks, bonds, mutual funds, and derivative instruments (Alfiqri, 2024). The performance of the Indonesian capital market is generally measured through the Composite Stock Price Index (IHSG), which since 2020 has shown significant changes due to the dynamics of the global economy and various international variables.

During the period from 2020 to 2023, the telecommunications sector in Indonesia's capital market experienced various dynamics. Although this sector plays an important role in driving digitalization, there are several obstacles that also affect the movement of the IDX Composite Index (IHSG). Intense competition among telecommunications service companies often reduces profit margins, while the significant investment required for the development of technological infrastructure such as 5G networks further increases the financial pressure faced by companies in this sector (Sa'adah & Rustafi'ah, 2024).

Especially in terms of infrastructure and technology adoption in Indonesia, the digital divide is still a major issue, especially between urban and rural areas (IBC Team, 2024). In big cities such as Jakarta and Surabaya, internet access and information technology are growing rapidly, while in remote areas such as Papua and Nusa Tenggara, technology infrastructure is still very limited. According to data from the Indonesian Internet Service Providers Association (APJII) 2022, the internet penetration rate in urban areas reached more than 85%, while in rural areas it is only around 55%. In terms of digital literacy and the industry's preparedness to embrace new technologies like big data and artificial intelligence (AI), this disparity is also apparent. Many tech companies in Indonesia are experiencing rapid growth, but access to digitally skilled labour is still limited. The World Bank (2023) reports that only around 30 per cent of workers in the tech sector in Indonesia have advanced digital skills.

In the telecoms sub-sector, infrastructure gaps directly impact company performance and share price fluctuations. Companies face pressure due to the high cost of infrastructure development in remote areas and the low potential revenue from these areas. This makes it difficult for them to increase profitability. Shares of PT XL Axiata Tbk (EXCL) fell 4.60% in March despite their partnership with Huawei, while PT Telkom Indonesia Tbk (TLKM) and PT Indosat Tbk (ISAT) saw declines of 3.59% and 3.85%. These share price declines reflect the challenges companies face in competing and meeting infrastructure demand.

Nevertheless, certain analysts view the decline in stock prices as a potential opportunity for investment (Seok et al., 2024). Firms such as Telkom, which are experiencing revenue growth, are seen as having strong prospects for long-term recovery. Efforts to bridge infrastructure deficiencies are anticipated to enhance stability in the telecommunications sub-sector and boost investor confidence (Nuraidi, 2021). An approach to evaluating stock prices is through fundamental analysis, which focuses on assessing a company's overall performance (Zarefar & Armadani, 2024). Evaluating financial indicators to determine a company's financial health and its ability to distribute dividends is an essential component of fundamental analysis (Lestari et al., 2023). The debt-to-equity ratio (a measure of solvency), the current ratio (a measure of liquidity), the return on equity ratio (a measure of profitability), and the stock price ratio (a measure of stability) are all financial measures that may affect stock prices (Christia et al., 2021).

Previous research on the factors that influence stock prices has produced mixed findings. According to research Rahmania et al., (2024) discovers the moderating effect of the price-earnings ratio on the correlation between ROE and stock price. Research examining the relationship between return on equity and stock prices has not shown significant results when controlling for the Price Earnings Ratio. (Prasetya & Fitra, 2022 ; Maisah & Nurfadillah, 2020). According to studies, the current ratio influences stock prices while controlling for the price-earnings ratio. However, research by Indriawati & Nurfadillah, (2020) with the price-earnings ratio acting as a moderator, the current ratio has no effect on stock prices. Meanwhile, research (Rahmat & Nurfadillah, 2019) proves that stock prices are affected by the debt-to-equity ratio, with the price-earnings ratio acting as a moderator. Rahmania et al., (2024) found no correlation between the debt-to-equity ratio and stock prices after accounting for the price-earnings ratio.

This study fills a vacuum in the literature by investigating the relationship between stock prices and ROE, CR, and DER, as well as the moderating role of PER compared to earlier research. Compared to previous studies, which were often limited and did not include moderating variables, this study provides a more comprehensive point of view. By highlighting the novelty of data from 2020 to 2023, which includes the COVID-19 pandemic and post-pandemic economic recovery, this analysis finds patterns of stock price fluctuations in the telecommunications subsector.

Finding out how financial metrics relate to stock prices of Indonesian firms in the telecoms subsector is the primary goal of this research. Within the time frame of 2020–2023, this study uses PER as a moderating variable to examine the effect of ROE, CR, and DER on stock prices. The findings of this study, which examined how financial parameters affect stock price changes, may provide important information for investors when they make investment decisions.

LITERATURE REVIEW, RESEARCH FRAMEWORK, AND HYPOTHESES

Return on Equity

Return on equity measures the efficiency with which one's own capital generates a net profit after taxes (Kasmir, 2017). The Return on Equity (ROE) ratio measures the efficiency with which a firm uses its own capital to produce profits. A greater Return on Equity Ratio indicates that the firm is doing a better job of managing its money, which in turn leads to better performance (Widah, 2021).

Current Ratio

The current ratio reveals the speed with which a corporation can pay off its short-term debt or debt that is due upon collection, which is an indication of its liquidity (Kasmir, 2017). This ratio is desirable since it shows that the firm has enough cash on hand to pay its short-term bills. Having said that, a proportion that is too high is also bad for the company since it cannot handle its present assets wel. (Nita & Pujiarti, 2023).

Debt to Equity Ratio

The debt-to-equity ratio is one way to compare the two types of capital (Kasmir, 2017).The larger the percentage, the less money shareholders contribute to the business. The longer the ratio, the better the long-term commitment is from the perspective of the company's ability to satisfy its commitments (Widah, 2021).

Price Earning Ratio

The PER ratio, which indicates how much investors are willing to pay for each rupiah received and how much the anticipated share price will increase, is used to forecast how the company will perform and develop in the future (Prasetya & Fitra, 2022).

Stock Price

The supply and demand for a business's shares is affected by its stock price, which investors use as a measure of its success. A higher stock price is seen as an indication of a more favourable profitability for the firm (Ramadhan & Zakaria, 2023). The outcome of selling shares can lead to either capital gains or losses, depending on market dynamics like supply and demand. (Sowandi & Pujiarti, 2023).

Hypothesis

The issues identified and the desired outcomes may inform the development of the following research hypotheses:

H1: "Return On Equity has a significant effect on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Exchange during the period 2020-2023"

H2: "Current Ratio has a significant effect on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Exchange during the period 2020-2023"

H3: "Debt to Equity Ratio has a significant effect on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Exchange during the period 2020-2023"

H4: "Price Earning Ratio has a significant effect on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Exchange during the period 2020-2023"

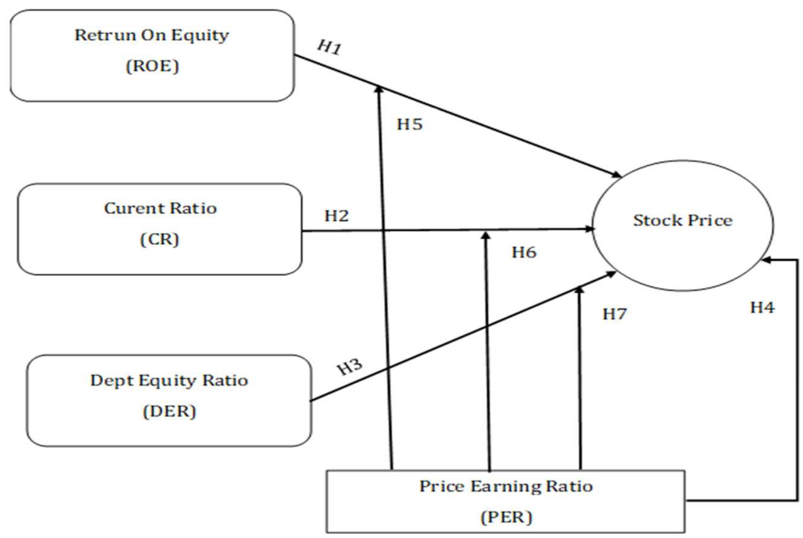
H5: "Price Earning Ratio has an effect and is significant in moderating the effect on the relationship between Return on Equity on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Exchange during the period 2020-2023"

H6: "Price Earning Ratio has an effect and is significant in moderating the effect on the relationship between Current Ratio on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Price Exchange during the period 2020-2023"

H7: "Price Earning Ratio has an effect and is significant in moderating the effect on the relationship between Debt to Equity Ratio on Stock Price of telecommunication sub-sector companies listed on the Indonesia Stock Price Exchange during the period 2020-2023".

Research Framework

Figure 1 shows the structural model.



Source: Data collected and analysed by the author, 2025

Figure 1
Research Framework

METHODS

The associative research design used two or more correlated variables to examine the association between the variables in this study. This research made use of quantitative methodologies and secondary data extracted from IDX's financial records. Purposive sampling and particular criteria were used to choose the samples (Rahmawati & Putra, 2022). The following companies meet the criteria: they were listed on the IDX between 2020 and 2023, they had an initial public offering (IPO) before 2020, they submitted full annual reports to the IDX between 2020 and 2023, they had no losses from 2020 to 2023, they traded shares actively between 2020 and 2023, and they had a drop in stock price between 2020 and 2023.

Based on these criteria, nine firms were chosen as samples. From 2020 to 2023, the Indonesia Stock Exchange listed 22 telecommunications subsector companies, for a total of 36 observations spread out across four years. The quantitative study was carried out using IBM SPSS version 23, which includes descriptive statistics, multiple linear regression, and moderated regression analyses (Ghozali, 2018). Documentation of financial statements on the IDX website served as a secondary data source The framework for identifying and measuring research variables is known as variable operationalisation.

Table 1
Definition of Research Variables

No.	Variables	Source	Measurement	Definition
1	Stock Price (Y)	(Ramadhan & Zakaria, 2023; Sowandi & Pujiarti, 2023)	Closing Price	Closing Price (LN)
2	Return on Equity (ROE)	(Rasdayanti & Chaerudin, 2021; Shalsabila et al., 2023)	$\text{ROE} = \frac{\text{Net Profit}}{\text{Total Equity}}$	Net profit to capital ratio
3	Current Ratio (CR)	(Rasdayanti & Chaerudin, 2021; Sowandi & Pujiarti, 2023)	$\text{CR}= \frac{\text{Current Assets}}{\text{Current Liabilities}}$	Current assets to liabilities ratio
4	Debt to Equity Ratio (DER)	(Shalsabila et al., 2023; Sowandi & Pujiarti, 2023)	$\text{DER} = \frac{\text{Total Dept}}{\text{Equity}}$	Total dept to capital ratio
5	Price Earning Ratio (PER)	(Prasetya & Fitra, 2022; Rahmat & Nurfadillah, 2019)	$\text{PER}= \frac{\text{Stock Price}}{\text{Net Income Per Share}}$	Ratio between earnings per share and share price

RESULTS AND DISCUSSION

Descriptive Statistical Test Results

Descriptive statistical analysis presents information such as the average, standard deviation, variance, highest and lowest values, total, range, kurtosis, and skewness. Its main goal is to organize, process, and interpret data to make it easier to understand and present (Ghozali, 2018). In this study, a group of companies listed on the Indonesia Stock Exchange in 2020–2023 were included.

Table 2
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Stock Price	36	5.304	8.972	7.22881	1.049936
ROE	36	.001	.286	.10050	.086339
CR	36	.137	25.872	2.54758	5.205114
DER	36	.039	4.458	1.16144	1.181579
PER	36	10.48	4085.71	169.7222	676.58443
Valid N (listwise)	36				

Source: SPSS 23 Output Results, 2025

Using 36 samples of data (N) from the company's financial statements over a four-year period (2020-2023), Table 2 displays the findings of descriptive statistical calculations.

1. The stock price data shows an average of 7.22881, a low of 5.304, a high of 8.972, and a standard deviation of 1.049936.
2. With a range of 0.001 to 0.286, the average Return on Equity (ROE) of 0.10050 and a standard deviation of 0.086339.
3. With a range of 0,137 to 25.872, the average Current Ratio (CR) of 2.54758 and a standard deviation of 5.205114
4. With a range of values from 0.039 to 4.458, the average debt-to-equity ratio (DER) of 1.16144 and a standard deviation of 1.181579.

5. With a range of values from**10.48 to 4085.71**, the average price earning ratio (DER) of **169.7222** and a standard deviation of **676.58443.**

Multiple Linear Regression

The purpose of multiple regression analysis is to determine the impact of each independent variable on the dependent variable of interest. This study aims to examine the relationship between a single dependent variable and two or more independent factors (Ghozali, 2018).

Table 3
Multiple Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.543	.298		25.322	.000
	ROE	-.142	2.540	-.012	.056	.956
	CR	-.115	.037	-.569	3.133	.004
	DER	-.010	.183	-.011	.052	.959
	PER	1.872E-5	.000	.012	.071	.944

a. Dependent Variable: Stock Price

Source: SPSS 23 Output Results, 2025

The formula for a multiple linear regression study is as follows.

$$Y = 7.543 - 0.142\ ROE - 0.115\ CR - 0.010\ DER + 1.872E\text{-}5\ PER + e$$

The following is an interpretation of the equation used in multiple linear regression analysis.

1. If ROE, CR, DER and PER remain constant, the stock price of will also remain at 7.543, according to the constant value.
2. Return on Equity (ROE) has a regression coefficient of -0.142. This indicates that the link between stock price and ROE is unidirectional. Thereafter, the stock price will fall 0.142 points.
3. Current Ratio (CR) has a regression coefficient of -0.115. This indicates that the link between stock price and CR is unidirectional. Thereafter, the stock price will fall 0.115 points.
4. Debt Equity Ratio (DER) has a regression coefficient of -0.010. This indicates that the link between stock price and DER is unidirectional. Thereafter, the stock price will fall 0.010 points.
5. Price Earning Ratio (PER) has a regression coefficient of 1.872E-5. This indicates that the link between stock price and PER is directional. Thereafter, the stock price will increase 1.872E-5 points

Partial Significant Test (T Test)

To determine the relative importance of each independent variable in explaining the dependent variable, the T-test is used. When the significance threshold is α = 5% or 0.05, the test is conducted according to these standards: One way to determine if the alternative hypothesis (Ha) is accepted is by comparing the calculated t-value to the t-table value or by comparing the significance value to less than 0.05. If the former is true, then Ha is accepted. On the other hand, if either the calculated t-value or the significance value is greater than 0.05, then Ha is rejected (Ghozali, 2018).

Table 4
Partial T Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	7.543	.298		25.322	.000
	ROE	-.142	2.540	-.012	.056	.956
	CR	-.115	.037	-.569	3.133	.004
	DER	-.010	.183	-.011	.052	.959
	PER	1.872E-5	.000	.012	.071	.944

a. Dependent Variable: Stock Price

Source: SPSS 23 Output Results, 2025

Variables (ROE, CR, DER and PER) partially affect the dependent variable (stock price) if the t value> t table and sig. value is less than 0.05. Use the following formula to find t table and get the t value in the table: (0.05:31) = 2.040 t(α; n-k) t = (α; 36-5).

1. For the ROE test against stock prices, the calculated t-value is 0.056, and the table t-value is 2.040. Therefore, 0.056 is less than 2.040, and the significance value of 0.956 is greater than 0.05. The results indicate that ROE does not have an impact and is not significant on stock prices. Therefore, h1, which states that return on equity significantly affects stock prices, is rejected.
2. For the CR test against stock prices, the calculated t-value is 3.133, and the table t-value is 2.040. Therefore, 3.133 is greater than 2.040, and the significance value of 0.004 is less than 0.05. The results indicate that CR does have an impact and is significant on stock prices. Therefore, h2, which states that current ratio significantly affects stock prices, is accepted.
3. For the DER test against stock prices, the calculated t-value is 0.052, and the table t-value is 2.040. Therefore, 0.052 is less than 2.040, and the significance value of 0.959 is greater than 0.05. The results indicate that DER does not have an impact and is not significant on stock prices. Therefore, h3, which states that debt equity ratio significantly affects stock prices, is rejected.
4. For the PER test against stock prices, the calculated t-value is 0.071, and the table t-value is 2.040. Therefore, 0.071 is less than 2.040, and the significance value of 0.944 is greater than 0.05. The results indicate that PER does not have an impact and is not significant on stock prices. Therefore, h4, which states that price earning ratio significantly affects stock prices, is rejected.

Moderated Regression Analysis Test

Moderation testing is an analytical technique used to preserve sample integrity and establish a basis for examining the influence of a moderator variable. This is accomplished via Moderated Regression Analysis (MRA), which entails multiplying the independent and moderating variables to produce an interaction term. If the interaction term proves to be statistically significant, it indicates that the moderating variable influences the relationship between the independent and dependent variables (Ghozali, 2018). In this study, three independent variables (return on equity, current ratio, and debt equity ratio), one dependent variable (stock price), and one moderating variable (price earning ratio) are used

Table 5
Moderated Regression Analysis Test

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	6.910	.293		23.575	.000
	ROE moderated by PER	-.044	.111	-.064	-.397	.694
	CR moderated by PER	-5.456E-5	.000	-.511	-3.236	.003
	DER moderated by PER	.012	.004	.549	3.173	.003

a. Dependent Variable: Stock Price
Source: SPSS 23 Output Results, 2025

The following is the interpretation of the MRA test analysis

1. The test results show that the significance value of the relationship between ROE and stock prices moderated by PER is 0.694, higher than the significance threshold of 0.05. This means that PER does not have a significant moderating effect on the relationship between ROE and stock prices. Therefore, the fifth hypothesis, which states that PER is a significant moderating variable in the relationship between ROE and stock prices, is rejected.
2. The test results show that the significance value of the relationship between CR and stock prices moderated by PER is 0.003 less than the significance threshold of 0.05. This means that PER does have a significant moderating effect on the relationship between CR and stock prices. Therefore, the six hypothesis, which states that PER is a significant moderating variable in the relationship between CR and stock prices, is accepted
3. The test findings reveal that the association between DER and stock prices modified by PER has a significance value of 0.003, which is less than the 0.05 criterion for significance. A strong moderating influence of PER on the DER-stock price connection is therefore evident. The seven hypotheses, which propose that PER significantly moderates the association between DER and stock prices, are, therefore, approved.

The effect of Return on Equity on Stock Price

Due to the lack of or insignificant effect of the return on equity ratio on the stock price, Hypothesis H1 is rejected. This is because debt service consumes a disproportionate share of a company's earnings when external capital exceeds internal capital. Consequently, the available net profit of the corporation decreases. Poor investor returns are directly affected by this decline in earnings, which lowers investor demand for the company's shares. This investigation's findings are consistent with those of other studies by Shalsabila et al., (2023) according to which ROE is meaningless and does not impact stock prices. Stock prices are not always affected by the presence or lack of return on equity since it is not a good predictor of a company's future performance.

The Effect of Current Ratio on Stock Price

The proof that the current ratio significantly affects stock prices is supported by the test findings, which support H2. This is due to the fact that a high current ratio may impact the stock price's growth. Investors are more likely to purchase shares in a company with a high current ratio since it shows the company can satisfy its short-term obligations. If a firm has sufficient cash on hand, it shows that its financial management is sound and that it can handle its immediate cash flow needs. The results of this study agree with those of other studies by Rasdayanti & Chaerudin, (2021) the results of which showed that CR significantly affected shareholder returns. Whether the stock price moves up or down is determined by the level of the current ratio.

The Effect of Debt to Equity Ratio on Stock Price

H3 might be rejected since the debt-to-equity ratio does not impact the stock price. First, a drop in investor interest causes a drop in the share price, which in turn lowers the rate of return for the firm. Second, investors stay away from companies with high debt-to-equity ratios because of the risk they provide to shareholders. Finally, a sign of a company's reliance on creditors or outside financing is when its overall debt, including short-term and long-term, surpasses its equity. Findings from this study are consistent with previous research by Nita & Pujiarti, (2023), upon the realization that DER does not impact stock prices, it was determined that it is meaningless. Investors' decisions are impacted by a high debt-to-equity ratio in relation to stock prices.

The Effect of Price Earning Ratio on Stock Price

H4 might be rejected since the price earning ratio (PER) does not impact the stock price. First, a low or inconsistent PER reflects that the company's profits, when compared to its stock price, are not appealing enough to attract investor interest, leading to an insignificant impact on stock valuation. Secondly, investors might consider PER to be less important in certain sectors where other financial indicators, such as return on assets or business growth prospects, are viewed as more decisive in the investment process. Thirdly, in situations where the market is unstable or during periods of economic uncertainty, PER may fail to accurately represent a company's actual worth, prompting investors to focus on alternative financial metrics.

This study's findings align with the research conducted by Rahmawati & Putra (2022) , which also revealed that PER does not play a significant role in determining stock prices. Therefore, it can be concluded that PER is not a critical factor influencing stock price movements in the companies under review. As a result, investor decisions appear to be unaffected by the Price Earning Ratio in this particular scenario.

The Effect of Return on Equity on Stock Prices with Price Earning Ratio as a Moderating Variable

The findings of the Moderated Regression Analysis test indicate that stock prices are unaffected by return on equity after using the price-out ratio as a moderating variable. We may therefore conclude that H5 is false and that PER does not act as a moderator between ROE factors and stock prices. Based on these findings, it seems that PER is not the main factor responsible for the stock price growth. Regardless of a company's PER value, changes to return on equity (ROE) do not necessarily impact market stock prices. The reason for this is because investors take into account a variety of external factors when making investment choices, not just ROE and PER. These factors include things like market circumstances, government restrictions, industry advancement, and overall economic conditions. Since PER lacks the authority to affect how investors see the overall performance of the firm, it is unable to manage the correlation between return on equity and stock price. This investigation's findings are consistent with those of other studies by

Prasetya & Fitra, (2022) Here, the price-out ratio moderates the relationship between return on equity and stock prices. Stock prices in the regular market are not necessarily affected by changes in ROE levels, regardless of the company's PER.

The Effect of Current Ratio on Stock Price with Price Earning Ratio as a Moderating Variable

Based on the results of the Moderated Regression Analysis, it is evident that the Current Ratio (CR) moderated by the Price Earning Ratio (PER) has a significant influence on stock prices, thus H6 is accepted. This suggests that CR and stock prices are more strongly related when PER is included as a moderating variable.

This means that while CR reflects a company's liquidity level or its ability to meet short-term obligations, its influence on stock prices becomes stronger when considered alongside PER. Investors not only assess a company's liquidity but also take into account whether the stock's valuation, measured through PER, reflects good profitability and performance.

PER allows investors to determine whether a company's liquidity is supported by solid earnings prospects, so the combination of both indicators provides a clearer signal of the company's overall financial health. As a result, the relationship between CR and stock prices becomes more significant when PER is involved as a moderating factor.

These findings are consistent with the study conducted by Prasetya & Fitra (2022) which also found that PER can enhance the effect of CR on stock prices, suggesting that companies with both good liquidity and fair stock valuation are more attractive to investors.

The Effect of Debt to Equity Ratio on Stock Price with Price Earning Ratio as a Moderating Variable

Even after accounting for the price-out ratio, the Moderated Regression Analysis reveals that the debt-to-equity ratio has a substantial impact on the stock price. such that H7 is accepted, the PER variable acts as a moderator between DER and the stock price variable.

A company's share valuation may be influenced by how investors see the debt-to-equity ratio, which may be gleaned by PER. The market nevertheless views a company's shares as reasonably priced if the PER is high, even while the DER is high. On the other hand, if the PER is low, investors could be less hopeful about the future of the stock despite the company having a certain amount of debt. Results from this study support those from previous research by Rahmat & Nurfadillah, (2019) who stated if the debt-to-equity ratio moderates the relationship between stock prices and the price-out ratio.

CONCLUSIONS AND SUGGESTIONS

Several significant conclusions may be taken from the analytical findings acquired in this research. When looking at the stock prices of businesses listed on the Indonesia Stock Exchange (IDX) that are part of the telecommunications subsector from 2020 to 2023, the only variable that has been shown to have a positive and significant influence is the Current Ratio (CR). Conversely, the Return on Equity (ROE) and Debt to Equity Ratio (DER) variables do not show any significant effect on stock prices.

Additionally, the moderation variable Price Earning Ratio (PER) does not succeed in enhancing the correlation between ROE and stock prices. However, PER plays a role in moderating the relationship between Current Ratio (CR) and Debt to Equity

Ratio (DER) on stock prices, thus the presence of PER can enhance the influence of these two variables in determining stock price movements.
To deepen future understanding, it is recommended that subsequent research extend the observation period to identify broader trends, and consider adding other industrial sectors such as the technology sector so that the research results can more comprehensively reflect cross-industry conditions.

In addition, future research is expected to incorporate additional financial variables such as Net Profit Margin (NPM), Return on Assets (ROA), or Earnings Per Share (EPS) to enrich the analysis of factors influencing stock prices. Thus, the research results are expected to provide greater benefits for investors, market participants, and company management in formulating more optimal investment strategies and business policies.

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