

Influence of Inflation, Interest Rates, Dividend Policy on the Price of Infrastructure and Transport Sector Shares

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Abstract

Infrastructure and transportation companies experienced a decline in stock prices a few years ago. This can be triggered by inflation, interest rates, and the company's dividend policy. Inflation and interest rates that change every year and dividend policy which is a measurement of profits earned by companies. The purpose of this study was to look at how inflation, interest rates, and dividend policies affect a company's share price. This research involves all companies in the field of infrastructure and transportation, the sampling criteria are as follows: companies listed in the foam securities from 2020-2022, companies uploading financial statements in 2020-2022, and companies that regularly distribute dividends in 2020-2022. 12 companies were selected through purposive sampling. This study was descriptive and quantitative and analyzed using several tests: normality, multicollinearity, heteroscedasticity, autocorrelation, linear regression, and T (Partial) test. The data was processed with the SPSS 24 analysis tool. The results showed that if inflation does not affect stock prices as indicated by the t-test, then the inflation value is $0.561 > 0.05$. The interest rate has no effect on the stock price, as evidenced by the T-test obtained an interest rate value of $0.278 > 0.05$. Dividend policy affects stock price, as seen in the T-test of the SIG value of dividend policy of $0.004 < 0.05$.

Keywords: Inflation, Interest Rate, Dividend Policy, Stock Price

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INTRODUCTION

The stock exchange is an important task in Indonesia's economic growth. The Indonesia Stock Exchange can be considered as an example of the Southeast Asian capital market due to technological advancements and increased globalization. The development of the capital market in Indonesia will not occur without the support of the government and society. Since it serves as a source of funds from investors for companies, the stock exchange plays its role in the nation's economy. Companies need a stock exchange to obtain a source of funds called investment funds. Funds from the stock exchange are allocated to develop businesses, increase workforce, or other purposes. The capital market also gives people the opportunity to invest in other financial

instruments, one of which is stocks. The capital market opens access to invest funds to companies in the infrastructure, transportation, industry, mining, and banking sectors with different benefits and risks. As a result, society can put its money into financial instruments with different advantages and risks. Infrastructure & Transportation are some of the companies that experienced a decline in corporate profits as a result of the COVID-19 pandemic. The main factor for the enactment of *lockdown* is a form of limiting community activities outside the home, so that the infrastructure and transportation sectors do not operate as usual (Jasmine & Suselo, 2022). This is shown through data from BPS that from the year the sector's stock index has continued to decline every year since

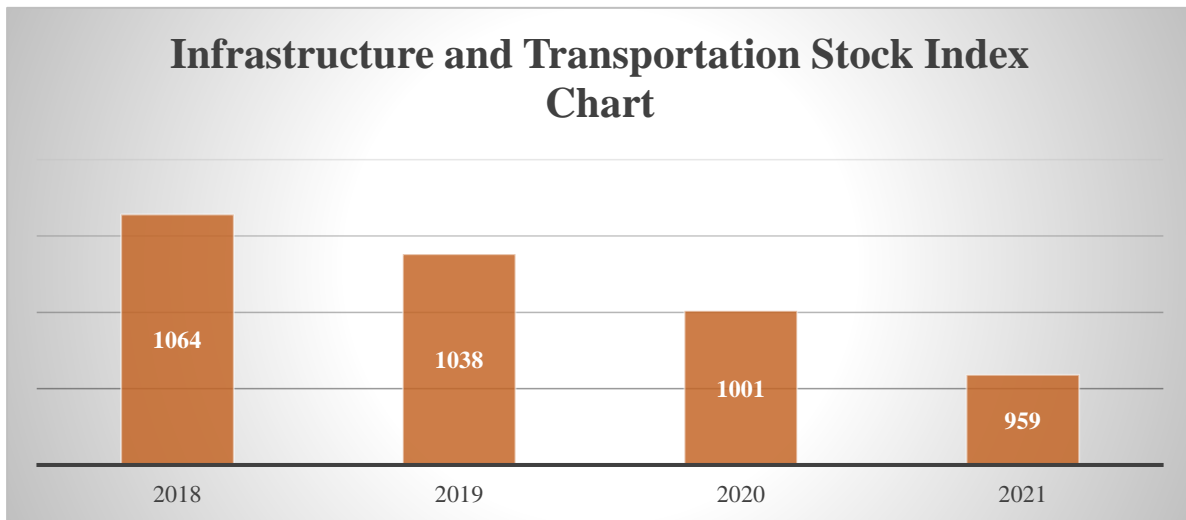


Chart. Stock Price Index

Source: BPS Central Bureau of Statistics 2023

The data above shows that stocks in the infrastructure and transportation sector in the last 4 years have experienced a significant decline, if you look at the stock index in 2018 reached 1064, then in 2019 it decreased to 1038, then in 2020 it also decreased at 1001, until in 2021 it decreased to 959. The data proves that companies in the infrastructure and transportation sectors mostly experienced a decline in stock indexes. According to (Priyanto, 2022) The fact that the share price of a company can increase or decrease can also be seen through phenomena in a country. The above statement shows that a company's share price can be assessed and analyzed based on what is happening in a country. Inflation and interest rates are things that must be experienced by a country, related to the ups and downs of inflation and interest rates can have an impact on the country itself, especially on the price of goods or services. Many factors, both internal and external, affect the stock price of a company. The corporate environment affects internal factors, while market information such as interest rates, supply and demand laws, news and rumors, stock price indices, and currencies are external factors (Rashad et al., 2021). According to Tandelilin (2001) (Ahfazhi et al., 2020) Empirically, it has been proven that macroeconomic components influence investment growth in several countries. Some macroeconomic factors that affect investment in a country include the level of Gross Domestic Product (GDP), inflation growth rate, interest rate, and exchange rate.

One external factor that can affect stock prices is inflation, which occurs when prices rise gradually. If inflation is high and unstable, the risk of investing in financial assets may increase. According to Statistics (BPS), the Consumer Price Index (CPI) in August 2023 recorded deflation of 0.02% (mtm), the impact of inflation of 3.27% in a year. From this development, inflation estimates according to Bank Indonesia remain at 3.1% at the end of 2023 and in 2024 around 2.51% (Statistics, 2023). High inflation is defined as a percentage increase in prices over time and differs between countries. Inflation that is too high gives rise to the *purchasing power of money* arising

due to high inflation and falling value of money. A decrease in inflation along with a decrease in the purchasing power of money is a good signal for investors (Hastuti et al., 2023).

Table 1. Inflation Rate in Indonesia

Inflation rate	Year
5.51%	2022
1.87%	2021
1.68%	2020
2.72%	2019
3.13%	2018

Source: Bank Indonesia 2023

In addition to inflation, interest rates can also affect stock prices because they can affect investors' investment choices. If interest rates increase, investors may prefer to put their money on banking products such as savings or deposits that offer higher interest rates, which can make investors withdraw their funds from stock investments. Bank Indonesia stipulates that the BI 7-Day Reverse is 5.75%, the Deposit Facility interest rate is 5.00%, and on August 24, 2023, it will be 6.5% for the Lending Facility interest rate. The ruling is a monetary policy in controlling inflation. (BI (Bank Indonesia, 2023). To maintain stability and promote sustainable economic growth, efforts continue to strengthen the combination of monetary, macroprudential, and payment system policies of the Bank. The bank interest rate is a percentage of the principal per unit of time and is calculated as compensation from the bank for customers who make transactions (Fitriani Saragih, 2023). If interest rates compensate customers who buy an item, then dividends are also a form of compensation from the company to investors who buy shares of a company. The dividend policy distributes profits from net income to shareholders. Increasing dividend distribution will increase profits for shareholders. To ensure that both the company and its shareholders benefit, dividend policy must be decided fairly. To avoid agency conflicts, companies can use dividend policies as a way to keep tabs on the amount of money it has. Dividend Yield is one indicator of the number of dividend payments in a company; The decision to distribute dividends or withhold profits to reinvest is part of the dividend policy (Violita et al., 2023).

If the company pays dividends to shareholders, it will be its attraction to potential investors. However, dividend policy also determines whether the profits earned by the company will be given to investors who have invested their funds in dividends or kept as retained earnings to finance future investments (Hiyun Puspita Sari et al., 2023). Research from Luo et al., (2022) found that many variables, such as economic, political, capital, psychological, informational, and speculative, affect stock prices. Other academics see that these variables are related to national economic progress and government policies. In 2019 the president of Indonesia announced the relocation of the capital outside Java, the relocation of the capital city to improve the governance of the capital region. IKN (Capital City of the Archipelago) became the new name for the relocation of the national capital on the island of East Kalimantan. A series of policies have been arranged for the preparation of the IKN, especially regarding transportation, quoted from compass.com (Laksono, 2023) "Currently, IKN is solidifying the concept of transportation system to become a transportation master plan. Transport planning includes all land, sea, air, and river routes, as well as planned logistics in an integrated and connected manner. A series of policies are implemented when the construction of infrastructure and other accommodation is nearing completion.

The development of IKN with various policies, especially regarding infrastructure & transportation, is a breath of fresh air for investors, this is because the decline of transportation companies during the Covid-19 period will be a great opportunity when the IKN is inaugurated. On December 20, 2023, President Joko Widodo conducted several groundbreaking in the capital of the archipelago, including the construction of the Nusantara Capital City Central General Hospital (RSUP IKN), then the construction of the Nusantara Superblock in the capital of the

archipelago, East Kalimantan (Bambang, 2023). Great opportunities are always accompanied by great obstacles for someone who wants to invest. Frank Reily (2003) in the book *Macroeconomics* "Investment is the sacrifice of wealth for future profits and ascertains existing risks such as interest rates, inflation, and dividend policy. Model planting is a consistency over several years that can meet the needs of investors in the following year by considering: (1) when the money is used, (2) looking at inflationary conditions, and (3) difficulty detecting future conditions (Karya & Syamsuddin, 2016). Therefore, issues related to changes in stock prices and political phenomena are of great concern to everyone involved in the business, including investors as owners, management, and potential investors who want to invest. The post-pandemic situation and the IKN to be built will be a new signal for investors. Of course, when going to do business on the stock exchange, it is necessary to analyze the market to ensure that the business can return its investment. This research chose the field of Infrastructure and Transportation because these fields require a lot of capital and demand long-term funding, so investors who invest in this field remain overshadowed by high risks. When they decide to invest, investors will strongly consider the potential gains and risks they can take. Therefore, to attract investors, the management of the company must be done as well as possible. The performance of the company can be measured, which can be measured through increased profits (Sinaga et al., 2021). Based on the phenomenon related to IKN and the decline in the stock index in the infrastructure sector, several things affect stock prices that are still a problem. This study aims to see the effect of inflation, interest rates, and dividend policy on stock prices in infrastructure, and transportation in 2020-2022.

LITERATURE REVIEW

Inflation

The economy is threatened by high inflation. Indonesia experienced high inflation, which reached 650% from 1965 to 1966. As a result, people in Indonesia are rallying to demand price reductions, known as the 'Three People's Demands, which include lowering the prices of goods that have tormented the people. Inflation was very high from mid-1997 to mid-1999. In 1998 alone, inflation has reached 80%, according to BPS records. Sumaryoto et al., (2021) Inflation is a component that affects the Stock Price Index. Inflation which can also be defined as a decrease in the value of the money supply as a whole, is the tendency to increase prices continuously. According to the basic concepts of economics, inflation is influenced by the amount of money that is in circulation in an economic country. With high inflation, investors will not be careless in making transactions and even tend to be cautious. (Dwita Fardani, 2023) states that inflation is an increase in the price of goods and services as a whole. A reduction in investors' real income will be affected by high inflation, while a decrease in inflation is a good signal. This can result in a decrease in business value. The movement of inflation in a country is so fast along with the condition of the country, that will later result in the price of goods and the company's stock price.

Causative factors of inflation in essence according to (BI (Bank Indonesia), 2023) There are 2 important factors as a cause of inflation, namely demand and supply factors for money. However, for countries that adopt an open economic system such as Indonesia, inflation can arise from abroad.

1. Demand-pulling inflation. The increase in people's purchasing power will lead to an increase in spending on goods and services. If the increase in demand cannot be followed by an increase in goods and services, then the effort made is to increase the price of goods and services, then inflation occurs.
2. Cost pushes inflation. In large economic growth, employees encourage companies to raise wages and salaries. Rising wage salary levels certainly increase production and operating costs. The increase in costs will have an impact on the increase in product selling prices, resulting in inflation
3. Inflation sourced from abroad. Inflation can occur due to the increase in prices of imported foreign goods and the rapid increase in export volume. Inflation due to imported goods is

caused by capital prices, production parts, and fuel costs. Inflation due to exports is caused by high foreign exchange which will increase national income, this can have an impact on increasing demand.

Interest

Interest rates are a financial tool that can regulate the flow of money. For example, if an industrial company borrows funds, the government will support the growth of that industry. Therefore, the interest rate given by the government to this sector is lower than that given to other sectors. Two types of interest rates are loan interest and deposit interest. Loan interest means a high price distributed to creditors or stimuli for customers who get loans; Deposit interest is the price shared with clients who have bank accounts. (Ernayani et al., 2023). Bank Indonesia's monetary policy stance announced to the public is the interest rate, also referred to as the Bi 7-Days Repo Rate (Bi7DRR) (www.bi.go.id, 2020). Too high-interest rates will reduce the value of the company's cash flow and make it less interested in investment. High interest rates can depend on the amount of spending in a business, while low interest rates will trigger economic growth due to the intensity of the flow of funds increasing, high interest rates make companies have to spend more. (Ernayani et al., 2023). According to Rasyad et al., (2021), Interest rates affect money markets, banking, and the real sector. High-interest rates are a negative signal to stock prices because the required return on capital invested in stocks will also rise if interest rates rise. High-interest rates can also influence investors' decisions about what investments they will make. If interest rates rise, investors tend to prefer to invest in banking products such as savings and time deposits. Therefore, investor interest in investing in the capital market decreases along with an increase in interest rates, which can result in a decrease in stock prices. Dandelion, (2001) in (Ahfazhi et al., 2020) state that interest rates that are too high will have an impact on the current value of the company's cash flows, which means that existing investment opportunities will no longer be attractive. High interest rates will also increase the company's cost of capital, which in turn will reduce investors' return on investment.

Dividend policy

Business management can use a dividend policy to give profits to their shareholders instead of holding those profits as retained earnings to reinvest. Capital gains, also known as dividends, are the profits from investing money over the long term. (Mangkona et al., 2023). A dividend policy is defined as the distribution of profits obtained by the company to shareholders and investors. Dividends are given by issuers to inform shareholders and other stock market participants about the company's condition. So, dividends tell the market about the company's cash condition. Investors receive signals from the company's earnings through dividends (Theiri et al., 2023). Factors affecting the dividend policy of a company according to Sulindawati, (2018) among others the company's liquidity position, the need for funds to repay debts, the growth rate of the company; and supervision of the company. The company's liquidity position is an important factor that must be considered before deciding to determine the amount of dividends to be paid to shareholders. The stronger a company's liquidity position, the greater its ability to pay dividends. A company will acquire new debt or sell new bonds to finance the expansion of the company. Debt can be repaid by replacing the debt with an alternative, the company must provide its own funds derived from profits to pay off the debt. If the company determines that the repayment of its debt will be taken from retained earnings, that means only a small portion of its income can be paid as dividends.

The faster the growth rate of a company, the greater the need for funds to finance the growth of the company, the company is usually more than happy to hold its earnings rather than be paid as dividends to shareholders. The faster the company's growth rate, the greater the funds needed. Dividend payments are often followed by a rise in stock prices and are considered a sign that the

business has good prospects; Dividends that are too high will hinder business growth, and dividends that are too low will eliminate investor interest (Mangkona et al., 2023).

Signaling Theory

Spance introduced a theory to make assumptions for his readers, namely signal theory in his study entitled *Signaling Market for Job Market*. One way companies can increase their value is by opening up certain information for outside investors to read. All market participants interpret and analyze the information after it is announced. (Nasution et al., 2019). According to Ross (Septyadi & Bwarleling, 2020), Signaling theory refers to information about a company's condition that executives must convey to potential investors. This theory explains why companies are motivated to provide financial statements to external parties. Because dividend payments in cash are very expensive, companies must be able to generate sufficient cash. Stock expenses can replace dividend payment costs. According to signaling theory, investors will be interested if high dividends indicate good prospects for the company. Research López-Santamaría et al., (2021) About signaling theory, companies must communicate their information needs to the market and stakeholders by sending signals about their commitment to society. In the strategic areas of management, HR management, and finance, signal theory is very important. In the last decade, signaling theory has become important for the analysis of sustainability practices. Because of this, a company provides information openly through financial statements as a reference or consideration for investors to analyze the desired company. In addition to political phenomena in a country, information in the form of financial statements will be a signal in making decisions when you want to buy shares. Financial statements describe the condition of a company.

RESEARCH METHODS

This research is included in quantitative research like Empire by collecting, analyzing, and presenting data in the form of numbers, and tables. The population of the infrastructure & transportation company sector is listed on the Indonesia Stock Exchange (IDX). Based on the population of the sector, samples were obtained using *purposive sampling* techniques based on criteria companies listed on the stock exchange in 2020-2022, financial statements published by companies in 2020-2022, and companies that regularly distributed dividends in 2020-2022. And obtained research samples from as many as 12 companies. This research data is secondary data; it comes from the annual financial statements of the Indonesia stock exchange, which is highly trusted. from the infrastructure and transportation company sector for the period 2020, 2021, 2022. In analyzing the data in the form of financial statements that can be accessed at the *website* www.idx.co.id. This study uses influence analysis, namely multiple linear regression using the SPSS.24 analysis tool which is used to provide assumptions or predictions in the future by considering past data. The multiple regression method is used to calculate how much the independent variable has an impact on one dependent variable. Here are the similarities:

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

Information:

Y	= Share Price
α	= Constant
$\beta_1, \beta_2, \beta_3$	= Regression coefficient of independent variable
X1	= inflation
X2	= interest rate
X3	= Dividend Policy
e	= Error Term

Dividend policy can be measured based on 2 measurements, namely *dividend payout ratio* (DPR) and *dividend yield* (DY). The measurement used in this study is dividend yield. (Anggeraini

& Triana, 2023) Dividend yield (DY) is a ratio that shows how much dividend can be generated from investing in stocks. DY links the amount of dividends to the company's share price. Dividend yield (DY), which can be formulated mathematically as follows, is a ratio used to determine the amount of return received per share.

$\text{Dividend Yield} = \frac{\text{Dividend per share}}{\text{Price per share}} \times 100\%$

Hypothesis:

H1: Inflation affects stock prices.

H2: Interest rates affect stock prices

H3: Dividend policy affects stock prices.

RESULTS AND DISCUSSION

Normality Test

Normality tests need to be done as a condition that the data is feasible for further testing. This test is applied to find out whether data is said to be normal or not. According to (Sujarweni, 2023) The normality test aims to determine the distribution of data for variables to be used in research. Normally distributed data is good and worth using. Normality can be seen through testing *Kolmogorov-Smirnov*, which to be able to find out the data is normal can be seen at the bottom of the table column, namely *asympt.sig (2-tailed)*. With criteria if the sig value > 0.05 then the data is said to be normal

Table 1 Normality
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters,b	Mean	.0000000
	Std. Deviation	782.26756610
Most Extreme Differences	Absolute	.126
	Positive	.126
	Negative	-.078
Test Statistics		.126
Asymp. Sig. (2-tailed)		.157c

Source: Data Processed SPSS 2.4, 2023

Table 1 shows the statistical *sig* value, so you can know the result of the One Sample Kolomogorov-Smirnov Test of 0.157. This concludes if the research data is normally distributed as shown by the residual sig value of 0.157 > 0.05. From this result, the data used can be continued for the next data processing

Multicollinearity Test

According to (Sujarweni, 2023) To ensure that there is a significant correlation between independent variables in a model, a multicollinearity test is necessary. This test also aims to avoid habits in the decision-making process that have an impact on the partial test of each independent variable compared to the dependent variant. Multicollinearity does not occur if the resulting VIF is between 1 and 10.

Table 2 Coefficients

Type	Collinearity Statistics	
	Tolerance	VIF

1	(Constant)		
	Inflation	0.814	1.228
	Flower	0.846	1.182
	Dividend	0.912	1.096

Source: Data Processed SPSS 2.4, 2023

Table 2 shows if the inflation tolerance value is 0.814, the variable interest rate gets a yield of 0.846, and dividends with a yield of 0.912. If the VIF value is between 1-10 then it is concluded that there is no multicollinearity, from these results each variable has a value below 10, meaning that there is no multicollinearity between independent variables.

Heteroscedasticity Test

The theory of heteroscedasticity put forward (Sujarweni, 2023) Analyzes how residual variance differs from one observation period to another. The scatterplot image pattern can be used to predict whether there is heteroscedasticity in a model.

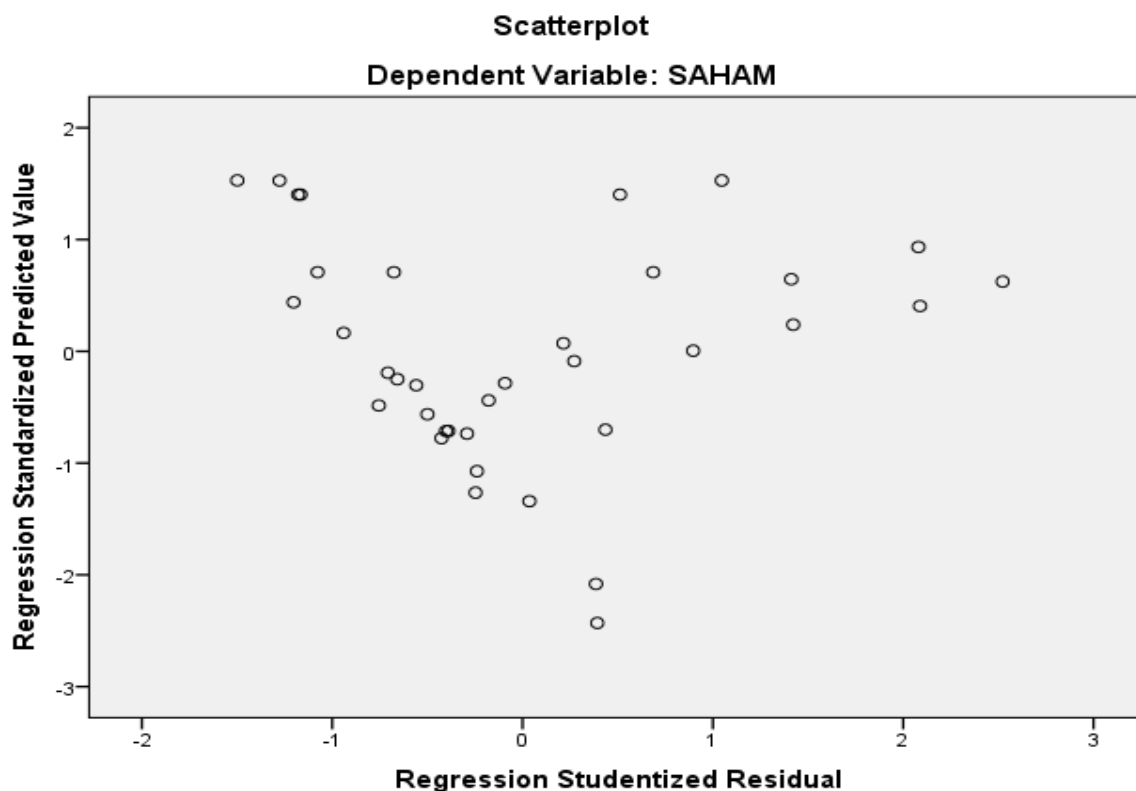


Figure 1. Scatterplot test

Source: Data Processed SPSS 2.4, 2023

The results of statistical tests show that data points are not in the form of patterns that widen and narrow in their spread, do not collect data points only above or below the number 0, and are not patterned. Thus, heteroscedasticity does not occur.

Autocorrelation Test

In a model, an autocorrelation test is performed to find out whether or not there is a relationship between the confounding variable and the previous variable over a certain period. Autocorrelation often occurs for time series. However, because confounding variables differ from each other, crosssection is rare in sample data. To identify autocorrelation, Durbin-Watson values

are used and compared to Durbin-Watson tables ($d/$ and du). Autocorrelation does not occur if $du < d < 4-du$. (Sujarweni, 2023)

Table 3 Model Summary

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.486a	.236	.165	818.11500	2.173

Source: Data Processed SPSS 2.4, 2023

Table 3 shows a *Durbin-Watson value* of 2,173. From this value, it is known that if the value $Du = Dw = 4-Du$, so there is no autocorrelation. Based on these results, it can be concluded that the value $1.724 = 2.173 = 2.276$, so there is no autocorrelation.

Regression Test

Table 4 Model Summary

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3370.947	1858.492		1.814	.079
	Inflation	76.985	131.074	.101	.587	.561
	Flower	-539.705	489.335	-.185	-1.103	.278
	Dividend	-103.464	33.701	-.497	-3.070	.004

Source: Data Processed SPSS 2.4, 2023

Based on the SPSS output above, linear regression can be described as follows:

$$Y' = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$$

$$Y = 3370.947 + 76.985X_1 - 539.705X_2 - 103.464X_3$$

- The constant value has a value of 3370,947. It tells us that if the inflation, interest rate, and dividend yield variables are zero, then the value of the stock price is 3370,947
- Inflation coefficient value 76,985. If the inflation value increases by 1 unit, then the stock price value increases by 76,985 assuming the other independent variables are constant. If variable inflation rises, then the stock price will increase.
- The value of the interest rate coefficient is -539.705. If the interest rate value increases by 1 unit, then the value of the stock price will decrease by 539,705 with other alleged variable costs. If variable interest rates increase, the stock price will fall
- The value of the dividend yield coefficient is -103.464. If the dividend yield value increases by 1 unit, then the stock price will decrease by 103,464 with the expectation that other independent variables are constant. If the variable dividend yield increases, the stock price will decrease

Test the hypothesis

Partial Test (T-Test)

The effect of each variable is examined by t-test. This analysis was carried out with a significance level of 0.05 ($\alpha = 5\%$). According to (Ghozali, 2016) in determining a partial test, if the significant value is greater than 0.05, then H_0 is accepted, and if the significant value is smaller than 0.05, then H_0 is rejected. The results of the calculations carried out by this study are.

Table 5 Partial T Test

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3370.947	1858.492		1.814	.079
	Inflation	76.985	131.074	.101	.587	.561
	Flower	-539.705	489.335	-.185	-1.103	.278
	Dividend	-103.464	33.701	-.497	-3.070	.004

Source: Data Processed SPSS 2.4, 2023

1. The results of the partial test obtained a significance value of the inflation variable of 0.561. That way H_0 is accepted and H_a is rejected. Variable inflation does not have a significant effect on stock prices. This is because the significance value is greater than α ($0.561 > 0.05$)
2. The partial test results obtained a variable interest rate significance value of 0.278. That way H_0 is accepted and H_a is rejected. Variable interest rates have no significant effect on stock prices. This is because the significance value is greater than α ($0.278 > 0.05$)
3. The test results partially obtained a significant value of variable dividend yield of 0.004. That way H_0 is rejected and H_a is accepted. Variable dividend yield has a significant effect on stock prices. This is because the significance value is smaller than α ($0.004 < 0.05$)

The Effect of Inflation on The Share Price of Infrastructure and Transportation Companies

Hypothesis testing tells the significant value of the inflation variable $0.561 > 0.05$; This tells us that variable inflation does not affect stock prices. This has in common with the results of (Rasyad et al., 2021), (Saputra et al., 2023), and (Dwita Fardani, 2023) If the inflation variable does not influence the share price of infrastructure and transportation companies. The increase in the overall price of goods and services is known as inflation. The reduction in investors' real income will be affected by a high inflation rate, while a decrease in inflation is a good signal for investors. This results in a decrease in the value of the business shares. From these results give a signal to investors that there is no need to worry about changes in stock prices from the ups and downs of a country's inflation An increase in inflation causes the value of a company to fall due to the increasing price of an item. Especially if the state continues to print money continuously and does not compensate with the strengthening of the rupiah currency, hyper-infiltration can occur. If inflation rises, business costs will increase, and this will have an impact on business profits. If inflation rises, business profits will fall, and investors will be less interested in investing, which can result in a drop in stock prices.

The Effect of Interest Rates on The Share Price of Infrastructure and Transportation Companies

Based on the results of the hypothesis test, the significant value of the interest rate variable is $0.278, > 0.05$; The value shows if the variable interest rate does not affect the stock price. The same results from (Rasyad et al., 2021), (Isaac & Pakaya, 2023), if variable interest rates do not influence the share price of infrastructure and transportation companies. Excessive interest rates can affect the value of a company's current cash flow, making investment opportunities less attractive. On the other hand, low-interest rates can boost the economy due to the intensity of rising fund flows, while interest rates that are too low will reduce budgets in the business world. The same is shown by variable interest rates that signal to investors about changes in stock prices if interest rates rise or fall. An increase in interest rates will only affect the products and services sold, but will not have an impact on changes in stock prices. The entrepreneur will only make a deliberate investment if the return on investment exceeds the interest rate. For a certain period, the investment amount must correspond to the value of all investments above the yield. With

lower interest rates, more companies will see a greater return on investment than interest rates. The lower the interest rate an entrepreneur has to pay, the more effort they can put in. The lower the interest rate, the more investors will invest.

The Effect of Dividend Policy Dividend Yield on The Share Price of Infrastructure and Transportation Companies

Based on the results of the hypothesis test, the significant value of the dividend policy variable is $0.004 < 0.05$, the value shows if the dividend policy variable affects the stock price. This has in common the results of (Sahupala & Andayani, 2021), (Ancient & Katharina, 2022), (and Anggeraini & Triana, 2023). If the dividend policy variable affects the share price of infrastructure and transportation companies. A dividend policy is defined as the distribution of profits obtained by the company to shareholders and investors. Investor uncertainty can be overcome by stable dividends. Cyclical businesses can maintain a stable regular dividend record by paying additional dividends if profits are very high. However, many companies follow a payout ratio, raising dividends if they feel they can maintain high profits. The dividend policy variable measured by dividend yield shows signals related to changes in stock prices if the dividend yield increases. If investors want dividends, it can be seen from the percentage of dividend yield of a company. This research also shows that dividend distribution can be a consideration for investors to invest because dividend distribution is considered a good sign for investors who will invest in the company's opportunities in the future, so dividend policy affects the stock price.

CONCLUSION

Based on this study, whether there is an influence between inflation, interest rate, and dividend policy variables has been presented. Testing from the analysis and discussion, researchers the research conclude that inflation does not affect all the stock prices of infrastructure and transportation companies in 2020-2022. This indicates that if inflation goes up and down, it will not affect the company's stock price at all. Interest rates do not affect the share price of infrastructure and transportation companies in 2020-2022. This shows that even if interest rates decrease or increase, it will not have an impact on the company's stock price. Dividend policy influences the share price of infrastructure and transportation companies in 2020-2022. This proves that the high dividend yield of an issuer will affect the company's stock price. This research is inseparable from its limitations and shortcomings. The observation period in the study is still lacking. This research cannot be a breakthrough for companies from other sectors listed on the stock exchange. The above research only has a few variables about something that is believed to have an impact related to stock prices, namely inflation, interest rates, and dividend policy. With all its shortcomings and limitations, the researcher provides advice for further studies by extending the research period above 3 years and using a wider scope of objects by considering the phenomenon at that time. Other variables can be added so that the research has more relevant novelty. New investors can explore research on several variables that affect stock price changes before investing in the desired company.

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