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Determinants Of Stock Return and Firm Value of Manufactures Listed at the Indonesian Stock Exchanges

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Abstract : The aim of this study was to examine the impact of ownership structure, fundamental factors, and technical analysis on stock returns, as well as the impact of these factors on firm value. The study population consisted of 148 manufacturing companies listed on the Indonesia Stock Exchange, with a purposive sample of 50 companies. The researchers used Structural Equation Modeling (SEM) with Moment Analysis of Structure (AMOS) version 22 to analyze the data. The results showed that ownership structure had a positive but insignificant effect on stock returns, while fundamental factors had a positive but insignificant effect on stock returns. In contrast, analytical techniques had a positive and significant impact on stock returns. Moreover, ownership structure, fundamental factors, analytical techniques, and stock returns had a positive and significant effect on firm value. Lastly, the study found that ownership structure, fundamental factors, and technical analysis had a significant impact on firm value through stock returns.

Keywords : Structure Ownership, Factors Fundamental, technical analysis, stock return and firm value.

INTRODUCTION

Investors use stock returns to assess the profitability of their investments in a company. Stock returns represent the income received by shareholders as a result of investing in particular companies. Investors aim to generate returns on their investments, which includes buying company shares with the expectation of earning a return that aligns with their investment amount. The focus of this study is on individual stock returns.

The shares of manufacturing companies listed on the Indonesia Stock Exchange exhibited varied growth rates between 2019 and 2021. In 2019, the average rate of return was 12.59%, while in 2020, it was -12.65%. However, in 2021, the rate of return increased to 2.56%. Overall, there was an average decline of 2.01% in the rate of return between 2019 and 2020. However, there was an increase of 6.09% in the average growth rate between 2020 and 2021. Therefore, the average growth rate of shares in IDX manufacturing companies from 2019 to 2021 experienced an average data growth of 1.53%.

Investors seek to achieve high returns on their investments and evaluate the expected versus actual rate of return at the end of the investment period. When investing in stocks, rational investors choose stocks that are efficient and can provide maximum returns with a particular level of risk or guaranteed returns with minimum risk. Because the company's interests and those of the investor may be different, the company must adopt a dividend policy that benefits shareholders and promotes prosperity. To determine a company's stock returns, it's essential to assess the profitability

level achieved through its operations. A high level of profitability signifies a high return on investment and an increase in the company's value.

Previous research suggests a direct and linear relationship between return and risk, which is evident in stock performance. According to Brigham and Houston (2013), there is a positive relationship between risk and expected returns, known as the risk-return trade-off. This implies that higher risks result in greater expected returns. It is a challenging task for managers to maintain or increase the return and market price of a company's shares to ensure the company's value increases. This forms the basis for researchers to investigate the factors that are likely to impact stock returns and firm value.

Given the aforementioned background, this study aims to address the following research questions:

1. How do ownership structure, fundamental factors, and technical analysis influence stock returns for manufacturing companies listed on the IDX?
2. How do ownership structure, fundamental factors, and technical analysis impact the value of manufacturing companies listed on the IDX?
3. To what extent do ownership structure, fundamental factors, and technical analysis influence the value of manufacturing companies listed on the IDX through their impact on stock returns?

LITERATURE REVIEW AND HYPOTHESIS

The idea of agency theory deals with the problem of principal-agent, which arises when a company's ownership and control are separated. Pituriningsih (2005: 194) defines an agency relationship as a contract between one or more owners (the principal) and another individual (the agent) hired to perform certain services on their behalf, with decision-making authority delegated to the agent. Eddy and Institution (2003: 55) present two perspectives to comprehend a company's ownership and control structure: the agency approach and the information asymmetry approach. The agency approach considers the ownership structure as a means to resolve conflicts of interest among the company's primary owners, while the information asymmetry approach views the ownership structure as a means to minimize the information asymmetry between insiders and outsiders by revealing information in capital markets.

Jensen and Meckling's 1976 paper "Theory of the firm: Managerial behavior, agency costs, and ownership structure" introduced the concept of agency theory. This theory aimed to address the issues that arise in contractual relationships, particularly in management, when there is incomplete information. It was developed in response to earlier theories such as transaction cost theory (Coase, 1937), property rights theory (Berle and Means, 1932), and utilitarianism (Ross, 1973). According to Jensen and Meckling, there is a conflict of interest between owners and management due to their differing interests. The fundamental principle of agency theory is that a relationship exists between the principal, who is the owner that authorizes management, and the agent, who is the manager that receives the authority. Each party seeks to maximize its own profits, with the owner aiming for

maximum return on investment, while the manager strives to enhance their performance (Afriyani & Jumria, 2018).

In the world of stock market, fundamental factors refer to the external and internal factors that can have an impact on the future stock prices. The underlying principle of analyzing stock prices based on fundamental factors is that stable profits can cause a positive reaction from investors, leading to a higher stock price. The fundamental factors are not limited to just the internal factors of a company such as its basic financial conditions, but also include external factors such as the basic economic conditions. The process of fundamental analysis is intricate, and it involves various procedures such as industry and economic analysis, individual company valuation using different valuation models, and analyzing financial reports, such as trend analysis and ratio analysis (Afriyani et al., 2020).

According to Van Horne (2005: 234), financial ratios are a valuable tool for assessing a company's financial state and performance. Roos et al. (2004: 78) also note that financial ratios are computed to display the relationship between various financial data and for comparison purposes. Jumingan (2006: 242) further clarifies that financial ratio analysis involves evaluating items from financial statements, both separately and together, to determine the connection between specific items on the balance sheet and income statement. Brealey, Myers, and Marcus (2008: 72) categorize financial ratios into four types: leverage ratios, which indicate the extent of a company's debt; liquidity ratios, which measure a company's ability to access cash quickly; efficiency or turnover ratios, which determine how efficiently a company uses its assets; and profitability ratios, which are used to assess a company's return on investment.

Technical analysis is a technique for assessing the future price movements of stocks, commodities, or other securities by studying past market activity statistics. Analysts who use technical data to conduct research are known as technical analysts, char list, technician, or technical list. Technical analysts differ from fundamentalists in that they do not rely on economic data to determine the intrinsic value of a stock. Instead, they analyze charts of price movements and transaction volumes to identify patterns in the market's price fluctuations. Stocks are securities that represent a stake in a company, and shareholders have entitlement to claim dividends or other distributions from the company, as well as the right to claim a portion of the company's assets in the event of liquidation, with priority given to other securities holders.

Husnan (2002: 303) defines securities as a document that confirms the investor's entitlement to acquire a portion of the future profit or assets of the issuing organization, subject to certain conditions that enable the investor to exercise this right. Conversely, according to Tandelilin (2001: 18), shares represent proof of ownership of a company's assets, which issued the shares. Stocks, as a result, are securities that are traded on the capital market, and they are offered by limited liability companies (PT). Owning shares implies that the shareholder also holds a fraction of the company.

Investment returns can be either realized returns that have already occurred or expected returns that are anticipated to happen in the future. Stock returns refer to the level of profit that investors expect to receive through their investments in shares. The returns of stocks in this research encompass

capital gains rather than dividend payouts. Capital gain refers to the difference in the price of the investment relative to the previous period. When the current share price is higher than the previous share price, it yields capital gains, whereas when the current share price is lower than the previous share price, it results in capital losses (Jogiyanto, 2008).

To generate profits, individuals, companies, and institutions implement investment policies that generate returns. Realized returns and expected returns are two forms of returns on investment. Realized returns are calculated based on past performance and are significant in evaluating a company's performance and determining future risk and returns. Total return, relative return, cumulative adjusted return, and return are some common measures used for realized returns. On the other hand, expected returns refer to the returns that investors anticipate earning in the future. Various methods, such as expected future value, historical returns, and existing models, can be used to measure expected returns (Afriyani et al., 2020).

Investors seek to make a profit from their investments, which is commonly known as a return. According to Hartono (2000: 107), return is the benefit or profit an investor receives from their investment. Investors often gauge a company's value based on its ability to manage resources, which is reflected in its stock price. A high stock price is an indicator of a company's high value, while a low stock price typically indicates poor company performance (J. Fred Z. Westen & Thomas E. Copeland, 1992). The price-to-book value (PBV) ratio is a useful measure for evaluating a company's value, as it compares the market price per share with the book value per share. A high PBV ratio generally implies a positive market outlook for the company's future prospects.

A company's worth can be evaluated by observing the price of its shares in the secondary market. An increase in the share price indicates a rise in the company's value, as the market value of its shares and bonds or long-term debt form a part of its actual value. When the stock price goes up, it also reflects the trust of the general public in the company's performance, and they are willing to pay a premium for the shares, expecting a better return.

In order to achieve the interests of its members, a company has a specific goal to be accomplished. The performance management of a company is crucial for measuring the success in achieving its goals, which is used as a basis for internal and external decision-making. Maximizing a company's value is not the same as maximizing its earnings per share (EPS), as focusing solely on EPS ignores the time value of money and risk. Instead, maximizing a company's value is akin to maximizing economic profit, which is the amount of wealth that can be consumed without reducing the wealth of the owners. The main objective of a company is to expand its business and maximize shareholder prosperity while optimizing its value. A higher company value translates to increased shareholder prosperity. The market price of shares reflects the value of the company, which is why it is crucial to maximize the company's expected value over the long term.

The agency theory, in this case describes a relationship between an employer and an agent or employee who is granted decision-making power. However, this relationship can lead to conflicts, such as those between shareholders and managers, minority shareholders, or debt holders. Managers' opportunistic behavior can result in agency cost of equity, as they may utilize excess

profits for their own interests without bearing associated risks and costs. For instance, they may choose to use high debt levels that do not optimize the company's value but serve their own interests.

Bathala et al. (1994) suggest that boosting the proportion of institutional ownership in a company could enhance its efficiency by curbing the manager's opportunistic conduct. This could lead to a decrease in agency costs by allowing the company to sustain a lower debt level.

Moh'd et al (1998) discovered that "allocating shares to institutional investors could decrease agency costs." The Free Cash Flow (Jensen, 1986) concept is closely related to the shareholder-manager conflict. This theory suggests that managers may try to hoard company resources to maintain control. Free cash flow refers to the remaining cash flow after all positive NPV projects have been financed. It is better to distribute free cash flow to shareholders rather than keeping it, especially if there are no profitable investment opportunities available. Since shareholders are not all alike, conflicts may arise between majority and minority shareholders. To solve agency problems, fundamental and technical analysis techniques should be used, along with investment appraisal mechanisms.

Various studies have examined the relationship between institutional ownership, managerial ownership, and firm value. Wei et al. (2005) and Kristianti (2013) found that "institutional ownership has a negative effect on firm value, while Sudjoko and Soebiantoro (2007) found a positive effect." In contrast, Suranta and Machfoedz (2003) and Triatmoko (2007) found "a positive relationship between institutional ownership and firm value." Managerial ownership, according to Faisal and Soliha (2002) and Soepriyanto (2004), has "a positive effect on firm value." However, Siallagan and Machfoedz (2006) concluded that "managerial ownership has a negative effect on firm value." Artini and Puspaningsih (2010) showed that "ownership structure has a positive effect on firm value," while Murwaningsari (2008) found that "both managerial ownership and institutional ownership have a positive effect on stock returns."

Investors purchase stocks in a company with the expectation that the stock's market value will appreciate over time, thereby generating profits. The stock's value is determined by the interplay between supply and demand in the market, which is an indicator of market strength. There are two types of ownership structures: institutional ownership and managerial ownership. Conflicts of interest between managers and company owners can lead to agency problems. Proper management of the ownership structure, which includes incentivizing managers based on company performance and increasing institutional ownership to prevent malpractices by managers, can mitigate these problems. According to a study by Sofyaningsih and Hardiningsih (2011), "managerial ownership has a positive effect on a company's value, while there is no proven effect of institutional ownership on a company's value."

Investors consider a company's financial performance as a crucial factor in selecting stocks. A company with good financial performance is likely to offer higher returns to investors compared to companies with poor financial performance. The quarterly financial statements of a company provide essential information for evaluating its financial performance, including factors such as

profitability, liquidity, leverage, and wealth management efficiency. Despite this, predicting the value or return of shares remains contentious due to the influence of other factors such as natural disasters, psychological factors, and spiritual implications, which can impact market prices through supply and demand and subsequently affect stock returns.

Based on the various explanations provided earlier, the conceptual framework can be outlined in the following manner:

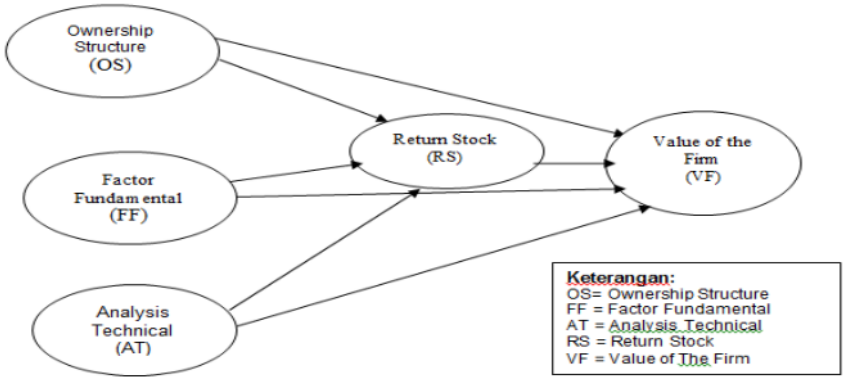

Figure 1: conceptual framework

After examining the flow of the conceptual framework and reviewing expert opinions and prior research, the study proposes the following hypotheses: "Ownership structure has a significant positive impact on stock returns, as do fundamental factors and technical analysis. Similarly, ownership structure has a significant positive impact on firm value, as do fundamental factors and technical analysis. Stock returns and firm value both have a significant positive impact on stock returns, and the ownership structure has a significant positive impact on both stock returns and firm value. In addition, fundamental factors have a significant positive impact on both stock returns and firm value, as does technical analysis."

Previous research

Several previous studies have investigated variables related to this research topic. Kirui et al. (2014) explored "the correlation between macroeconomic variables and stock returns, analyzing variables such as inflation, money supply, Treasury bill rate, exchange rate, and GDP." Setiabudi and Agustia (2012) investigated "the influence of fundamental factors on firm value in a sample of 44 companies and found that profitability, tangible assets, and GDP growth had a positive impact on firm value, while inflation had a negative impact." Ardisona et al. (2014) looked into "the influence of macroeconomic factors and fundamental factors on firm value using a sample of 18 out of 40 companies and found that fundamental factors had a significant and positive effect on firm value." Sappar et al. (2015) studied "the impact of fundamental and technical factors on firm value using a sample of consumer goods industry companies from 2011 to 2013. They found that some indicators

such as inflation rate, BI rate, CR, DPS, NPM, and PER had no impact on firm value, while others such as DER and ROA had a significant impact." In addition, technical indicators such as HSML and VPS had a partial effect on firm value, and the simultaneous effect of both fundamental and technical indicators had a significant effect on firm value. Finally, Abdulmannan and Faturohman (2015) investigated "the relationship between fundamental factors and stock returns in a sample of 22 banking companies listed on the Indonesia Stock Exchange from 2005 to 2013. Their study did not find any statistically significant relationship between factors such as EPS, DPS, FA/TA, ROA, and ROE and stock returns."

RESEARCH METHODS

The present study employs a combination of descriptive and explanatory research approaches, focusing on the manufacturing industry category of companies listed on the BEI as its population, consisting of 148 manufacturing firms as of December. A purposive sampling method was utilized to select 50 companies as the study's sample. Inferential analysis techniques, including inferential statistical analysis, were employed to investigate the research problem. The data was analyzed using the Structural Equation Modeling (SEM) technique. This statistical method enables the simultaneous examination of multiple relationships among variables (Ferdinand, 2014). To facilitate data analysis, the statistical software program AMOS was utilized, which is a component of the SEM (Structural Equation Modeling) package. The following equation model was employed:

$$RS = a_1OS+a_2FF+a_3AT+e_1 \quad (1)$$

$$FV = b_1OS + b_2FF + b_3AT+c_1RS+ e_2 \quad (2)$$

$$FV = a_1.c_1\ OS + a_2.c_1\ FF + a_3.c_1AT + e_3 \quad (3)$$

In the form of matrix multiplication as follows:

$$\begin{matrix} & AT & FF & OS & RS & FV \end{matrix}$$

$$\begin{pmatrix} RS \\ FV \end{pmatrix} = \begin{pmatrix} a_3AT + a_2FF + a_1OS + c_1RS + c_2FV \\ b_3AT + b_2FF + b_1OS + c_1RS + c_2FV \end{pmatrix}$$

RESEARCH RESULTS AND DISCUSSION

Transformation of Variables for Confirmatory Testing

This study utilizes various variables, including "ownership structure, fundamental factors, technical analysis, stock returns, and firm value." Each is measured through a set of indicators. Confirmatory factor analysis is conducted to generate factor scores from these variables. The loading factors and critical ratios for each indicator of the ownership structure, fundamental factors, and technical analysis variables are presented in Table 1.

Table 1. Loading Factor and Critical Ratio of Variable indicators Ownership structure Fundamental factors and technical analysis

Indicator	Loading Factor (λ)	Critical Ratio	Profitability (p)	Information
MO	0,893	FIX	0,000	
IO	0,834	14,484	0,000	Significant
PO	0,888	15,869	0,000	
Indicator	**Loading Factor (λ)**	**Critical Ratio**	**Profitability(p)**	Information
ROA	0,592	FIX	0,000	
ROE	0,784	8,065	0,000	
CR	0,877	8,611	0,000	Significant
DER	0,913	8,758	0,000	
DAR	0,451	5,311	0,000	
Indicator	**Loading Factor (λ)**	**Critical Ratio**	**Profitability(p)**	Information
Interest rate	0,777	FIX	0,000	
Exchange rate	0,874	11,399	0,000	Significant
Inflation	0,818	11,005	0,000	

Source: Results of data analysis, 2021

Drawing upon the empirical data presented in Table 1, it is apparent that ownership structure variables are best measured by the OI and OP indicators, while the OM indicator is a fixed measure. For fundamental factors, "ROE, CR, DER, and DAR" are significant indicators, with the ROA indicator serving as a fixed measure. In terms of technical analysis variables, exchange rates and inflation are important indicators for measuring intellectual capital variables, while the interest rate indicator is a fixed measure for analyzing technical variables.

Model Testing

In the final stage of the analysis, the results of the SEM are presented in Figure 2 along with the output in the form of a path diagram. The path diagram is presented below for easy reference.

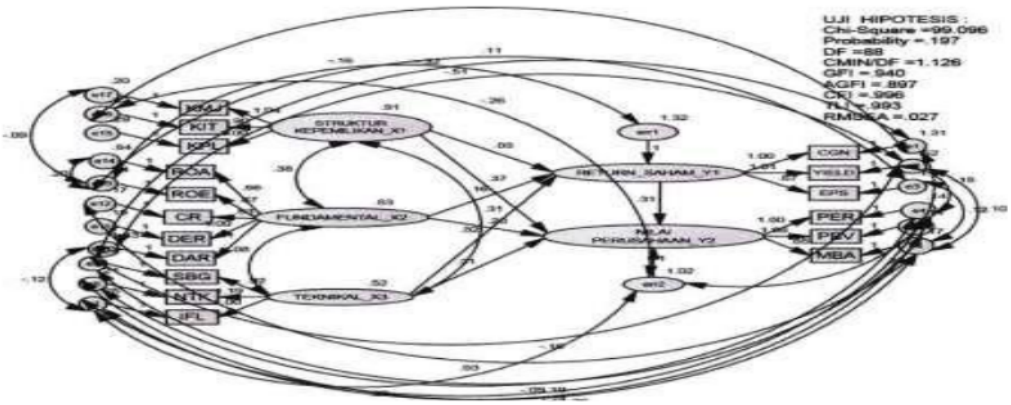

Figure 2 : Model analysis SEM

After confirming the model's overall fitness, the researchers proceeded to test the significance of the relationship between the constructs. The standardized regression weights were analyzed using the critical ratio (CR) or Probability (P) values, where a relationship between variables is considered significant if the P value is less than or equal to 0.05 (5%). Out of the seven lines tested, only one point was found to be not significant with a probability value above 0.05 (5% level) and t-value above the value of t-tabel. This point pertains to the influence of ownership structure and

fundamental factors on the return stock, with p values of 0.809 and 0.211, respectively, which means that these paths cannot be evaluated in the model.

Table 2. Evaluation criteria Goodness of Fit Indices Overall Model

Goodness of fit index	Cut-off Value	Model Results Early stage	Information	Model Results Final Stage	Information
Chi_Square	Probability	≥ 0.05	0.000	Marginal	**0.000**
Probability	CMIN/DF	≤ 2.00	5.371	Marginal	**5.317**
CMIN/DF	GFI	≥ 0.90	0.752	Marginal	**0.752**
GFI	AGFI CFI	≥ 0.90 ≥ 0.94	0.651 0.811	Marginal Marginal	**0.651** **0,811**
AGFI CFI	TLI RMSEA	≥ 0.94 ≤ 0.08	0.764 0.155	Marginal Marginal	**0.764** **0.155**
TLI RMSEA	Probability	≥ 0.05	0.000	Marginal	**0.000**

Source: results of data analysis, 2021

Hypothesis testing

Table 3 presents the results of the analysis of direct, indirect, and total effects to assess the impact of each construct. The analysis of direct effects involves examining the coefficients of all coefficient lines with one end arrow and the test results are presented. The size of the variables is determined by analyzing the direct, indirect, and total effects. The table shows the direct, indirect, and total effect influences:

Table 3. Direct, Indirect, and Total Effect Influences

Variable			CR	Direct Effect	Indirect Effect	Total Effect	*p-value*	Information
Independent	Intervening	Dependent						
Ownership structure	-	Stock returns	0,242	0,023	-	0.023	0.809	Positive and not significant
Fundamental factors	-	Stock returns	1.251	0,110	-	0.110	0.211	Positive and not significant
Technical Analysis	-	Stock returns	4.829	0,448	-	0.448	0.000	Positive and significant
Ownership structure	Stock returns	value of the firm	3.443	0,271	0.007	0.278	0.000	Positive and significant
Fundamental factors	Stock returns	value of the firm	2.042	0,139	0.034	0.173	0.038	Positive and significant
Technical Analysis	Stock returns	value of the firm	2.101	0,168	0.138	0.306	0.041	Positive and significant
Stock returns	-	value of the firm	3.993	0,307	-	0.307	0.000	Positive and significant

Source: results of data analysis, 2021

A Structural Equation Modeling (SEM) was used to create a mathematical model that investigates how independent variables affect intervening variables that lie between the dependent variables. The findings reveal the impact of technical analysis, fundamental factors, and ownership structure on both firm value and stock returns. The equation describing how ownership structure, micro-fundamental, and macroeconomic factors affect stock returns is presented below:

$$RS = 0{,}023\ OWNER + 0{,}110\ FF + 0{,}448\ AT + €_1.$$

The following equation represents the impact of ownership structure, micro fundamentals, macroeconomic factors, and stock returns on company value:

$$VF = 0{,}271\ OWNER + 0{,}139\ FF + 0{,}168\ AT + 0{,}307\ RS + €_2$$

The influence of ownership structure, micro fundamental and macroeconomic factors through stock returns on firm value

$$VF = 0{,}007\ SK + 0{,}034\ FF + 0{,}138\ AT + €.$$

The aforementioned set of equations can be expressed as a matrix multiplication in the following manner:

$$\begin{pmatrix} RS \\ NP \end{pmatrix} = \begin{array}{c} \begin{matrix} AT & FF & OS & RS & NP \end{matrix} \\ \begin{pmatrix} 0{,}819 & 0{,}159 & 0{,}032 & 0{,}000 & 0{,}000 \\ 0{,}557 & 0{,}249 & 0{,}381 & 0{,}306 & 0{,}000 \end{pmatrix} \end{array}$$

1. *Direct Effect)*

Effect Structure ownership on return stock .
(OS → RS) = 0,023
Effect factor fundamental on return stock
(FF → RS) = 0,110.
Effect Analysis Technical on return stock
(AT → VF) = 0,448
Effect Structure ownership on firm value
(OV → VF) = 0,271
Effect factor fundamental on firm value
(FF → VF) = 0,139
Effect of Technical Analysis variables on firm value
(AT → VF) = 0,168
Effect of stock return variables on firm value
(RS → VF) = 0,307

2. Indirect Effect
Effect ownership
\ structure on firm value through stock returns. (OS → RS → VF) = 0,023 X 0,307 = 0,007.
Effect factor fundamental on firm value through stock returns. (FF →RS → VF) = 0,110 X 0,307 = 0,110.
Effect of Technical Analysis on firm value through stock returns.
(AT → RS→ VF) = 0,448 X 0,307 = 0,138.

3. Total Effect

(OS → VF + OS → RS → NP) = 0,271 + 0,007 = 0,278

(FF → VF + FF → RS→ NP) = 0,139 + 0,034 = 0,173

(AT → NP + AT →RS→ NP) = 0,168 + 0,138 = 0,306

Based on the test results stated earlier, the findings of this study are as follows:

Assets in the company shown in profitability ratios.

The ownership structure consists of indicators: Institutional ownership, managerial ownership and public ownership which have a significant positive effect on stock returns. Evidenced by a positive regression coefficient value of 0.023 and a significance value of 0.809 or greater than 0.05, the ownership structure directly has a positive and significant effect on firm value, with a regression coefficient of 0.271 and a significance value of zero or smaller than 0 .5. Indirectly the ownership structure also has a positive and significant effect on the value of the company that is equal to 0.007. Where each indicator contributes managerial ownership seen from the regression coefficient of 0.910, institutional ownership with a coefficient of 0.835 and public ownership of 0.872, this means that the ownership structure does not contribute to stock returns, but the ownership structure contributes which is positive and significant to the value of the company, both directly and indirectly, through stock returns. The ownership structure provides equity for stakeholders and avoids concentrated ownership. Empirical evidence shows that managerial ownership is very low even there are still many companies that do not have managerial ownership so that management as part of the company tends to finance that is not a priority of the company which results in agency costs and inefficient use of assets in the company indicated in profitability ratio.

The regression analysis shows that fundamental factors, including indicators such as CR, DER, DAR, ROE, and ROA, do not have a significant effect on stock returns, with a regression coefficient of 0.110 and a significance value of 0.211, which is greater than 0.05. However, fundamental factors have a direct and positive significant effect on firm value, with a regression coefficient of 0.139 and a significance value of 0.038, which is smaller than 0.05. Additionally, fundamental factors indirectly contribute to the firm value, with a positive and significant effect of 0.034. Each indicator contributes to this effect, with a regression coefficient value of 0.878 for CR, 0.923 for DER, 0.434 for DAR, 0.767 for ROE, and 0.547 for ROA. Therefore, while financial ratios can be used to measure a company's internal fundamentals, they may not increase stock returns significantly. However, they can contribute more to the overall value of the company, as indicated by the market value of the company's stock prices.

The technical analysis, with indicators including inflation, interest rates, and exchange rates, demonstrates a positive and significant influence on stock returns. The regression coefficient indicates a positive value of 0.448 and a significance value less than 0.05. In addition, technical analysis has a direct positive and significant effect on firm value, with a regression coefficient of 0.168 and a significance value less than 0.05. Furthermore, technical analysis has an indirect positive and significant effect on firm value with a value of 0.138. The regression coefficient values show that inflation, exchange rates, and interest rates contribute to the influence with exchange rates having the greatest effect on stock returns. Macroeconomic factors offer a positive signal, which is perceived by market participants and reflected in the company's stock price. Although

fluctuations in the investment portfolio may occur, investors see a potential return on investment, which ultimately increases the value of the company.

The value of manufacturing companies listed on the IDX is positively and significantly affected by stock returns, which consist of capital gain (loss), capital yield, and EPS indicators. This is demonstrated by the regression coefficient value, which is positive 0.307 and the significance value being zero or less than 0.05. The contribution of each indicator can be observed from their respective regression coefficient values, with capital gain (loss) having a coefficient of 0.754, yield with a coefficient of 0.861, and EPS with a coefficient of 0.586. The yield indicator has the biggest contribution in increasing stock returns, which in turn increases the company's value. This provides investors with a signal to invest in companies that can offer returns. The value of the company is reflected by the high or low returns that investors receive. A good return will increase the value of the company.

CONCLUSION

In summary, the research findings indicate that the ownership structure of manufacturing companies listed on the IDX, which includes managerial, institutional and public ownership, has a positive but not significant effect on stock returns. However, it does have a positive and significant effect on the value of the company. On the other hand, fundamental factors such as CR, DER, DAR, ROE and ROA do not significantly contribute to stock returns, but they have a positive and significant effect on the value of the company. This could be due to the fact that the financial ratios used do not meet the industry average standard for generating returns for shareholders.

In contrast, technical analysis, which is an external factor of the company and includes macroeconomic indicators such as inflation, interest rates and exchange rates, has a positive and significant effect on both stock returns and the value of the company. In addition, stock returns measured by indicators of capital gain/loss, yield, and Earning Per Share have a positive and significant effect on the value of the company. Therefore, ownership structure, fundamental factors, and technical analysis can contribute positively and significantly to the value of the company through stock returns.

SUGGESTION

To increase profits and asset management, the company is advised to utilize fundamental factors such as liquidity, solvency, and profitability, which will help increase stock prices and generate stock returns. Additionally, the company should maintain these factors and optimize profitability to increase its overall value.

The management team should also monitor macroeconomic factors such as inflation, interest rates, and exchange rates, as these factors can significantly affect stock returns and company value. As such, investors and potential investors should pay close attention to the ownership structure, fundamental factors, technical analysis, and stock returns before making any investment decisions.

Overall, it is highly recommended that investors conduct a thorough analysis of the company's fundamentals before deciding to invest.

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