

The Influence of Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate on Stock Price Growth in Consumer Sector Companies Listed on the Indonesia Stock Exchange with Return on Equity as a Moderating Variable

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ABSTRACT

This research investigates the influence of inflation, the USD/IDR exchange rate, and the BI 7-day reverse repo rate on stock price growth in consumer-sector businesses listed on the Indonesia Stock Exchange between 2020 and 2024. Return on Equity (ROE) serves as a moderating variable. The study employed a quantitative associative approach and used a sample of 142 firms. The regression equation $Y = 2.115 - 7.117X_1 + 0.000X_2 - 5.502X_3 + 4.402Z - 15.262X_1Z + 0.000X_2Z - 5.987X_3Z + e$ is employed in the Moderated Regression Analysis (MRA) analysis technique. The simultaneous test outcomes show that Inflation, USD/IDR Exchange Rate, BI 7-Day Reverse Repo Rate, ROE, and the interaction moderation variables significantly affect Stock Price Growth. Partially, Inflation, USD/IDR Exchange Rate, and BI 7-Day Reverse Repo Rate negatively and significantly affect Stock Price Growth, while ROE positively and significantly affects Stock Price Growth. Furthermore, ROE has the ability to reduce the effect of inflation and the USD/IDR exchange rate on stock price increase, but it cannot significantly reduce the impact of BI 7-day reverse repo rate.

INTRODUCTION

The development of macroeconomic conditions during the period 2020–2024 shows significant dynamics and affects capital market activities in Indonesia. When making investment choices, investors constantly track changes in the Rupiah exchange rate versus the US dollar, variances in Bank Indonesia's benchmark interest rates, and inflationary pressures. Indonesia's inflation rose in 2022 to 5.95%, after previously being in the range of 1.32%–2.98% during 2020–2021 (Badan Pusat Statistik, 2024). At the same time, the BI 7-Day Reverse Repo Rate (BI7DRR) increased from 3.50% to 5.50% at the end of 2022 and remained in the range of 5.75%–6.25% throughout 2023–2024 (Badan Pusat Statistik, 2024). In addition, the Rupiah's exchange rate against the US Dollar declined from Rp14,392/USD to Rp15,897/USD during the observation period. Changes in these macroeconomic variables were coordinated with stock market changes on the Indonesia Stock Exchange (IDX), notably for consumption sector businesses.

The consumer sector is one of the sectors that is highly sensitive to changes in economic conditions because it is directly related to the level of public consumption. Consumer purchasing power, company production costs, and the level of profits earned by companies can be influenced by fluctuations in inflation, exchange rates, and interest rates. The development of stock prices of consumer sector companies in the capital market is ultimately influenced by these conditions. Stock movement data show variations in growth among companies during 2019–2024. ADES experienced an increase in stock price from Rp1,050 to Rp10,500, while UNVR experienced a decline from Rp6,644.37 to Rp1,767.73 during the same period (Bursa Efek Indonesia, 2024). Similar conditions are seen in other companies such as GGRM, which experienced a decline in stock prices, while CMRY showed relatively increased growth. The difference in stock price growth shows that each company responds differently to macroeconomic changes.

In addition to stock price growth changes, the profitability condition of consumer sector companies also shows variations during the research period. Some companies were able to consistently increase profits and equity, while others experienced a decline in financial performance or even operational losses. For example, INDF recorded an increase in net profit from Rp8.75 trillion in 2020 to Rp13.07 trillion in 2024 (Bursa Efek Indonesia, 2024). In contrast, there were organizations that continued to incur losses throughout the observation period. These variations demonstrate that the stock price growth response to fluctuations in inflation, exchange rates, and BI7DRR can be influenced by a company's profitability. Consequently, ROE is deemed pertinent for use as a moderating variable, as it is indicative of the organization's capacity to effectively manage capital in order to generate profits.

The impact of inflation, USD/IDR exchange rate, and BI 7-Day Reverse Repo Rate on stock price growth has been shown to be inconsistent in previous studies. Sutowo et al. (2022) found that inflation and exchange rate positively and significantly affected stock prices, while BI 7-Day Repo Rate negatively and significantly affected stock prices. Audina (2023) concluded that inflation positively and significantly affected the Composite Stock Price Index, while exchange rate and BI 7-Day (Reverse) Repo Rate negatively and significantly

affected it. On the other hand et al. (2025) showed that inflation and Rupiah exchange rate did not significantly affect the mining sector stock index, while BI 7-Day Reverse Repo Rate negatively and significantly affected it. These differences indicate a research gap regarding the consistency of macroeconomic variables' influence on stock price growth. Furthermore, most previous studies focused on the direct effect of macroeconomic variables on stocks without including company profitability as a moderating variable.

In light of these empirical phenomena and research gaps, this study examines the impact of inflation, the USD/IDR exchange rate, and the BI 7-Day Reverse Repo Rate on the stock price growth of consumer sector companies listed on the Indonesia Stock Exchange from 2020 to 2024, with Return on Equity (ROE) serving as a moderating variable. It is anticipated that this investigation will offer empirical insights into the extent to which company profitability influences the growth of stock prices relative to macroeconomic variables.

LITERATURE REVIEW

Inflation

Mankiw (2022) defines inflation as a broad and continuous rise in the prices of goods and services in an economy over a certain time period. Inflation is a reflection of a loss in the buying power of money, which implies that each unit of currency can purchase fewer goods and services than it could in the preceding era. According to Mankiw (2022), inflation can occur due to an increase in aggregate demand exceeding production capacity (demand-pull inflation) or due to rising production costs such as energy prices and imported raw materials (cost-push inflation). In this study, inflation is measured using year-on-year (yoy) data sourced from the Consumer Price Index (CPI) officially published by Bank Indonesia.

Inflation in consumer sector companies is related to changes in public purchasing power and company production costs. Rising inflation has the potential to reduce public consumption and affect company profit margins if cost increases cannot be passed on to selling prices. Within the framework of the Efficient Market Hypothesis (EMH), information about inflation will be responded to by investors through adjustments in expectations regarding company profit prospects and reflected in stock price changes (Bodie et al., 2021). Damayanti & Indah (2022) found that inflation had a significant favorable influence on the Composite Stock Price Index (IHSG) during the Covid-19 epidemic. Glorya (2024) revealed that inflation does not have a strong link with sectoral indexes. Additionally, Syahbandi et al. (2020) proved that inflation has no significant influence on the stock prices of firms in the basic and chemical sectors.

USD/IDR Exchange Rate

The exchange rate is the price of one currency relative to another, which is controlled by the interplay of supply and demand in the foreign exchange market (Madura, 2021). The equilibrium of exchange rates is influenced by inflation differentials, interest rate disparities between countries, trade balance, and market expectations regarding macroeconomic conditions, as per Madura (2021).

The exchange rate is quantified in this study by comparing the Rupiah to the US Dollar (USD/IDR) using the Jakarta Interbank Spot Dollar Rate as a reference rate.

Exchange rate changes affect consumer sector companies through changes in imported raw material costs and export revenue values. Rupiah depreciation increases production costs for companies that depend on imported raw materials, while export-oriented companies can gain increased product competitiveness in international markets. From a signaling theory perspective, fluctuations in profitability that result from exchange rate movements can affect investors' perceptions of the company's fundamentals and be reflected in stock prices. Damayanti & Indah (2022) demonstrated that the IHSG is significantly and adversely affected by the exchange rate during the Covid-19 pandemic. Conversely, Syahbandi et al. (2020) found that the exchange rate does not have a statistically significant effect on the stock prices of companies in the chemical and fundamental industries.

BI 7-Day Reverse Repo Rate

Bank Indonesia employs the BI 7-Day Reverse Repo Rate (BI7DRR) as the benchmark interest rate in the Indonesian financial and money market system. Warjiyo & Juhro (2022) explained that BI7DRR is designed as a policy-mix instrument to manage interbank market liquidity, maintain inflation expectations, and mitigate Rupiah exchange rate volatility. The benchmark interest rate established by Bank Indonesia during the research period is employed to quantify BI7DRR in this study. Changes in BI7DRR affect company capital costs and investor investment preferences in financial markets. An increase in BI7DRR can raise company borrowing costs through higher credit interest rates and encourage the transfer of investor funds from stocks to fixed-income instruments. Investors will react to modifications in BI7DRR as public information by adjusting their stock prices in the capital market within the context of the Efficient Market Hypothesis (EMH) (Bodie et al., 2021). Damayanti & Indah (2022) demonstrated that the IHSG is significantly and adversely affected by BI7DRR during the Covid-19 pandemic. In the interim, Syahbandi et al. (2020) found that the stock prices of companies in the fundamental and chemical industry sectors are not substantially influenced by SBI interest rates.

Stock Price Growth

The price of a stock is contingent upon the mechanism of supply and demand in the capital market at a particular moment (Hartono, 2022). In accordance with Kasmir (2021), investors assess the effectiveness of management in managing the company's assets and capital structure by analyzing the growth of its stock price. Stock price growth or capital gain is the term used to describe the positive difference between the stock price of the current period and the previous period, expressed as a percentage. Stock price growth is the result of dividing the difference between the current period's stock price and the previous period's stock price by the same, as per Bodie et al. (2021).

Internal company factors and external macroeconomic factors both influence the development of stock prices. Net income, profitability, and Return

on Equity are internal factors, while inflation, exchange rates, and interest rates are external factors. In the Efficient Market Hypothesis (EMH) theory, stock prices are influenced by publicly available information, such as company financial reports and macroeconomic data (Bodie et al., 2021). Stock price growth is the dependent variable in this study, and it is influenced by inflation, the USD/IDR exchange rate, and the BI7DRR.

Return on Equity (ROE)

The profitability ratio known as the Return on Equity assesses the company's ability to generate net income by dividing it by the total equity of its shareholders (Kasmir, 2021). To find ROE, divide net income after taxes by total equity and show the result as a number. The company's efficacy in utilizing shareholders' capital to generate profits is assessed by this ratio. ROE is regarded as a fundamental indicator in signaling theory, as it can offer investors insight into the company's profitability status (Brigham & Houston, 2011). Companies that have a high return on equity (ROE) are better able to make money from their investments. In this study, ROE is seen as a moderating variable that lessens the effect of inflation, exchange rates, and BI7DRR on how stock prices change over time. Indrawan et al. (2025) showed that ROE makes ESG, Green Innovation, and Carbon Emission Disclosure have a bigger effect on the value of a company. Because of this, ROE is seen as a variable that can either strengthen or weaken the link between other factors and a company's value in the stock market.

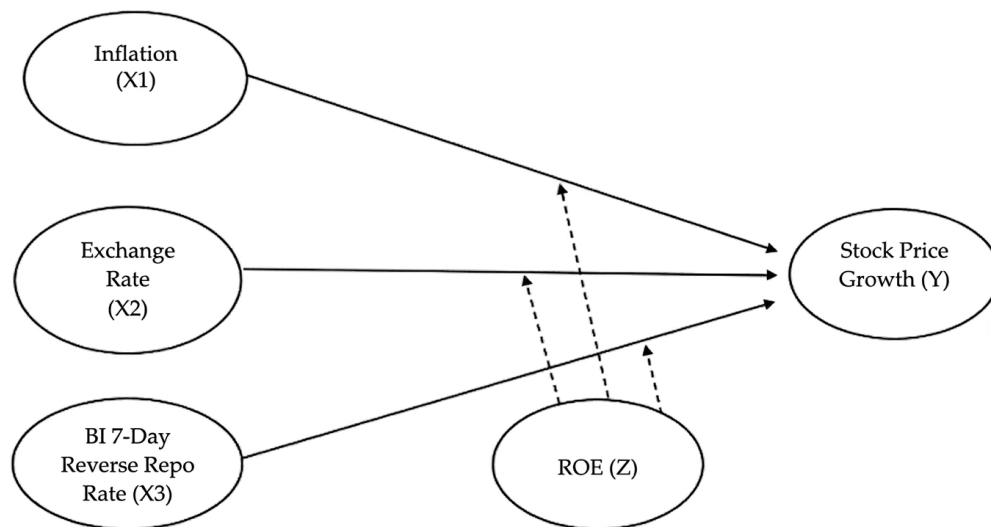


Figure 1. Conceptual Framework

METHODOLOGY

This study employs an associative approach (Sugiyono, 2019) to investigate the impact of inflation, the USD/IDR exchange rate, and BI7DRR on stock price growth, with Return on Equity (ROE) serving as a moderating variable. The data used are secondary data that were gathered by documenting the yearly reports of consumer sector companies traded on the Indonesia Stock Exchange (IDX) and items from Bank Indonesia and the Financial Services Authority from 2020 to 2024 (Bank Indonesia, 2024; Indonesia Stock Exchange, 2024). The population of

this study consists of 295 consumer sector companies that are listed on the IDX. The following criteria were used to conduct purposive sampling (Sugiyono, 2019): companies that have consistently listed between 2020 and 2024, publish complete financial statements, have consistent stock price data, have not experienced delisting or prolonged suspension, and have non-zero stock price growth data. A sample of 142 companies was obtained based on these criteria.

The dependent variable is Stock Price Growth (Y), and the moderating variable is Return on Equity (ROE) (Z). The independent variables are: Inflation (X1), the USD/IDR Exchange Rate (X2), and BI 7-Day Reverse Repo Rate (X3). The Consumer Price Index (CPI) is used to figure out year-over-year inflation rates (Mankiw, 2022). The JISDOR rate issued by Bank Indonesia was used to figure out the exchange rate between the Rupiah and the US Dollar. Bank Indonesia's policy interest rate is used to measure BI 7-Day Reverse Repo Rate. If you compare net income after taxes to total equity, you get return on equity (Fernando, 2024); if you compare the change in stock price from one period to the next, you get stock price growth (Bodie et al., 2021).

Moderated Regression Analysis (MRA) was used to analyze the moderating effect to see how the moderating variable changes the link between the independent and dependent variables (Ghozali, 2018). Before hypothesis testing, classical assumption tests like normality, multicollinearity, heteroskedasticity, and autocorrelation were done. We used a 5% confidence level to look at the correlation coefficient (R), coefficient of determination (R^2), simultaneous test, and partial test (Sugiyono, 2019).

RESEARCH OUTCOME

Classical Assumption Test

a. Normality Test

To check if the data are normally distributed, the Kolmogorov-Smirnov method was used to do normality tests. The results are thought to be normal if the significance value is greater than 0.05. Table 1 illustrates the findings.

Table 1. Normality Test Outcomes

Test	Value
N (Sample)	710
Test Statistic	.021
Asymp.Sig.(2-tailed)	.200 ^d

Source: Processed Data, 2026

The One-Sample Kolmogorov-Smirnov Test shows that the Asymp. Sig. (2-tailed) value is 0.200, which are both greater than the significance level of 0.05. This means that the residuals are likely to be normally distributed, which means that the regression model's normality assumption has been met.

b. Multicollinearity Test

The goal of multicollinearity testing was to find independent factors that were strongly related to each other, which might have an effect on how well the regression model worked. The results are shown in Table 2.

Table 2. Multicollinearity Test Outcomes

Variable	Tolerance	VIF
Inflation (X1)	.790	1.266
Exchange Rate (X2)	.685	1.460
BI 7-Day Reverse Repo Rate (X3)	.682	1.467
ROE (Z)	.826	1.210

Source: Processed Data, 2026

It shows that all of the factors in Table 2 have a Tolerance value greater than 0.10 and a VIF value less than 10. These variables are as follows: Inflation at 0.790 and 1.266, Exchange Rate at 0.685 and 1.460, BI 7-Day Reverse Repo Rate at 0.682 and 1.467, and ROE at 0.826 and 1.210. These findings suggest that the regression model is not multicollinear.

c. Heteroskedasticity Test

We used the Glejser method to check for heteroskedasticity by plotting the absolute residual values against the independent factors. The model is absent of heteroskedasticity if the significance level exceeds 0.05. The outcomes are presented below.

Table 3. Heteroskedasticity Test Outcomes

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.255	.078		3.289	.001
Inflation (X1)	-.270	.273	-.041	-.988	.323
Exchange Rate (X2)	-8.895E-6	.000	-.072	-1.615	.107
BI 7-Day Reverse Repo Rate (X3)	-.524	.291	-.081	-1.798	.073
ROE (Z)	.029	.018	.063	1.550	.122

a. Dependent Variable: Stock Price Growth (Y)

Source: Processed Data, 2026

The variables Inflation, Exchange Rate, BI 7-Day Reverse Repo Rate, and ROE have significance values of 0.323; 0.107; 0.073; and 0.122, respectively, all of which are greater than 0.05, as confirmed by the Glejser heteroscedasticity test outcomes. All of these findings suggest that the regression model does not exhibit heteroscedasticity.

d. Autocorrelation Test

You can use the autocorrelation test to see if there is a connection between the residuals in the regression model (Ghozali, 2018). The testing was done with the Runs Test, and the Asymp. Sig. (2-tailed) value was used as the decision criterion. A two-tailed value greater than 0.05 means that there is no autocorrelation, while a value less than 0.05 means that there is autocorrelation.

Table 4. Autocorrelation Test Outcomes

Runs Test	Unstandardized Residual
Test Value ^a	-.00044
Asymp. Sig. (2-tailed)	.499
a. Median	

Source: Processed Data, 2026

In accordance with the outcomes of the Runs Test autocorrelation test, The Asymp. Sig. (2-tailed) value was 0.499, which is greater than 0.05. than the significance level of 0.05. These findings suggest that the regression model is not subject to autocorrelation, which implies that the residuals are uncorrelated and arbitrary.

Statistic Analysis Test

a. Moderated Regression Analysis (MRA)

Moderated Regression Analysis (MRA) was used to analyze the moderating effect to see how a moderator variable changes the link between two factors that are not dependent on each other.

Table 5. Multiple Linear Regression Outcomes Equation 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.386	.140		17.092	.000
	Inflation (X1)	-8.216	.493	-.397	-16.650	.000
	Exchange Rate (X2)	.000	.000	-.325	-12.626	.000
	BI 7-Day Reverse Repo Rate (X3)	-6.749	.530	-.329	-12.744	.000

a. Dependent Variable: Stock Price Growth (Y)

Source: Processed Data, 2026

The multiple linear regression equation that was derived is $Y = 2.386 - 8.216X_1 + 0.000X_2 - 6.749X_3 + e$, as indicated in Table 5.

This equation demonstrates that:

- 1) The constant value of 2.386 indicates that Stock Price Growth still has a value of 2.386 when Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate are zero.
- 2) The coefficient of Inflation (b1) of -8.216 indicates that an increase in Inflation will reduce Stock Price Growth.
- 3) The coefficient of Exchange Rate (b2) of 0.000 with a negative beta direction indicates that an increase in the Exchange Rate tends to decrease Stock Price Growth.
- 4) The coefficient of BI 7-Day Reverse Repo Rate (b3) of -6.749 indicates that an increase in BI 7-Day Reverse Repo Rate will reduce Stock Price Growth.

Table 6. Multiple Linear Regression Outcomes Equation 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.115	.131		16.100	.000
	Inflation (X1)	-7.117	.459	-.344	-15.512	.000
	Exchange Rate (X2)	.000	.000	-.297	-12.411	.000
	BI 7-Day Reverse Repo Rate (X3)	-5.502	.492	-.268	-11.177	.000

ROE (Z)	4.402	.990	3.077	4.448	.000
X1*Z	-15.262	3.415	-.358	-4.469	.000
X2*Z	.000	.000	-2.291	-3.069	.002
X3*Z	-5.987	3.669	-.221	-1.632	.103
a. Dependent Variable: Stock Price Growth (Y)					

Source: Processed Data, 2026

Based on the results above, the multiple linear regression equation with moderation obtained is

$$Y = 2.115 - 7.117X_1 + 0.000X_2 - 5.502X_3 + 4.402Z - 15.262X_1*Z + 0.000X_2*Z - 5.987X_3*Z + e.$$

Based on this equation, it can be understood that:

- 1) The constant value of 2.115 indicates that Stock Price Growth still has a base value of 2.115 when all variables are zero.
- 2) The coefficient of Inflation (b1) of -7.117 indicates that an increase in Inflation by one unit will reduce Stock Price Growth by 7.117 units.
- 3) The coefficient of Exchange Rate (b2) of 0.000 with a negative beta direction indicates that an increase in Exchange Rate moderated by ROE tends to reduce Stock Price Growth by 0.000 units.
- 4) The coefficient of BI7DRR (b3) of -5.502 indicates that when BI7DRR increases by one unit, Stock Price Growth will decrease by 5.502 units.
- 5) The coefficient of ROE (Z) of 4.402 indicates that when ROE increases by one unit, Stock Price Growth will increase by 4.402 units.
- 6) The interaction coefficient of Inflation*ROE (X₁*Z) of -15.262 indicates that when Inflation moderated by ROE increases by one unit, Stock Price Growth decreases by 15.262 units.
- 7) The interaction coefficient of Exchange Rate*ROE (X₂*Z) of 0.000 with a negative beta direction indicates that when Exchange Rate moderated by ROE increases by one unit, Stock Price Growth decreases by 0.000 units.
- 8) The interaction coefficient of BI 7-Day Reverse Repo Rate*ROE (X₃*Z) of -5.987 indicates that when BI 7-Day Reverse Repo Rate moderated by ROE increases by one unit, Stock Price Growth decreases by 5.987 units.

b. Correlation Coefficient Analysis (R)

Based on the correlation coefficient numbers that are found, correlation coefficient analysis figures out the direction and strength of the link between the factors.

Table 7. Correlation Coefficient Test Outcomes (R) Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820 ^a	.672	.671	.1121251
Predictors: (Constant), BI 7-Day Reverse Repo Rate (X3), Exchange Rate (X2) Inflation (X1).				

Source: Processed Data, 2026

The correlation coefficient (R) number in Table 7 is 0.820, which means that there is a strong link between the factors Inflation, Exchange Rate, BI 7-Day Reverse Repo Rate, and ROE on Stock Price Growth.

Table 8. Correlation Coefficient Test Outcomes (R) Equation 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856 ^a	.732	.729	.1016231
Predictors: (Constant), Inflation (X1), Exchange Rate (X2), BI 7-Day Reverse Repo Rate (X3), X1*Z, Z*ROE, X2*Z, X3*Z.				

Source: Processed Data, 2026

Table 8 indicates that the correlation coefficient (R) value is 0.856, indicating a strongly correlated relationship between the variables Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate on Stock Price Growth with ROE as a moderating variable.

c. Coefficient of Determination Analysis (R²)

Based on Table 7, the R Square value is 0.672, indicating that Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate explain 67.2% of the variation in Stock Price Growth, while the remaining 32.8% is explained by other variables outside the model. When you look at Table 8's Model Summary, you can see that the R Square value is 0.732. This means that Inflation, Exchange Rate, BI 7-Day Reverse Repo Rate, ROE, and the interaction moderation factors can explain 73.2% of the effect on Stock Price Growth. The last 26.8% is affected by things that are not part of the study.

Hypothesis Test

a. Simultaneous Effect Test (F Test)

The F test is used to see if the independent factors have a significant affect on the dependent variable at the same time. As long as the sig. Is less than or equal to 0, the null hypothesis is true. The null hypothesis is thrown out if the sig. Number is greater than 0.05. number is 0.05 or less. In hypothesis equation 1, the effects of Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate on stock price growth are looked at together. In hypothesis equation 2, ROE is used as a moderating variable to look at the effects of inflation, exchange rate, and BI 7-Day Reverse Repo Rate on stock price growth together.

Table 9. Simultaneous Test Outcomes (F Test) Equation 1

Model	Sum of Squares	Mean Square	F	Significance
Regression	18.186	6.062	482.170	.000 ^b
Residual	8.876	.013		

Dependent Variable: Stock Price Growth (Y)

Predictors: (Constant), BI 7-Day Reverse Repo Rate (X3), Exchange Rate (X2), Inflation (X1).

Source: Processed Data, 2026

The F value in Table 9 is 482.170, which is higher than the F-value in F-table 2.62. The significance level is 0.000, which is less than 0.05. So, the theory is true, and Inflation, Exchange Rate, and BI 7-Day Reverse Repo Rate all have a significant impact on the Growth of Stock Prices.

Table 10. Simultaneous Test Outcomes (F Test) Equation 2

Model	Sum of Squares	Mean Square	F	Significance
Regression	19.812	2.830	274.055	.000 ^b
Residual	7.250	.010		

Dependent Variable: Stock Price Growth (Y)
Predictors: (Constant), Inflation (X1), Exchange Rate (X2), BI 7-Day Reverse Repo Rate (X3), X1*Z, Z*Roe, X2*Z, X3*Z.

Source: Processed Data, 2026

The hypothesis is accepted, as the calculated F-value of 274.055 is greater than F-table 2.02 and the significance value of 0.000 is less than 0.05. Consequently, the following can be inferred: Inflation, Exchange Rate, BI 7-Day Reverse Repo Rate, ROE, and the interaction moderation variables all have a significant impact on stock price growth.

b. Partial Effect Test

The effect of each independent variable on the dependent variable is determined using partial tests.

Table 11. Partial Test Outcomes Equation 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.386	.140		17.092	.000
	Inflation (X1)	-8.216	.493	-.397	-16.650	.000
	Exchange Rate (X2)	.000	.000	-.325	-12.626	.000
	BI 7-Day Reverse Repo Rate (X3)	-6.749	.530	-.329	-12.744	.000
a. Dependent Variable: Stock Price Growth (Y)						

Source: Processed Data, 2026

According to the t-test outcomes above, the outcomes are as follows: a t-table value of ± 1.963 at a 5% significance level:

- 1) The calculated t value of inflation (X_1) is -16.650, with a significance level of sig. Inflation has a significant and negative impact on the growth of stock prices, as 0.000 is less than 0.05.
- 2) The calculated t value of Exchange Rate (X_2) is -12.626, with a significance level of sig. The exchange rate has a significant and negative impact on the growth of stock prices, as 0.000 is less than 0.05.
- 3) The calculated t value of BI 7-Day Reverse Repo Rate (X_3) is -12.744, with a significance level of sig. BI 7-Day Reverse Repo Rate has a significant and negative impact on stock price growth, as $0.000 < 0.05$.

Table 12. Partial Test Outcomes Equation 2

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	

1	(Constant)	2.115	.131		16.100	.000
	Inflation (X ₁)	-7.117	.459	-.344	-15.512	.000
	Exchange Rate (X ₂)	.000	.000	-.297	-12.411	.000
	BI 7-Day Reverse Repo Rate (X ₃)	-5.502	.492	-.268	-11.177	.000
	ROE (Z)	4.402	.990	3.077	4.448	.000
	X ₁ *Z	-15.262	3.415	-.358	-4.469	.000
	X ₂ *Z	.000	.000	-2.291	-3.069	.002
	X ₃ *Z	-5.987	3.669	-.221	-1.632	.103
a. Dependent Variable: Stock Price Growth (Y)						

Source: Processed Data, 2026

According to the t-test outcomes for the moderation regression model above, the outcomes are as follows, with a t-table value of ± 1.963 :

- 1) Inflation (X₁) has a calculated t value of -15.512 with sig. $0.000 < 0.05$, so it has a negative and significant effect on Stock Price Growth.
- 2) Exchange Rate (X₂) has a calculated t value of -12.411 with sig. $0.000 < 0.05$, so it has a negative and significant effect on Stock Price Growth.
- 3) BI 7-Day Reverse Repo Rate (X₃) has a calculated t value of -11.177 with sig. $0.000 < 0.05$, so it has a negative and significant effect on Stock Price Growth.
- 4) ROE (Z) has a calculated t value of 4.448 with sig. $0.000 < 0.05$, so it has a positive and significant effect on Stock Price Growth.
- 5) The interaction between Inflation*ROE (X₁*Z) has a calculated t value of -4.469 with sig. $0.000 < 0.05$, so ROE is able to significantly moderate the effect of Inflation on Stock Price Growth.
- 6) The interaction between Exchange Rate*ROE (X₂*Z) has a calculated t value of -3.069 with sig. $0.002 < 0.05$, so ROE is able to significantly moderate the effect of Exchange Rate on Stock Price Growth.
- 7) The interaction between BI 7-Day Reverse Repo Rate*ROE (X₃*Z) has a calculated t value of -1.632 with sig. $0.103 > 0.05$, so ROE is not able to significantly moderate the effect of BI 7-Day Reverse Repo Rate on Stock Price Growth.

DISCUSSION

The Effect of Inflation, USD/IDR Exchange Rate, and BI 7-Day Reverse Repo Rate on Stock Price Growth Simultaneously

The F value was calculated to be 482.170 with a significance level of $0.000 < 0.05$, as indicated by the results of the simultaneous test. These findings suggest that the stock price development of consumer sector companies listed on the Indonesia Stock Exchange during the 2020–2024 period is significantly influenced by inflation, the USD/IDR Exchange Rate, and the BI 7-Day Reverse Repo Rate. This demonstrates that the stock price movements of consumption sector companies are significantly influenced by macroeconomic conditions. Consumers' purchasing power, companies' production costs, and investors' investment decisions in the capital market can be influenced by fluctuations in inflation rates, exchange rates, and benchmark interest rates. During periods of economic stress, investors are inclined to exercise greater caution when making investments, which has an impact on the growth of stock prices.

The Effect of Inflation on Stock Price Growth

The Inflation variable has a calculated t value of -15.512 with a significance level of 0.000, which is less than the threshold of 0.05, as indicated by the partial test (t test) results. This finding suggests that inflation has a substantial and adverse impact on the development of stock prices. An increase in inflation has a detrimental effect on the stock price growth of consumption sector companies. An increase in raw material prices and operational costs can result in a decrease in company profits due to high inflation. Additionally, consumers' purchasing power for consumption products is diminished by high inflation, which leads to a decrease in company sales. This condition results in a decrease in stock prices as investors evaluate the company's prospects as less favorable.

The Effect of USD/IDR Exchange Rate on Stock Price Growth

Based on the partial test results, the USD/IDR Exchange Rate variable has a calculated t value of -12.411 with a significance level of $0.000 < 0.05$. This finding suggests that the USD/IDR Exchange Rate has a substantial and adverse impact on the development of stock prices. The results of this study indicate that the development of stock prices in consumer sector companies is generally diminished when the rupiah weakens in relation to the US dollar. Rupiah depreciation can result in an increase in the cost of imported raw materials or production-supporting products, thereby increasing the company's burden. Furthermore, investors may decrease their investments in consumer sector company equities as a result of exchange rate instability, which can elevate investment risks in the capital market.

The Effect of BI 7-Day Reverse Repo Rate on Stock Price Growth

The BI 7-Day Reverse Repo Rate variable has a calculated t value of -12.744 with a significance of $0.000 < 0.05$, as indicated by the partial test results. This finding suggests that the BI 7-Day Reverse Repo Rate has a substantial and adverse impact on the development of stock prices. This negative effect demonstrates that the growth of consumer sector companies' stock prices can be diminished by an increase in Bank Indonesia's benchmark interest rate. The cost of borrowing for companies may increase as interest rates rise, which may result in a decrease in consumer consumption. In addition, when interest rates rise, investors tend to transition their investments to lower-risk financial instruments, such as deposits, which results in a decrease in stock demand and a subsequent decline in stock prices.

Return on Equity Moderates the Effect of Inflation on Stock Price Growth

The interaction between Inflation*ROE ($X1*Z$) has a calculated t value of -4.469 with a significance of $0.000 < 0.05$, as indicated by the moderation test results. These findings suggest that ROE has the potential to substantially mitigate the impact of inflation on the development of stock prices. This demonstrates that the relationship between inflation and stock price growth can be influenced by the company's profitability level, as measured by ROE. Companies with high ROE levels are more likely to be able to generate profits

and maintain financial performance in the face of inflation pressure. Consequently, the company's capacity to generate optimal profits can mitigate the adverse effects of inflation on stock price growth.

Return on Equity Moderates the Effect of USD/IDR Exchange Rate on Stock Price Growth

The interaction between USD/IDR Exchange Rate*ROE (X_2*Z) has a calculated t value of -3.069 with a significance of $0.002 < 0.05$, as indicated by the moderation test results. These findings suggest that ROE has the capacity to substantially mitigate the impact of the USD/IDR Exchange Rate on stock price appreciation. This demonstrates that organizations that maintain high levels of profitability are more adept at managing fluctuations in exchange rates. The company's ability to generate profits from its capital assets is demonstrated by a high return on equity (ROE). Consequently, the company is able to more effectively maintain financial stability, even in the face of rupiah depreciation. This circumstance has the potential to enhance investor confidence in the organization and facilitate the preservation of stock price appreciation.

Return on Equity Moderates the Effect of BI 7-Day Reverse Repo Rate on Stock Price Growth

Based on the results of the moderation test, the interaction between BI 7-Day Reverse Repo Rate*ROE (X_3*Z) has a calculated t value of -1.632 with a significance of $0.103 > 0.05$. These findings suggest that the impact of the BI 7-Day Reverse Repo Rate on stock price growth cannot be substantially mitigated by ROE. This indicates that the company's profitability level has not yet been able to either bolster or diminish the relationship between the BI 7-Day Reverse Repo Rate and stock price growth. The impact of changes in the benchmark interest rate on the stock market is more likely to be influenced by macroeconomic conditions and monetary policy, as the company's profitability level cannot directly regulate those fluctuations.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes that Inflation, USD/IDR Exchange Rate, and BI 7-Day Reverse Repo Rate have a strong relationship with Stock Price Growth, as indicated by the correlation coefficient value of 0.820. Simultaneously, these three variables have a significant effect on Stock Price Growth, with a calculated F value of 482.170 and a significance level of 0.000. The coefficient of determination shows that Inflation, USD/IDR Exchange Rate, and BI 7-Day Reverse Repo Rate explain 67.2% of the variation in Stock Price Growth, while the remaining 32.8% is influenced by other variables outside this study. Partially, Inflation has a negative and significant effect on Stock Price Growth, with a calculated t value of -16.650 and a significance level of 0.000. The USD/IDR Exchange Rate also has a negative and significant effect on Stock Price Growth, with a calculated t value of -12.626 and a significance level of 0.000. In addition, BI 7-Day Reverse Repo Rate has a negative and significant effect on Stock Price Growth, with a calculated t value of -12.744 and a significance level of 0.000.

The moderation model shows that Return on Equity (ROE) has a positive and significant effect on Stock Price Growth, with a calculated t value of 4.448 and a significance level of 0.000. The inclusion of ROE as a moderating variable increases the explanatory power of the model, as shown by the R Square value of 0.732. This means that Inflation, USD/IDR Exchange Rate, BI 7-Day Reverse Repo Rate, ROE, and the interaction variables explain 73.2% of the variation in Stock Price Growth. Furthermore, ROE is able to significantly moderate the effects of Inflation and USD/IDR Exchange Rate on Stock Price Growth. However, ROE is not able to significantly moderate the effect of BI 7-Day Reverse Repo Rate on Stock Price Growth. These findings indicate that company profitability strengthens the research model, but its moderating role is only significant in the relationship between Inflation and USD/IDR Exchange Rate on Stock Price Growth.

Based on these findings, consumer sector companies are advised to improve profitability by managing equity more efficiently and maintaining stable net income growth. Companies should also control production costs, imported raw material dependency, and financial risks, especially when inflation rises and the rupiah weakens. For investors, Inflation, USD/IDR Exchange Rate, BI 7-Day Reverse Repo Rate, and ROE should be considered before investing in consumer sector stocks, as these factors are closely related to Stock Price Growth.

ADVANCED RESEARCH

Future research may incorporate additional variables that may influence stock price growth, as 26.8% of the variation has yet to be accounted for in the research model. These variables may encompass corporate fundamental factors, such as Earnings per Share (EPS), Debt to Equity Ratio (DER), and Current Ratio (CR), as well as other macroeconomic factors, such as economic growth, commodity prices, and unemployment rates. Furthermore, it is anticipated that future research will broaden the scope of the research object to encompass other industrial sectors, employ a lengthier observation period, and employ a variety of analytical methods to ensure that the research outcomes are more accurate, representative, and comprehensive.

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