

Analysis of The Determinants on Technology Share Prices Listed on the Indonesian Stock Exchange in the 2018-2022 period

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Abstract

This study aims to determine the effect of the fed, inflation and total cash flow on stock prices in the technology sector listed on the Indonesia Stock Exchange for the period 2018-2022. The type of data used in this study is panel data. The research sample involved six technology companies. The data set uses company financial reports and macroeconomic data from official sources. Data processing was analysed using the Eviews 12 program. The results showed that The Fed and inflation have a negative influence on stock prices. Meanwhile, total cash flow has a positive and significant effect on stock prices.

Keywords: the fed, inflation, total cash flow, stock price.

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1. Introduction

Business competition is getting tougher in the current era, especially for technology companies (Dewi *et al.*, 2022). With the presence of the industrial revolution 4.0 and digital technology such as Internet of Things, Big Data, Artificial Intelligence, Human Machine Interface, 3D Printing Technology, Robotic and Sensor Technology. It is evident that technological advancement is inseparable from industrial development today. An innovation in 5G network development, this technology aims to increase speed, reduce signal delay, and increase flexibility in wireless services. The impact will be felt in all industrial sectors, such as improving transport safety, facilitating remote healthcare, increasing the efficiency of precision agriculture and expanding of digital logistics (Winastya, 2022). With the advancement of digital technology, a country can drive its economic growth towards a digital economy (Agustina *et al.*, 2019).

Based on the sectoral movement chart on the Indonesia Stock Exchange, the technology sector experienced a very high growth of 682.28 percent in 2021. However, in 2022, this sector experienced a significant decline of -35.42 percent (www.idx.co.id). This phenomenon is interesting because market fluctuations and adjustments in the technology sector can reflect various problems and challenges faced by companies in the technology sector. According to the deputy head of research at Sucor Sekuritas, technology stock prices are under considerable pressure, partly due to external factors such as global economic conditions, where The Fed has raised its benchmark interest rate. In December 2022 the Board of Governors of the United States central bank decided to raise its benchmark interest rate or Fed Fund Rate by 50 basis points (bps) to a range of 4.25%-4.5%. The impact of The Fed's policy was the increase in the US dollar exchange rate against major currencies around the world (Abigail, 2022).

Another factor that caused the tech sector to slump was rising inflation, which Tirta said was caused by the War between Russia and Ukraine. This triggered a rise in energy commodity prices, including oil and coal. This rise in inflation also resulted in higher borrowing costs. As a result, technology companies that previously relied on cheap funding began to be abandoned, and investors turned to potential sectors such as energy stocks that experienced an increase in the price of these commodities (Fadilah, 2022).

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According to Darmawan & Megawati, the share price has a selling value of shares determined by market forces on the stock exchange so that it depends on the demand and supply of sellers and buyers (Purwanto & Perkasa, 2024). Stock price is one of the factors that investors pay attention to first when evaluating a stock because the stock price can be a reason for investors to achieve profits through capital gains. In addition, the share price can also be an indicator of the company's performance because the share price is one of the return factors for investors. The higher the profit generated by the company, the higher the return for investors (Oktaviani & Patimah, 2022).

The capital market is a place for buying and selling transactions that include various types of financial instruments such as stocks, bonds, mutual funds, derivative instruments and other instruments carried out by investors and issuers (Saputra & Aminda, 2021). Investors who want to invest in stocks in the capital market need to analyse the performance of public companies first. They use information related to company performance as a basis for consideration before deciding to invest their capital in the form of shares that have been issued by the company and sold in the capital market. Companies with good performance reports generally have a better ability to increase company profits, which can have a positive impact on investor welfare (Siregar & Prabowo, 2021). The internal factors related to the company's financial reports include the total amount of the company's cash flow, where the cash flow report is divided into operational, investment, and funding activities (Silalahi & Sembiring, 2020). The importance of the different components of cash flow lies in the fact that each component is considered to have a different impact on stock prices. This gives investors a clear picture of the company's cash flow. Besides, cash flow reports also have the ability to predict future cash flows and identify the impact of price changes (Santoso, 2018).

According to Syaharman, financial statement analysis is a process that involves breaking down detailed financial statements into their components and evaluating each of these components with the intention of obtaining a comprehensive and accurate understanding of these financial statements (Nabilah et al., 2023). Through company financial reports, the investors obtain information about the company's financial performance which can be analyzed (Pelle et al., 2022). In general, companies operating in the business sector will prepare financial reports. This report plays an important role in evaluating the company's finances, performance, and changes in the company's financial position, which can help in making economic decisions. In the future, it will affect the company's progress (Silalahi & Sembiring, 2020). If the Total Cash Flow information of a company is high, this indicates that the emiten has good performance prospects. This information is considered positive by investors and can increase investors' interest in investing in the emiten. High demand for shares can cause an increase in the emiten's share price. On the other hand, if demand for a company's shares decreases, this has the potential to cause share prices to tend to fall (Siregar & Prabowo, 2021).

According to Dedy et al., 2020; Miyanti & Wiagustini, 2018; Pamungkas & Prasetiono, 2018; Suanto & Yanuar, 2020 shows that The Fed has a significant positive effect on Stock Prices, but inversely proportional results were found in research Attallah Al Faruqi et al., 2022; Hardiman et al., 2019; Kaligis & Soejono, 2020; Suyono et al., 2022; Yusuf et al., 2021 that The Fed has no significant effect on Stock Prices. According to Agustin et al., 2023; Attallah Al Faruqi et al., 2022; Hardiman et al., 2019; Marsono et al., 2018; Yusuf et al., 2021 said that Inflation has an influence on stock prices. Different research was conducted by Dedy et al., 2020; Eldomiaty et al., 2020; Mahpudin & Batu, 2021; Miyanti & Wiagustini, 2018; Mustika et al., 2022; Natividad, 2020; Wibowo & Saragih, 2018 which explains that Inflation partially has no significant effect on stock prices. According to Fiali & Indrati, 2022; Purwaningsih & Setiawan, 2022; Tunio et al., 2020 shows that Total Cash Flow has a positive effect on stock prices. As for research that shows the opposite result, namely Total Cash Flow has no effect and is not significant on stock prices as found in research Angraeni & Purwaningsih, 2022; Indrawati & Suartini, 2021; Silalahi & Sembiring, 2020; Siregar & Prabowo, 2021; Zuliyana et al., 2022.

From various previous research results as mentioned above, it still shows the inconsistency of research results in revealing the effect of The Fed, Inflation, and Total Cash Flow on Stock Prices, causing a research gap. Therefore, further studies are needed on these variables that affect stock prices to prove the confirmed research results whether they have an effect or no effect by presenting different data and year periods.

Figure 1 shows the novelty by colour. Lighter colours represent newer publication years (from green to yellow), namely Total Cash Flow and The Fed and darker colours represent older publication years (from purple to blue), namely inflation. This indicates that The Fed, inflation and Total Cash Flow are still not widely researched in relation to stock prices in the 2018-2022 research period.

This research will combine the analysis of macroeconomic factors from outside the company, namely The Fed and inflation with the internal aspects of the company, namely the cash flow report. Thus, the research objective is to

determine the effect of external factors and internal factors on the share price of the technology sector listed on the Indonesia Stock Exchange for the period 2018–2022.

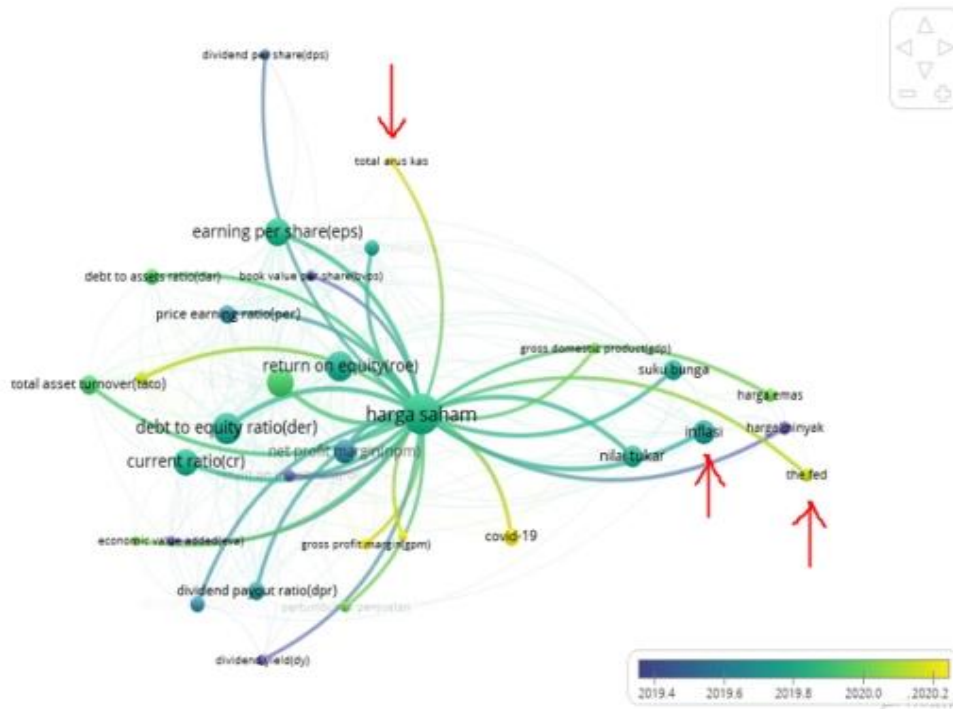


Figure 1. Bibliometric Analysis

2. Theoretical Basis

2.1.1. Capital Market Efficiency Theory

Capital market efficiency theory is defined as the ability of the capital market to correctly and quickly reflect relevant information in security prices. In an efficient market, security prices will reflect all available public information about the company's products, company profits, management quality, future prospects, and also the latest company information that has been disseminated to the public including investors (Pamungkas & Prasetiono, 2018).

2.1.2. Signalling Theory

In 1973, Spance proposed the first theory regarding signal theory. This Signal Theory aims to analyse the condition of a company and provide information about that condition. Signal theory explains why companies need to convey signals to their customers through financial statements in order to understand their financial transactions. These signals include information of various types. One type of information that may be considered sensitive is the collection of information by certain companies. For investors in the capital market, access to comprehensive, reliable, relevant and timely information is very important so that they can make the right investment decisions (Lestari & Purwanto, 2023).

2.1.3. Arbitrage Pricing Theory

According to Tyas, Dharmawan, and Asih argue that the APT (Arbitrage Pricing Theory) model is used to explain the relationship between changes in stock prices and macroeconomic factors. This concept helps understand the impact and causal relationship between stock returns and macroeconomic variables (Mustika *et al.*, 2022).

3. Research Methodology

The research method used is quantitative with a time span starting from 2018 to 2022. The type of research data is panel data, data collection in this study uses documentation, namely from Fred Economic Research Data, Central Bureau of Statistics, company financial reports published on the official website of the Indonesia Stock Exchange at www.idx.co.id, Yahoo Finance website, Investing website and the official website of each technology company in

Indonesia. The research sample consists of 6 (six) technology companies listed on the Indonesian Stock Exchange. The sample technique used was purposive sampling. Data analysis techniques using Eviews 12 (Econometric Views) by conducting Descriptive Statistical Test, Model Selection Test, Classical Assumption Test, Panel Data Regression Equation Test, Hypothesis Test and Determination Coefficient Test.

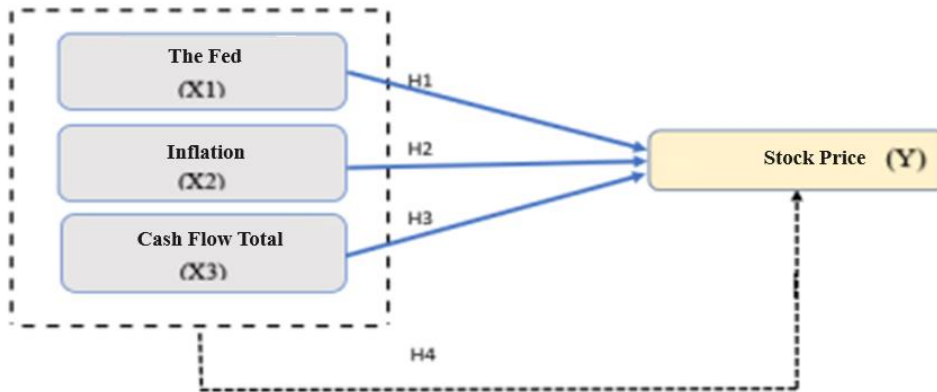


Figure 2. Conceptual Framework

- H1: The Fed affects stock prices
- H2: Inflation affects stock prices
- H3: Total Cash Flow affects stock price
- H4: The Fed, Inflation and Total Cash Flow have a simultaneous effect on stock prices

4. Results and Discussion

4.1. Descriptive Statistics

Table 1. Descriptive Statistics Test Results

	THE_FED_X1	INFLATION_X2	TOTAL_CASH_FLOW_X3	SHARE_PRICE_Y
Mean	0.477466	0.280500	2.12E+11	1645.017
Maximum	1.576125	1.170000	1.19E+12	12900.00
Minimum	-0.343337	-0.270000	52152000	146,0000
Std. Dev.	0.595687	0.356686	2.90E+11	2457.174
Observations	120	120	120	120

The number of observations for all variables is 120 samples. The mean value of The Fed_X1 variable is 0.477466, the maximum value is 1.576125, the minimum value is -0.343337 and the standard deviation value is 0.595687. The mean value of the Inflation_X2 variable is 0.280500, the maximum value is 1.170000, the minimum value is -0.270000 and the standard deviation value is 0.356686. The mean value of the Total Cash Flow_X3 variable is 2.12E+11 or 212474863425.9666, the maximum value is 1.19E+12 or 1190491634939, while the minimum value is 52152000 and the standard deviation value is 2.90E+11 or 289584577544.3957. The mean value of the variable Share Price_Y is 1645.017, the maximum value is 12900.00, the minimum value is 146.0000 and the standard deviation value is 2457.174.

4.2. Panel Data Regression Model

The FEM model test results shown on Table 2.

4.3. Model Selection Test Results

The Chow test results shown on Table 3.

Table 2. FEM Model Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1750.427	256.6966	6.819051	0.0000
THE_FED_X1	-3.804391	306.9068	-0.012396	0.9901
INFLATION_X2	627.4714	508.8323	1.233160	0.2201
TOTAL_CASH_FLOW_X3	-1.32E-09	7.96E-10	-1.653073	0.1011
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	1603.209	R-squared	0.570718	
Mean dependent var	1645.017	Adjusted R-squared	0.539779	
S.D. dependent var	2457.174	S.E. of regression	1666.937	
Akaike info criterion	17.74740	Sum squared resid	3.08E+08	
Schwarz criterion	17.95646	Log likelihood	-1055.844	
Hannan-Quinn criter.	17.83230	F-statistic	18.44640	
Durbin-Watson stat	0.312763	Prob(F-statistic)	0.000000	

Table 3. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	28.820958	(5,111)	0.0000
Cross-section Chi-square	99.857305	5	0.0000

Based on the table 3, it can be seen that the Prob Cross-section value is $0,0000 < 0,05$, so the FEM model was selected (Napitupulu *et al.*, 2021: 136).

Table 4. Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	3	1.0000

* Cross-section test variance is invalid. Hausman statistic set to zero.

Based on the table 4, it can be seen that the Prob value is $1,0000 > 0,05$, so the REM model was selected (Napitupulu *et al.*, 2021: 137). However, if there is a warning stating that the variance in the Hausman test is invalid (Cross section test variance is invalid or Hausman statistic set to zero) that means the Hausman test results are invalid. The invalid Hausman test results means that this research had to re-use the results from the previous test, namely the results of the Chow test. Thus, it can be concluded that the appropriate regression model used in this research is the FEM model (Marlina *et al.*, 2022: 2346).

4.4. Classic Assumption Test Results

The way to overcome data that is not normally distributed is by carrying out data transformation and outlier detection (Savitri *et al.*, 2021: 108; Basuki & Yuliadi, 2014: 81-84). In this case the researcher transformed all variables into

logarithmic form except for The Fed_X1 variable because it has a minus value. Based on the table above, it can be seen that the Probability value is 0,094690 > 0,05, it can be concluded that the data is normally distributed.

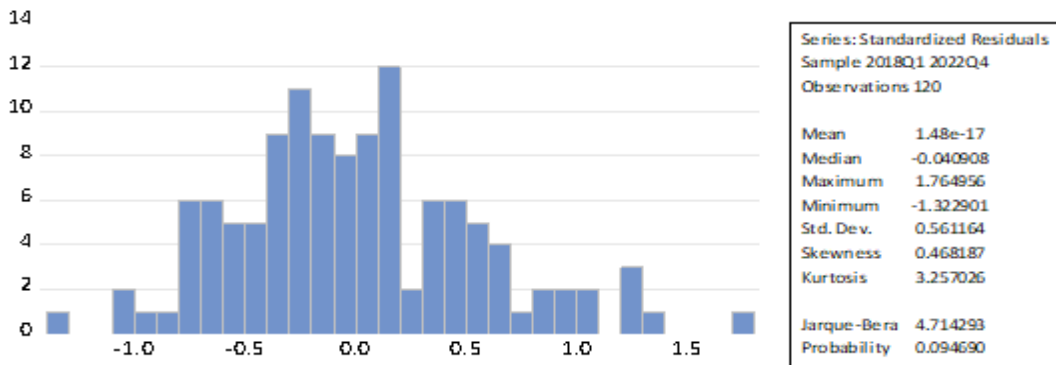


Figure 3. Logarithmic Normality Test Results

4.5. Panel Data Regression Equation

Table 5. Regression Equation Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.687135	1.380109	1.947045	0.0541
THE_FED_X1	0.006091	0.106406	0.057247	0.9545
INFLATION_X2	0.088718	0.180018	0.492829	0.6231
LOG(TOTAL_CASH_FLOW_X3)	0.171389	0.059028	2.903520	0.0045

Effects Specification			
Cross-section fixed (dummy variables)			
Root MSE	0.558821	R-squared	0.739065
Mean dependent var	6.732440	Adjusted R-squared	0.720259
S.D. dependent var	1.098560	S.E. of regression	0.581035
Akaike info criterion	1.824025	Sum squared resid	37.47372
Schwarz criterion	2.033087	Log likelihood	-100.4415
Hannan-Quinn criter.	1.908926	F-statistic	39.29920
Durbin-Watson stat	0.505354	Prob(F-statistic)	0.000000

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

$$Y_{it} = 2.687135 + 0.006091 X_{1it} + 0.088718 X_{2it} + 0.171389 X_{3it} + 0.279741 \epsilon$$

The explanation is as follows (Sugiyanto et al., 2022: 33-34):

- The constant value is 2.687135, meaning that without the variables of The Fed_X1, Inflation_X2, and Total Cash Flow_X3, the Share Price_Y variable would have increased by 2,687135%.
- The beta coefficient value of the The Fed_X1 variable is 0,006091, if the values of the other variables are constant and the X1 variable increases by 1%, then the Stock Price_Y variable will experience an increase of 0,006091%.
- The beta coefficient value of the Inflation_X2 variable is 0.088718, if the values of the other variables are constant and the X2 variable increases by 1%, then the Stock Price_Y variable will experience an increase of 0.088718%.
- The beta coefficient value of the Total Cash Flow_X3 variable is 0.171389, if the values of other variables are constant and X3 variable increases by 1%, then the Share Price_Y variable will experience an increase of 0.171389%.
- The ϵ (error term) value is 0.279741 or 27.9741% (1- Adjusted R Square). This indicates that beside influenced by The Fed_X1, Inflation_X2 and Total Cash Flow_X3, the Stock Price_Y variables it is still influenced by other variables by 27.9741%.

4.6. Hypothesis test

a. The decision making criteria for the T test (Nuryadi et al., 2017: 76) are as follows:

If $t \text{ count} > t \text{ table}$, then H_0 is rejected and If $t \text{ count} < t \text{ table}$, then H_0 is accepted

According to Napitupulu et al. (2021: 105), The t distribution table at the significance level $\alpha = 5\%$ is divided into two, namely 2.5% for a two-sided test, with degrees of freedom (df) $nk-1: 120 - 3 - 1: 116$, where n namely the number of cases and k namely the number of independent variables. In a two-sided test at a significance level of 0.025, the results obtained for the t table are 1.98063.

Table 6. T-test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.687135	1.380109	1.947045	0.0541
THE_FED_X1	0.006091	0.106406	0.057247	0.9545
INFLATION_X2	0.088718	0.180018	0.492829	0.6231
LOG(TOTAL_CASH_FLOW_X3)	0.171389	0.059028	2.903520	0.0045

The influence of the independent variable on the dependent variable partially is as follows:

- (1) The t test results on The Fed_X1 variable obtained a t value of 0.057247 < t table 1.98063. Meaning that The Fed has no effect on the share price of the technology sector listed on the Indonesia Stock Exchange.
- (2) The t test results on the Inflation_X2 variable obtained a t value of 0.492829 < t table 1.98063. Meaning that inflation has no effect on the share price of the technology sector listed on the Indonesia Stock Exchange.
- (3) The t test results on the Total Cash Flow_X3 variable obtained a t value of 2.903520 > t table 1.98063. Meaning that Total Cash Flow affects the share price of the technology sector listed on the Indonesia Stock Exchange.

b. The decision making criteria for the F test (Nuryadi et al., 2017: 76) are as follows:

If $F \text{ count} > F \text{ table}$ then H_0 is rejected and If $F \text{ count} < F \text{ table}$ then H_0 is accepted

The significance level using $\alpha = 5\%$, a significance of 5% or 0,05 is a standard commonly used in research Napitupulu et al. (2021: 103). According to Savitri et al. (2021: 13), the formula for finding F table with the degrees of freedom in the numerator is $k-1 = 4 - 1 = 3$ and the degrees of freedom in the denominator are $nk = 120 - 3 = 117$, where k is the number of variables and according to Nuryadi et al. (2017: 134) n is the amount of data. So, the results obtained for F table are 2.68.

Table 7. F-test Results

R-squared	0.739065
Adjusted R-squared	0.720259
S.E. of regression	0.581035
Sum squared resid	37.47372
Log likelihood	-100.4415
F-statistic	39.29920
Prob(F-statistic)	0.000000

From the table 7, it can be seen that the F count value is 39.29920 > F table 2.68, so H_4 is accepted. It means that The Fed, Inflation, and Total Cash Flow simultaneously influence the price of technology sector shares listed on the Indonesia Stock Exchange in the 2018- 2022.

Table 8. Coefficient of Determination Test Results

R-squared	0.739065
Adjusted R-squared	0.720259
S.E. of regression	0.581035
Sum squared resid	37.47372
Log likelihood	-100.4415
F-statistic	39.29920
Prob(F-statistic)	0.000000

From the table 8, it can be seen that the Adjusted R Square value is 0.720259 or 72.0259%. The coefficient of determination value shows that the independent variables consisting of The Fed_X1, Inflation_X2, Total Cash Flow_X3 are able to explain the variable Stock Price_Y amounting to 72.0259 %, while the remaining 27.9741 % (1 – adjusted R Square value) is explained by other variables not included in this research model (Sihabudin *et al.*, 2021: 65 ; Sugiyanto *et al.*, 2022: 33-34).

4.7. Discussions

4.7.1. The Influence of The Fed on Stock Prices

Based on the results of the partial test (t test), it proves that The Fed variable has no influence on stock prices. Therefore, H1 which states that The Fed has an influence on the share prices of the technology sector listed on the Indonesian Stock Exchange in the 2018-2022 period is rejected. According to Pamungkas & Prasetiono (2018), The Fed's increase in interest rates will not have a significant impact on stock prices in the long term. This happens because investors consider the potential for an increase in The Fed's interest rates, so they tend to consider investing in savings and deposits to be more profitable.

However, after The Fed's official increase in interest rates is determined, investors will return to the capital market because stock prices are declining. Moreover, the lack of influence from The Fed's increase in interest rates was also due to the government's response through Bank Indonesia to maintain business stability by making adjustments to the BI rate and foreign exchange supply. Therefore, an increase in The Fed rate has not had a significant impact on technology sector companies (Kaligis & Soejono, 2020).

The results of this study confirm research conducted by Attallah Al Faruqi *et al.* (2022); Hardiman *et al.* (2019); Kaligis & Soejono (2020); Suyono *et al.* (2022); Yusuf *et al.* (2021), which revealed that The Fed has no influence on stock prices. However, this is contrary to the results of research conducted by Dedy *et al.* (2020); Miyanti & Wiagustini (2018); Pamungkas & Prasetiono (2018); Suanto & Yanuar (2020), which shows the influence of The Fed on stock prices.

4.7.2. The Influence of Inflation on Stock Prices

Based on the results of the partial test (t test), it proves that the inflation variable has no influence on stock prices. Therefore, H2 which states that inflation has an effect on the price of technology sector shares listed on the Indonesian Stock Exchange in the 2018-2022 period is rejected. According to Miyanti & Wiagustini (2018), this indicates that changes in inflation will not affect share prices in the technology sector, either up or down. The stability of inflation that occurred during the observation period is one of the reasons why there is no correlation between inflation and stock prices. So inflation is unable to influence investors' attitudes and decisions in investing.

The results of this research are in line and support research conducted by Dedy *et al.* (2020); Eldomiaty *et al.* (2020); Mahpudin & Batu (2021); Miyanti & Wiagustini (2018); Mustika *et al.* (2022); Natividad (2020); Wibowo & Saragih (2018) which explains that partial inflation has no significant effect on stock prices. However, the results were inversely proportional to those found in research conducted by Agustin *et al.* (2023); Attallah Al Faruqi *et al.* (2022); Hardiman *et al.* (2019); Marsono *et al.* (2018); Yusuf *et al.* (2021) which says that inflation has an influence on stock prices.

4.7.3. The Influence of Total Cash Flow on Stock Prices

Based on the results of the partial test (t test), it proves that the total cash flow variable has a positive influence on stock prices. Therefore, H₃ which states that total cash flow influences the price of technology sector shares listed on the

Indonesian Stock Exchange in the 2018-2022 period is accepted. The results of this research are in line with research conducted by Fiali & Indrati (2022); Purwaningsih & Setiawan (2022); Tunio *et al.* (2020) that total cash flow had a positive influence on stock prices. However, the results of this research are not in line with research conducted by Angraeni & Purwaningsih (2022); Indrawati & Suartini (2021); Silalahi & Sembiring (2020); Siregar & Prabowo (2021); Zuliyana *et al.* (2022) which shows the total cash flow has no effect on share prices.

Furthermore, the results of this research are in line with *Signaling Theory*, which states that this theory reveals that signals or clues about a company's financial performance. This can be seen by investors through its financial reports. This signal is crucial for investors when receiving stock returns (Hidayat & Jubaedah, 2022). Thus, publicly disclosed company reports can serve as a reference for shareholders and as material for consideration in making investments (Mustika *et al.*, 2022). According to Nyale (2020), this indicates that information regarding cash flows has added value for information users, especially in making investment decisions. The cash flow statement provides useful information for investors, which can influence transactions in the stock market and result in significant stock price fluctuations. The quality and completeness of the information contained in the cash flow report also influences the interest of potential investors to invest in the company and has the potential to increase the company's share price (Fiali & Indrati, 2022).

4.7.4. *The Influence of The Fed, Inflation and Total Cash Flow on Stock Prices*

Simultaneous research results (f-test) show that the three variables of The Fed, inflation, and total cash flow have a significant influence on the share prices of the technology sector listed on the Indonesian Stock Exchange in the 2018-2022 period. The monetary policy implemented by The Fed provides important signals to the capital market, which influences investor behavior and stock prices. In addition, the inflation rate is also an important factor that influences share prices because high inflation can reduce people's purchasing power which has an impact on company performance and share prices. Furthermore, a company's total cash flow also plays an important role in determining share prices because good cash flow reflects a company's financial health and future growth potential, which can increase investor confidence and the company's share price. Therefore, investors should consider carefully when making investment decisions.

The results of this research are in line with and support research conducted by Angraeni & Purwaningsih (2022); Attallah Al Faruqi *et al.* (2022); Dedy *et al.* (2020); Fiali & Indrati (2022); Hardiman *et al.* (2019); Indrawati & Suartini (2021); Mahpudin & Batu (2021); Marsono *et al.* (2018); Miyanti & Wiagustini (2018), Purwaningsih & Setiawan (2022); Silalahi & Sembiring (2020); Suanto & Yanuar (2020); Wibowo & Saragih (2018); Yusuf *et al.* (2021); Zuliyana *et al.* (2022) who in their research found that The Fed, inflation, and total cash flow had a positive influence on stock prices.

5. Conclusion

Based on the research findings that have been carried out previously, the conclusion that can be drawn is that The Fed's interest rate hike has no impact on the technology sector's share price because investors prefer to invest in savings and deposits. The stability of inflation during the observation period so that it does not affect stock prices. Total Cash Flow affects stock prices in accordance with Signaling Theory which states that financial reports provide signals about the company's financial performance to investors. The Fed, inflation and Total Cash Flow affect stock prices together because the monetary policy implemented by The Fed affects market liquidity and investor sentiment, the inflation rate affects people's purchasing power and company performance then Total Cash Flow reflects the company's financial condition which has an impact on investor perceptions of stock prices.

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