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The Effect of Interest Rates and Financial Performance on Stock Prices with Inflation as a Moderating Variable (Stocks Listed on the Jakarta Islamic Index Period 2014-2023)

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Abstract

The purpose of this study was to determine the partial and simultaneous effect of interest rate variables and financial performance on stock prices and also to determine the inflation variable moderating the effect of interest rates and financial performance on stock prices (Stocks Listed on the Jakarta Islamic Index Period 2014-2023). This research uses a quantitative approach. The population in this study were 30 JII companies. The sampling technique used was purposive sampling, so as to get a sample of 10 companies. The data used is panel data. The data analysis method used in this research is multiple linear regression analysis and moderating regression analysis (MRA). The variables used in this study are Interest Rates, Earning Per Share (EPS), Debt Equity Ratio (DER), Inflation and Stock Prices. The results showed that partially interest rates and DER had no significant effect on stock prices. While EPS has a significant effect on stock prices. Simultaneously interest rates, EPS and DER have a significant effect on stock prices. In the moderation test (MRA), partially Inflation is not able to moderate interest rates, EPS and DER on stock prices. While simultaneously Inflation is able to moderate interest rates, EPS and DER on stock prices.

Keywords: interest rate, earning per share (EPS), debt equity ratio (DER), inflation, stock price

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1. Introduction

Indonesia's Islamic capital market is growing rapidly, transforming into an important part of a long term funding source. Even through one of its indices we can know the development of the country's economy, this is because the capital market is a reflection of the country's economy. The level of volatility that occurs in the capital market is a reflection of the country's economy. This level of volatility is quite high due to the influence of two factors, namely micro and macro factors. Micro volatility in the capital market is influenced by the financial performance of issuers as reflected in their key performance indicators. While in the macro scope, the volatility is more caused by interest rates, inflation, etc (Maringka, 2024).

Basically, investing is allocating a certain amount of funds in the present with the aim of earning profits in the future. An investor buys stocks today in the hope of benefiting from increased stock prices or dividends in the future, in return for the time and risk they put into the investment (Yulia, 2019).

In the stock market, there are two factors that affect stock prices: internal factors and external factors. Internal factors, where the share price is influenced by the seller or company that manages the company both economically and financially. In this case, it is in the form of financial performance reflected in financial ratio indicators such as profitability and solvency as measured by the Earning Per Share (EPS) and Debt to Equity Ratio (DER) ratios (Maulani, 2021). External factors are aspects related to the economy of a country such as the price of a stock. interest rates and inflation, for example, can have an influence on stock prices in Indonesia. Stock prices can experience changes, both increases and decreases in a matter of minutes or seconds. This may occur because it depends on the demand or supply between sellers and buyers of shares. Stock price is one of the indicators of company management.

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The success achieved in making a profit can provide a positive signal and provide satisfaction for rational investors (Rachmawati, 2019).

Stock prices can reflect the value of a company. If a company shows good performance or achievement, its shares will be in demand by many investors. Good performance or achievement can be seen in the financial statements published by the company (issuer). Issuers are obliged to publish financial reports for a certain period. This report is very important for investors in making investment decisions, such as buying, selling, or investing in shares (Arbaningrum, 2021).

A decrease in stock price will reduce the company's value which can affect the company's financial performance, where good financial performance can increase company value. This can attract capital owners to invest so that there will be an increase in stock prices. In making an investment, investors need to consider various information from the company, namely financial performance such as profitability ratios and solvency ratios. If the financial performance is good, the company's value will be good, so that the company is appreciated by the market due to an increase in its share price (Bhegawati, 2023).

Table 1. Interest Rate, EPS, DER, Inflation and Stock Price Data UNVR, INDF and TLKM 2018-2023

Emiten	Years	Inflation	Interest Rate	EPS	DER	Stock price
UNVR	2018	3.20%	5.10%	1193	1.6	9338
	2019	3.03%	5.63%	968	3.0	9148
	2020	2.04%	4.25%	187	3.2	7798
	2021	1.56%	352%	150	3.0	5211
	2022	4.21%	4.00%	140	3.6	4403
	2023	3.35%	5.81%	125	3.9	4037
INDF	2018	3.20%	5.10%	474	1.4	6823
	2019	3.03%	5.63%	558	1.1	7338
	2020	2.04%	4.25%	735	2.0	6804
	2021	1.56%	3.52%	870	2.0	6277
	2022	4.21%	4.00%	724	1.6	6425
	2023	3.35%	5.81%	927	1.5	6740
TLKM	2018	3.20%	5.10%	182	0.9	3723
	2019	3.03%	5.63%	188	1.0	4051
	2020	2.04%	4.25%	210	1.0	3148
	2021	1.56%	3.52%	249	1.1	3498
	2022	4.21%	4.00%	209	1.0	4289
	2023	3.35%	5.81%	247	1.0	3873

Based on the data in the Table 1, it shows that interest rates, inflation, EPS, DER and stock prices have increased and decreased (fluctuations) in 2018-2023. Where interest rates experienced an increase in 2019 and a significant decrease in 2021. Furthermore, inflation has decreased from 2018 to 2021 and a significant increase in 2022. Meanwhile, EPS and DER in the three companies experienced ups and downs (fluctuations) from 2018 to 2023.

Research conducted by Rachmawati using interest rate variables on stock prices found that the effect of interest rates on stock prices was not significant(Maulani, 2021). The study shows that the interest rate variable has the opposite effect on stock prices. If interest rates increase, then stock prices tend to decrease due to investors withdrawing funds from the capital market and choosing to invest in savings or deposits. It is inversely proportional to Mahendra's research that the SBI interest rate has no significant effect on the Composite Stock Price Index variable in Indonesia(Apriyanti, 2018).

According to Denia Maulani's research, the EPS variable has a positive and significant effect on stock prices. The higher the EPS value of a company, the more attractive it is to investors, thus the company's share price will increase.

According to Priska, et al (Maulani, 2021) and Budi Gautama (Efendi, 2017)stock prices are influenced by the DER variable but are not statistically significant. The lower the DER value, the better the condition of the company, so that it becomes an attraction for investors to invest in the company, which in turn can increase the share price.

The results of research conducted by Fatchurrochim where the inflation variable can weaken the bond between the interest rate variable and the Islamic stock price variable. According to Fidayanti, et al the inflation variable can moderate EPS on stock prices (Iqbal, 2017)then according to Budi Gautama, the inflation variable can also moderate the effect of the DER variable on stock prices in various industrial sector manufacturing companies.

Inflation has good or bad effects depending on whether it is significant or not. Low inflation benefits the economy by increasing national income and motivating individuals to work, save and invest. On the other hand, if it has a negative effect during severe inflation, it can lead to uncontrollable inflation, resulting in an unstable economy and sluggish economic activity(Kasmir, 2014).

So based on this background, researchers are interested in examining the effect of interest rates and financial performance on stock prices with inflation as a moderating variable (stocks listed on the Jakarta Islamic Index for the period 2014-2023).

2. Literature Review

2.1. Islamic Capital Market

The capital market includes various activities such as public offerings, securities trading, and the issuance of securities by public companies, all of which are governed by regulations outlined in Capital Market Law Number 8 of 1995. The securities include various types such as debt recognition, commercial paper, stocks, sukuk (bonds), debt certificates, mutual funds, deposoito (securities futures contracts), and their derivatives(Zulfa, 2022).

Therefore, the capital market as a whole is a place where buyers and sellers meet to conduct transactions aimed at obtaining capital or funds. Companies that need capital (issuers) that seek to sell securities in the capital market are called sellers. Conversely, parties who want to buy capital in a business that is believed to be profitable are called buyers or investors(Maringka, 2024).

Meanwhile, the Islamic capital market is basically a capital market that applies sharia principles in the implementation of financial activities, which prohibits practices such as usury, speculation, betting, and others that are prohibited according to sharia principles(Mahendra, 2022).

2.2. Islamic Stock

Shares are a proof or token of ownership of a share of capital in a limited company and as such, the owner of the shares is the owner of the company. The more shares he owns, the more power he has in the company. Profits earned from shares are known as dividends. Dividend distribution is determined at the closing of the financial statements based on the GMS (General Meeting of Shareholders), it is determined how much dividends are divided and retained earnings(Liadi, 2022).

Meanwhile, sharia shares are certificates that show ownership of a company and are issued by issuers whose business practices and management strategies do not violate sharia law. such as gambling, usury, producing prohibited goods such as alcoholic beverages(Maulani, 2021).

2.3. Stock Price

Stock prices are prices formed in the stock exchange market as a result of the interaction between supply and demand for shares. The supply and demand for shares in the market is influenced by various factors, both company fundamentals and macro factors. Fundamental factors, such as company performance and the level of profit that the company is able to obtain, while macro factors, include interest rates, inflation, changes in currency exchange rates, political situations, and other factors(Yulia, 2019).

The share price shows the value of a company's performance. The higher the share price value will show a good achievement, the more achievements the company has, the more the company's shares are in demand by investors. The good performance of a company can be seen from the financial statements published by the company. Stock price is a factor that makes investors invest their funds in the capital market because it can reflect the rate of return on capital. In principle, investors buy shares to get dividends and sell the shares at a higher price (capital gain)(Siregar, 2020).

2.4. Interest Rate

The interest rate is the return received by the creditor from lending funds to the debtor. Islam classifies the interest rate charged in the money lending system as riba nasi'ah. Usury of nasi'ah is a form of usury that "refers to the additional time given on a loan by providing additional or more value". Usury on loans is strictly forbidden in Islam because the system uses interest that can double if it is late in payment. Such a system will be very detrimental to people who make loans(Jumingan, 2017).

Interest rates are one of the factors that can affect stock prices. This mechanism occurs because interest rates can affect deposit interest rates, which are one of the considerations of investors in making decisions regarding investment or placement of their capital in stocks.

If the interest rate that has been set increases, then investors will get higher returns on the deposit interest rates that have been placed by investors where investors will direct their capital in the form of deposits rather than investing in stocks. This will result in a decrease in capital market investment activity, which in turn will lead to a weakening of stocks in the capital market.

2.5. Financial Performance

The financial performance of a company is basically the result of managing available resources, which is reflected in its financial statements. Indicators of capital adequacy, liquidity, and profitability are usually used to measure financial performance, which is a description of the financial condition of a company during a certain period of time, both related to aspects of raising funds and channeling funds. The financial performance of a company is a reflection of the health level of its business over a certain period of time.

In general, there are several types of financial ratios used in analyzing financial statements, but in this study only use profitability ratios proxied by Earning Per Share (EPS) and solvency ratios proxied by Debt Equity Ratio (DER).

Earning Per Share (EPS) serves to show how much net income per share can be distributed to each shareholder of the company. An increase in EPS indicates that the company has succeeded in increasing profits per share, which can increase investor confidence and encourage them to increase the capital they invest in the company. Ultimately, an increase in demand for shares can push up the stock price. On the other hand, a low EPS may indicate that the company is failing to deliver the benefits expected by shareholders.

Debt Equity Ratio (DER) is a ratio used to measure the company's level of risk by showing the amount of capital provided in terms of meeting obligations. Companies with low DER values are usually favored by investors or debtors because the assets of capital owners are protected in the event of a loss. The amount of debt that must be repaid by the business within a certain period of time is proportional to the DER value. Therefore, companies that have a small DER value will find it easier to obtain financing from other capital owners. In addition, a low DER value indicates that the business has low debt obligations. Thus, it will be more productive for funders who need to contribute.

2.6. Inflation

Inflation is a condition when the prices of goods/services in general experience a continuous increase that can reduce the value of currency in the local country. Every country always makes efforts with various policies issued, so that inflation that occurs in the country is at a normal limit. Inflation that always fluctuates results in uncertainty for the welfare of the community and a decrease in people's purchasing power for goods and services.

The inflation rate can have a positive or negative impact depending on the level of inflation that occurs. High inflation causes people's purchasing power to fall and encourages recession and pushes up interest rates. High inflation can be detrimental to the economy as a whole as it has the potential to cause many companies to experience difficulties and even bankruptcy. The impact on the stock market can also be significant, given the negative relationship between high inflation and stock returns.

While in the view of the Islamic perspective shows that the theory of inflation according to al maqrizi is a natural phenomenon that befalls the lives of all people throughout the world since ancient times until now. According to him, inflation occurs because prices generally increase and last continuously. At this time, the supply of goods and services is scarce and consumers, because they really need it they (consumers) have to spend more money for the same amount of goods and services.

3. Research Method and Materials

This research uses quantitative methods. Quantitative research is a research approach that uses a lot of numbers, starting from data collection, interpretation of the data, and the appearance of the results.

The research was conducted on companies or issuers incorporated in the Jakarta Islamic Index (JII) and listed on the Indonesia Stock Exchange (IDX). Research data is sourced indirectly from the financial statements of each issuer through the Neo Hots Mobile application provided by PT Mirae Asset Sekuritas Indonesia and the website www.bi.go.id.

According to Sugiyono, population is a generalization domain consisting of objects and subjects that have certain qualities and characteristics set by researchers to study and from which conclusions are drawn. In this study, the population was 30 companies listed on the Jakarta Islamic Index (JII)(Rahmani, 2016)

To obtain a representative sample and meet the specified criteria, the sampling strategy used in this study is a purposive sampling strategy, so that the sample used amounts to 10 companies.

In this study there is 1 dependent variable, namely Stock Price (Y) and 3 independent variables, namely Interest Rate (X1), EPS (X2), DER (X3) and also a moderating variable, namely Inflation (M).

This study uses panel data regression analysis which combines time series data and cross section data. Panel data is a regression analysis tool that allows data collection from various times and the same object simultaneously. Cross section data includes several objects, while time series only includes one object and has several time periods. In conclusion, panel data is a combination of cross section data and time series data.

Panel data analysis techniques in this study can be carried out using the common effect, fixed effect and random effect methods, while the way to determine which method is more appropriate to use in this study is to use the Chow Test, Hausman Test and Langrange Multiplier (LM) Test. Furthermore, hypothesis testing, such as the coefficient of determination test, t test (partial), f test (simultaneous) and moderated regression analysis (MRA) test.

4. Results and Discussion

4.1. Panel Data Regression Analysis

4.1.1. Chow Test

The Chow test is conducted to see which model is better to use, either the common effect test or the fixed effect test. The Chow test results show which model is more suitable. The chow test results obtained shown on Figure 1.

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

Effects Test	Statistic	d.f.	Prob.
Cross-section F	42.345847	(9,86)	0.0000
Cross-section Chi-square	169.222309	9	0.0000

Figure 1. Chow Test Results

Based on the Figure 1, the probability value of F is 0.0000 or smaller than 5% (0.05), which means that H0 is rejected and H1 is accepted, so the right model to use is the fixed effect model.

4.1.2. Hausman Test

The Hausman test is used to determine the most appropriate analysis model, either the random effects model or the fixed effects model. The Hausman test results are presented on Figure 2.

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	4	1.0000

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

Figure 2. Hausman Test Results

Based on the Figure 2, the Probability Chi Square value obtained from calculations performed in EViews is 1.0000, exceeding the threshold of 5% (0.05). This result indicates that the null hypothesis (H0) is accepted while the alternative hypothesis (H1) is rejected, thus indicating that the Random Effect model is the most suitable for analysis.

If there is a difference between the results of the Chow test and the Hausman test for the Fixed Effect and Random Effect models, then the next step is to perform the Lagrange Multiplier (LM) test to ensure the optimal model, whether Random Effect or Common Effect model.

4.1.3. Lagrange Multiplier (LM) Test

The Lagrange Multiplier (LM) test is used to ensure the optimal model, whether Random Effect or Common Effect Model. The Lagrange Multiplier (LM) test results obtained shown on Figure 3.

Null (no rand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	217.7794	4.016693	221.7961
	(0.0000)	(0.0451)	(0.0000)
Honda	14.75735	-2.004169	9.017862
	(0.0000)	(0.9775)	(0.0000)
King-Wu	14.75735	-2.004169	9.017862
	(0.0000)	(0.9775)	(0.0000)
SLM	16.96920	-1.562784	--
	(0.0000)	(0.9409)	--
GHM	--	--	217.7794
	--	--	(0.0000)

Figure 3. Lagrange Multiplier (LM) Test Results

Based on the Figure 3, the breusch-Pagan test yields a cross-sectional probability value of 0.0000 in the Eviews analysis, which indicates statistical significance at the 5% level. Thus, the Random Effects model is considered appropriate for this study.

4.2. Assumption classical Test

4.2.1. Normality Test

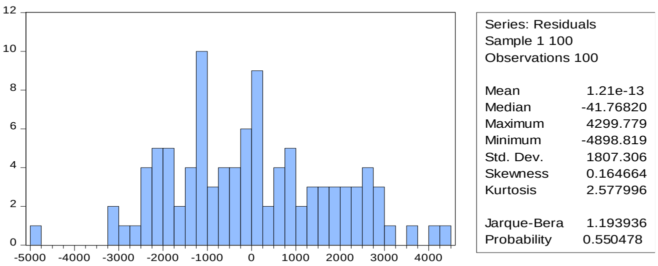

Figure 4. Probability Jarque-Bera Value

Based on the Figure 4, it shows that the Probability Jarque-Bera value is 0.550478 or greater than 0.05, meaning that it can be concluded that the variable data used in this study are normally distributed.

4.2.2. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	796165.4	23.38990	NA
X1	6.10E+08	55.25241	3.096507
X2	0.428243	1.669975	1.009004
X3	29050.16	2.517993	1.008341
M	4.57E+08	21.99743	3.091661

Figure 5. Multicollinearity Test Results

The data in the Figure 5, shows that the VIF value of each variable is below the threshold of 10, thus indicating that there is no multicollinearity in the data.

4.2.3. Autocorrelation Test

Weighted Statistics

R-squared	0.279429	Mean dependent var	457.7173
Adjusted R-squared	0.249089	S.D. dependent var	971.6878
S.E. of regression	842.0173	Sum squared resid	67354342
F-statistic	9.209963	Durbin-Watson stat	0.696583
Prob(F-statistic)	0.000002		

Figure 6. Autocorrelation Test Results

The Durbin-Watson statistic recorded in Figure 6, provided is 0.696583. This numerical value falls outside the critical range of 1.54 to 2.46, as well as the range of 0 to 1.10, and is not greater than 2.90. Therefore, based on the Durbin-Watson statistic alone, it cannot be concluded whether there is autocorrelation or the absence of autocorrelation.

4.2.4. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.953483	Prob. F (4,95)	0.1079
Obs*R-squared	7.600071	Prob. Chi-Square (4)	0.1074
Scaled explained SS	5.411787	Prob. Chi-Square (4)	0.2476

Figure 7. HeterokedastisitasTest Results

Based on the Figure 7 that the value of Prob. Chi Square Breusch-Pagan-Godfrey 0.1074 or greater than α value (0.05), it can be concluded that the data used does not experience heteroscedasticity problems.

4.3. Hypothesis Test Results

4.3.1. Determination Coefficient (R^2) Test

Weighted Statistics

R-squared	0.279429	Mean dependent var	457.7173
Adjusted R-squared	0.249089	S.D. dependent var	971.6878
S.E. of regression	842.0173	Sum squared resid	67354342
F-statistic	9.209963	Durbin-Watson stat	0.696583
Prob(F-statistic)	0.000002		

Figure 8. Determination Coefficient (R^2) Test Results

The findings presented in the Figure 8 show that the Adjusted R-squared (R2) value is 0.249089. This indicates that about 25% of the variance in stock prices is due to interest rates, Earning Per Share (EPS), and Debt Equity Ratio (DER), while the remaining 75% is explained by factors not included in the current regression model.

4.3.2. Partial Test (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1889.795	742.5297	2.545076	0.0125
X1	-2277.235	11169.52	-0.203879	0.8389
X2	2.741699	0.449929	6.093624	0.0000
X3	286.3279	179.9408	1.591233	0.1149
M	5942.455	9652.056	0.615667	0.5396

Figure 9. Partial Test Results (t Test)

Based on the Figure 9, it can be interpreted that the Interest Rate produces a probability value of 0.8389. These results indicate a probability > 0.05, significant level. So it can be concluded that partially Interest Rates have no significant effect on Stock Prices.

Earning Per Share (EPS) produces a probability value of 0.0000. These results indicate a probability < 0.05, significant level. So it can be concluded that partially EPS has a significant effect on Stock Prices.

Debt Equity Ratio (DER) produces a probability value of 0.1149. These results indicate a probability> 0.05, significant level. So it can be concluded that partially DER has no significant effect on Stock Price.

4.3.3. Simultan Test (F Test)

Weighted Statistics

R-squared	0.279429	Mean dependent var	457.7173
Adjusted R-squared	0.249089	S.D. dependent var	971.6878
S.E. of regression	842.0173	Sum squared resid	67354342
F-statistic	9.209963	Durbin-Watson stat	0.696583
Prob(F-statistic)	0.000002		

Figure 10. Simultan Test Results (F Test)

Based on the Figure 10, the probability value of the F statistic is 0.000002. The test results show the probability < 0.05, significant level. This means that Interest Rates, Earning Per Share (EPS) and Debt Equity Ratio (DER) simultaneously have a significant effect on Stock Prices.

4.4. Moderating Regression Analysis (MRA) Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1136.297	1238.029	0.917828	0.3611
X1	14807.68	19922.17	0.743277	0.4592
X2	3.914380	0.964642	4.057859	0.0001
X3	-13.46288	256.6541	-0.052455	0.9583
M	26674.23	27133.35	0.983079	0.3281
X1M	-424831.2	396917.6	-1.070326	0.2873
X2M	-34.94724	24.13363	-1.448072	0.1510
X3M	8326.342	5357.836	1.554050	0.1236
Effects Specification				
			S.D.	Rho
Cross-section random			1833.432	0.8330
Idiosyncratic random			820.8673	0.1670

Figure 11. Moderating Regression Analysis (MRA) Test Results

Based on the Figure 11, it can be interpreted that the Interest Rate Interaction with Inflation produces a probability value of 0.2873. These results indicate a probability> 0.05, significant level. So it can be concluded that Inflation does not moderate the effect of interest rates on stock prices.

The interaction of Earning Per Share (EPS) with Inflation produces a probability value of 0.1510. These results indicate a probability> 0.05, significant level. So it can be concluded that Inflation does not moderate the effect of EPS on Stock Prices.

The interaction of Debt Equity Ratio (DER) with Inflation produces a probability value of 0.1236. These results indicate a probability > a significant level of 0.05. So it can be concluded that Inflation does not moderate the effect of DER on Stock Price.

4.5. Discussion

4.5.1. Effect of Interest Rate on Stock Price

The results of the partial test (t test) that have been carried out show that the Interest Rate produces a probability value of 0.8389. These results indicate a probability> significant level of 0.05. So it can be concluded that partially the Interest Rate has no significant effect on the Share Price of Companies listed on the JII. The results of this study are in line with the research of (Arbaningrum, 2021), the study show that Interest Rates have no significant effect on Stock Prices. It can be concluded that the companies sampled have an interest rate value that has no influence on the share price, meaning that the rise and fall of interest rates has no impact on rising or falling stock prices.

It can also be concluded that the type of investor in Indonesia is the type who invests in the short term, so they do not consider the rise or fall of interest rates and only hope to benefit from the difference between the selling price and the purchase price of shares (capital gain) which is higher.

4.5.2. The Effect of Earning Per Share (EPS) on Stock Price

The results of the partial test (t test) that have been carried out show that Earning Per Share (EPS) produces a probability value of 0.0000. These results indicate a probability <0.05, significant level. So it can be concluded that partially EPS has a significant effect on the Share Price of companies listed on the JII. The results of this study are in line with the research of (Maulani, 2021), the results show that the EPS variable has a significant effect on stock prices. And also in line with (Maringka, 2024), the results show that the EPS variable has a significant effect on stock prices. It can be concluded that the company that is the sample has an EPS value that has an influence on the stock price, meaning that the ups and downs of EPS have an impact on the increase or decrease in stock prices.

EPS is a financial ratio that measures the amount of net income earned per share outstanding. If a company has a high EPS value, the company can provide benefits to shareholders, thereby increasing investor confidence to invest in the company. The increased demand for shares will make the share price also increase. So it can be said that EPS has a relationship with stock prices.

4.5.3. Effect of Debt Equity Ratio (DER) on Stock Price

The results of the partial test (t test) that have been carried out show that the Debt Equity Ratio (DER) produces a probability value of 0.1149. These results indicate a probability> significant level of 0.05. So it can be concluded that partially DER has no significant effect on the Share Price of companies listed in the JII. The results of this study are in line with the research of Siregar (Siregar, 2020), the results show that the DER variable has no significant effect on stock prices. It can be concluded that the companies that were sampled had a DER value that had no effect on the share price, meaning that the rise and fall of DER had no impact on the increase or decrease in stock prices. This is also because investors investing in these companies do not consider the use of debt contained in the DER element. A high DER value can be a negative signal for investors. The company is considered to have difficulty in paying its obligations. So that a high DER value can cause investors to withdraw their funds. But there is a possibility that high DER is used to expand and increase profits many times over, so that for the long term.

4.5.4. The Effect of Interest Rates, Earning Per Share (EPS) and Debt Equity Ratio (DER) on Stock Prices

The results of the F statistical test that have been carried out show that the probability value of the F statistic is 0.000002. The test results show the probability <0.05, significant level. This means that Interest Rates, Earning Per Share (EPS) and Debt Equity Ratio (DER) simultaneously have a significant effect on the Stock Prices of Companies listed on the JII. The results of this study are in line with the research of (Maulani, 2021), the results show that the variables of interest rates, EPS and DER have a significant effect on stock prices. It can be concluded that the variables used in this study, namely Interest Rates, EPS and DER owned by companies listed on the JII which are sampled, have a simultaneous influence on stock prices. This means that the rise and fall of these variables will simultaneously have an impact on stock prices.

4.5.5. The Role of Inflation in Moderating Interest Rate Earning Per Share (EPS) and Debt Equity Ratio (DER) on Stock Price

The results of the Moderated Regression Analysis (MRA) Test that have been carried out show that the Interest Rate Interaction with Inflation produces a probability value of 0.2873. These results indicate a probability> 0.05, significant level. So it can be concluded that Inflation does not moderate the effect of interest rates on the share prices of companies listed in the JII. The results of this study are in line with the research of (Mahendra, 2022) show that the inflation variable is unable to moderate the relationship between interest rates and the Composite Stock Price Index in Indonesia. It can be concluded that the rise and fall of Inflation cannot strengthen or weaken (moderation) the relationship between interest rates and stock prices.

The results of the Moderated Regression Analysis (MRA) test that have been carried out show that the interaction of Earning Per Share (EPS) with Inflation produces a probability value of 0.1510. These results indicate a probability> 0.05, significant level. So it can be concluded that Inflation does not moderate the effect of EPS on the share price of companies listed in the JII. The results of this study are in line with the research of (Liadi, 2022), the study show that the inflation variable is unable to moderate the relationship between EPS and Stock Price in companies listed in LQ45. It can be concluded that the rise and fall of Inflation cannot strengthen or weaken (moderation) the relationship between EPS and stock prices.

The results of the Moderated Regression Analysis (MRA) test that have been carried out show that the Debt Equity Ratio (DER) interaction with Inflation produces a probability value of 0.1236. These results indicate a probability> 0.05, significant level. So it can be concluded that Inflation does not moderate the effect of DER on the share price of companies listed in the JII. The results of this study are in line with (Siregar, 2020), the study show that the inflation variable is unable to moderate the relationship between DER and Stock Prices listed on the IDX. It can be concluded that the rise and fall of Inflation cannot strengthen or weaken (moderation) the relationship between DER and stock prices. This can also occur because of the good performance of management in managing the company's operations and obligations so that when there is an increase in inflation, the company can still survive.

5. Conclusion

Based on the results of research and discussion that has been carried out in this study which aims to determine the partial and simultaneous influence of interest rate variables and financial performance on stock prices and also to determine the inflation variable moderating the effect of interest rates and financial performance on stock prices (stocks listed on the Jakarta Islamic Index period 2014-2023). Then the researchers took some conclusions are: (1) Interest rates have no significant effect on stock prices in companies listed on the JII. (2) Earning Per Share (EPS) has a significant effect on Stock Prices in companies listed on the JII. (3) Debt Equity Ratio (DER) has no significant effect on Stock Prices of Companies listed on the JII. (4) Interest Rate, Earning Per Share (EPS) and Debt Equity Ratio (DER) simultaneously have a significant effect on Stock Prices of Companies listed on the JII. (5) Then, it was found that Inflation could not moderate the effect of Interest Rate, Earning Per Share (EPS) and Debt Equity Ratio (DER) on Stock Prices in Companies listed on the JII.

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