

LONG-TERM ANALYSIS BANKING SHARE PRICE: APPLICATION OF DATA PANEL REGRESSION MODEL

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Abstract

The objective of this research is to estimate and analyze the factors that the banking stock price listed in Indonesia Stock Exchange during 2006-2016 period using panel data regression method with eleven banks selected as research sample. The results showed that the variable NIM, CAR, LDR, ROA, SBI significantly affect the movement of banking stock prices. Of the variables that influence significantly, the LDR ratio variable is the most dominant variable of influence, while the NIM ratio variable is the least influence variable. All independent variables consisting of; NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rates simultaneously affect the banking stock price significantly.

Keywords: Bank, share price, data panel

CAR, NPL, ROA, BOPO, LDR, SBI, Inflation, exchange rate

Introduction

The banking industry is one of the industries that play an important role in the development of the national economy. The important role is because the banking industry becomes an indispensable sector in supporting all economic activities through its function as an intermediary institution that is useful to channel funds from parties - parties who have excess funds to the parties who need funds (Endri, 2012). In addition, the banking industry is one of the sectors that play an important role in the Indonesian capital market (Suharyadi dan Sumarto, 2017). Based on empirical data proves that the capital and banking market are two elements that play an important role in the financial system and macro economy of a country because the banking industry has a total trading of shares listed on the stock of Indonesia is large enough in the period 2006-2016 that is 19% with all industries in Indonesia's capital market or second place compared to other sectors. In 2016, total stock trading in the growth sector reached Rp. 305.778 trillion, the largest compared to other sectors. This condition indicates that banking sector shares become attractive for investors to invest.

An interesting phenomenon is also expressed from the stock price development data of 11 banks that have been listed on the Indonesian stock exchanges since 2006. During the period 2006 to 2016, shows the tendency of stock prices to increase from year to year, although there are fluctuations during the period. For example, BCA bank's share price has increased from Rp. 3,783 per-sheet in 2005 to Rp. 13,300 per-sheet in 2016. Bank Mandiri shares of Rp. 3,385 per-sheet in 2006 to Rp. 9,250 per share in 2016. The increasing trend of banking stock prices is a reflection of the improvement in banking performance and macroeconomic indicators of the national economy that are getting better from year to year.

Table. 1 The development of stock prices of banking companies listed on the Indonesia Stock Exchange (IDX) during the period 2006-2015 (in Rupiah)

No	Bank	Stock Price (Year)										
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Bank Rakyat Indonesia Tbk	6,277	5,510	6,192	4,352	2,856	9,292	6,158	6,846	8,075	10,377	11,425
2	Bank Central Asia Tbk	3,783	3,052	5,940	4,390	3,346	5,852	7,421	7,979	10,192	11,556	13,300
3	Bank Negara Indonesia Tbk	1,466	1,098	1,954	1,464	1,451	2,826	3,873	3,823	4,433	5,190	4,990
4	Bank Danamon Indonesia Tbk	3,850	5,019	7,157	4,924	4,444	5,403	5,386	5,492	5,167	4,135	3,200
5	Bank Kesawan Tbk	173	143	119	97	81	207	451	438	404	367	290
6	Bank Mandiri Persero Tbk	3,385	2,593	3,112	2,053	1,549	5,789	6,775	7,508	8,863	9,944	9,250
7	Bank CIMB Niaga Tbk	615	718	840	646	435	1,162	1,557	1,173	1,155	960	595
8	Bank International Indonesia Tbk	354	397	207	179	165	363	525	422	351	285	171
9	Bank Permata Tbk	555	674	786	648	587	1,358	1,570	1,387	1,494	1,391	945
10	Bank Victoria	104	91	128	73	73	124	132	126	129	124	105

International Bank Tbk													
11 Indonesia Tbk	663	680	648	478	459	1,04 9	920	765	721	915	820		

Source: Indonesia Stock Exchange (processed data)

Based on Table 1 above can be seen that in the period of 11 years with the period 2006 - 2016, the stock price of banking companies listed on the Indonesian stock exchange (BEI) fluctuated from year to year. Stock price fluctuations occur due to the demand and supply of different stocks. Demand and supply are influenced by many factors, both internal, banking, and external factors in terms of banking specific factors and macroeconomic variables such as; economic growth, interest rate, inflation, exchange rate and non-economic factors such as social and political conditions, and other factors (Darmadji and Fakhrudin, 2006).

One of the most commonly used analytics as a basis for investors or potential investors to assess a company's performance is through profitability ratio analysis. Often the ratio of profitability used as one measure in the purchase of shares becomes interesting to detect how much influence rentability ratio to changes in stock prices of banks listed on the stock exchanges of Indonesia. Profitability is the company's ability to make a profit. The profitability ratios often used to measure the profitability in the banking industry are ROA (Return On Assets) and BOPO (Operating Costs Compared to Operating Income). There are also some financial ratios that need to be considered for analysis known as CAMELS method, namely Capital (C), Asset Quality (A), Management (M), Earning (E), Liquidity (L), and Sensitivity to Market Risk (S) (Harmano, 2012). In capital aspect, Capital Adequacy Ratio (CAR) ratio is used to measure the capital coverage owned by a bank in supporting risk-bearing assets including in solvency ratio (capital adequacy). Assets Quality Aspect may include Non Performing Loan (NPL) ratio to measure productive quality problem with productive assets. Aspects of Profitability (Earning) may include Net Interest Margin (NIM), which is obtained by comparing net interest income with average earning assets. Next is the aspect of Liquidity (Liquidity) which includes Loan to Deposit Ratio (LDR) that measures the ratio of credit to third party funds. The following is the average value calculation data on the ratios used are:

Tabel 2 Calculation of Average Value of Financial Performance of Banking Companies for the Period of 2006-2016

Rasio	Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NIM	5.98	6.15	6.25	6.23	6.28	6.16	5.84	5.84	5.44	5.26	5.39
CAR	19.31	19.75	17.28	15.76	15.49	13.92	17.78	16.95	15.91	16.35	18.21
NPL	8.05	6.24	4.07	3.23	3.46	2.96	2.31	1.75	1.46	1.99	2.75
LDR	60.27	65.37	71.59	73.76	73.16	73.68	79.11	83.60	88.41	86.95	90.43
BOPO	69.19	67.66	67.62	76.39	75.26	85.67	74.24	72.21	76.94	80.74	84.95
ROA	2.05	2.02	2.15	1.75	1.83	2.21	2.41	2.67	2.56	2.17	1.73

Source: Annual Report 2006 - 2016 (data processed)

Table 2 shows the development of banking performance ratios, namely ratios; CAR, NPL, NIM, LDR, ROA and BOPO that experienced fluctuation tendency during the period 2006-2016. For more details can be seen from the graph of each of the following variables. During the 11 year span starting from 2006 to 2016 the NIM ratio also experienced fluctuating value. In 2006, the NIM ratio of 5.98% to 6.28% in 2010 increased almost every year and then decreased the NIM value until 2015 to 5.26%, in 2016 the NIM of the banking system increased to 5,39%. The average growth in NIM ratio that tended to decline during the period 2005-2015, is inversely proportional to bank stock prices which on average tend to increase. This condition can be understood that the declining NIM ratio indicates that the banking operational efficiency is better and impacts the improvement of banking performance and the increase of bank stock price. The purpose of this research is to examine the effect of analyzing the effect of CAR, NPL LDR, BOPO, ROA, Interest Rate, Inflation Rate, and Exchange either partially or jointly to share price at Banks Listed In Indonesia Stock Exchange (BEI) Period Year 2006 – 2016.

Literature Review

Research determinant of bank stock price, among others done by Alumumani (2014) which identify quantitative factors that influence stock price for banks listed in Amman Stock Exchange during period 2005-2011. The empirical findings show that there is a positive correlation between independent DPS variable (correlation coefficient = 0.51), EPS (correlation coefficient = 0.84), BV (correlation coefficient = 0.81), PE (correlation coefficient = 0.81) and S (correlation coefficient = 0.57) to dependent variable of stock price (MP) significantly at 1% probability level. However, further empirical findings suggest that EPS, P / E and BV positively affect MPs in Jordanian-registered banks. The firm size variable (S) negatively affects the MP. While the DPS and DP variables have an insignificant impact on MP.

The Arshad *et al.*, (2015) study aims to identify the determinants of stock prices for commercial banks listed on the Karachi Stock Exchange over the period 2007-2013. This study uses the influence of a combination of internal and external factors on stock prices. Multiple linear regression analysis is used to find out whether the selected independent variable has an effect on stock price or not. The result of the research shows that earnings per share have bigger effect to stock price and have positive and significant relation with stock price, book to market value ratio and interest rate also significant but negative relation with stock price while other variable (gross domestic product, earnings, dividends per share, leverage) have no relation to stock price.

Naveed and Ramzan (2013) analyze the relationship between different factors and stock exchange prices. The sample size of this study is based on 15 listed banks of the Karachi stock exchange for the period 2008-2011. This study uses price sahan as the dependent variable, while the independent variable is dividend yield, size, ROA and asset growth. This research applies regression model of fixed effect panel data and the result shows that size has positive and significant influence, while other variables have no effect on stock price. Uwuigbe *et al.*, (2012) investigates the determinants of stock prices in the Nigerian stock exchange market. The study focus Uwuigbe *et al.*, (2012) analyzed the effect of financial performance, dividend payout ratio

and financial leverage on 30 stock prices of listed companies operating in the Nigerian stock market. Five-year research period (2006-2010) using regression analysis method for data analysis. The results show that only the financial performance of companies that have a significant and positive relationship with the market value of the stock price.

Maulana *et al.*, (2015) study aims to analyze the influence of internal and external factors of banking in Indonesia on stock prices in the period of 2009-2012. Testing was done by using multiple linear regression analysis in 27 banks in Indonesia. The results showed that the internal factors of banking, Capital, Asset Quality, Management, Earning, Liquidity affect the price of banking stocks, while the Sensitivity to Market Risk has no effect on stock prices. From external factors, GDP and Interest Rates have significant effect on stock price, while Exchange Rate has no effect to banking stock price.

Al-Shubiri (2010) examines the relationship of microeconomic factors with stock prices using simple and multiple regression analysis to 14 commercial banks in Amman Stock Exchange during the period 2005-2008. The empirical findings of the study showed a positive influence of net asset value per share factor; market price of stock dividend percentage, gross domestic product against stock price. Other findings also found significant negative effects on inflation and lending rates.

Dehuan and Zhenhu (2008) examine the correlation between firm performance (Return on Equity, earnings per share, profit margin, asset yield, sales changes, total asset turnover) and stock prices of the best performing stocks listed on the stock market Shanghai Stock. The results showed that all variables significantly correlated with stock prices in the year before the crisis. However, in times of crisis the company's performance does not have explanatory power against stock price movements.

Research methods

Data analysis method that used in this research is panel data regression analysis. Panel data regression analysis is useful to know whether or not the relationship between each independent variable is denoted as variable X with dependent variable as estimation result and denoted as variable Y and the influence of variable X partially or together to variable Y, and determine the appropriate regression model. There are several advantages obtained by using panel data. First, panel data is a combination of time series data and cross section able to provide more data so that will result in greater degree of freedom. Second, combining information from time series and cross section data can solve the problems that arise when omitted-variable (Nachrowi, 2006).

The panel data regression model in this study is formulated as follows:

Model

$$HS_{it} = \alpha + \beta_1 CAR_{it} + \beta_2 NPL_{it} + \beta_3 LDR_{it} + \beta_4 BOPO_{it} + \beta_5 ROA_{it} + \beta_6 SBI_{it} + \beta_7 INF_{it} + \beta_8 KURS_{it} + \beta_9 NIM_{it} + \varepsilon_{it};$$

$i = 1, 2, \dots, N; \quad t = 1, 2, \dots, T$

Analysis and Discussion of Research Results

Analysis of Research Results

The result of the estimation of the effect of NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rate variables against conventional banking stock prices listed on Indonesian stock exchanges during 2006-2016 period using random effect model as shown in table 3 can be written in the form of the following equation:

$$HS = 0.7670 - 0.0006*NIM + 0.0017*CAR - 0.0007*NPL + 0.0481*LDR + 0.0001 *BOPO + 0.0239*ROA - 0.0068*SBI - 0.0016*INF - 0.0111*KURS + [CX=R]$$

$C_i[CX=R]$ = Constant Random Effect of i-Company, $i = 1, \dots, 11$ (1)

**Table. 3 Estimation of Factors Affecting Stock Prices
Random Effect Method**

Dependent Variable: HS				
Method: Panel EGLS (Cross-section random effects)				
Sample: 2006 2016				
Periods included: 11				
Cross-sections included: 11				
Total panel (balanced) observations: 121				
Swamy and Arora estimator of component variances				
White cross-section standard errors & covariance (d.f. corrected)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.767042	0.188923	4.060086	0.0001
NIM	-0.000644	0.000137	-4.687041	0.0000
CAR	0.001694	0.000423	4.004189	0.0001
NPL	-0.000743	0.001002	-0.741623	0.4599
LDR	0.048080	0.018569	2.589265	0.0109
BOPO	9.52E-05	9.00E-05	1.057485	0.2926
ROA	0.023910	0.010551	2.266023	0.0254
SBI	-0.006845	0.001379	-4.962762	0.0000
INFLASI	-0.001602	0.001085	-1.476850	0.1425
KURS	-0.011141	0.021859	-0.509665	0.6113
Weighted Statistics				
R-squared	0.603417	Mean dependent var	0.104113	
Adjusted R-squared	0.571262	S.D. dependent var	0.032426	
S.E. of regression	0.021232	Sum squared resid	0.050038	
F-statistic	18.76569	Durbin-Watson stat	1.089868	
Prob(F-statistic)	0.000000			
Unweighted Statistics				

R-squared	0.141743	Mean dependent var	0.840707
Sum squared resid	0.866503	Durbin-Watson stat	0.062936

Source: Processed Eviews 9

Based on t-test shows that the NIM ratio variable influences the banking stock price negatively and significantly with a confidence level of 95 percent, where the t-statistic probability value (0.0000) is smaller than $\alpha = 0.05$ which means H_0 is rejected. The partial coefficient value of the NIM variable of -0.000644 can be interpreted that any 10 per cent increase in the NIM ratio, assuming that other factors are constant will cause a decline in the banking stock price by 0.006 per cent. The CAR variables influenced the banking stock price positively and significantly with a confidence level of 95 percent, where the t-statistic probability value (0.0000) is smaller than $\alpha = 0.05$ which means H_0 is rejected. The partial coefficient value of CAR variable of 0.001694 can be interpreted that every 10 percent increase in CAR ratio, assuming other factors are constant, it will cause a stock price increase of 0.01 percent.

Based on the t-test shows that the NPL variable does not significantly influence the banking stock price, where the t-statistic probability value (0.4599) is greater than $\alpha = 0.05$ which means H_0 is accepted. The LDR ratio variable influences the banking stock price positively and significantly with the confidence level of 95 percent, where the t-statistic probability value (0.0109) is smaller than $\alpha = 0.05$ which means H_0 is rejected. Partial coefficient value of LDR variable of 0.048080 can be interpreted that every 10% increase of LDR ratio, assuming other factors are constant then it will cause the stock price increase equal to 0,48 percent. BOPO ratio variable does not significantly influence banking stock price, where the t-statistic probability value (0.2926) is greater than $\alpha = 0,05$ which means H_0 is accepted. The empirical findings of this study differ from the research hypothesis which states that the ratio of BOPO has an effect on the stock price in the banking industry listed on the Indonesia Stock Exchange during the period of 2005-2015. The ROA ratio variable influences the banking stock price positively and significantly with the confidence level of 95 percent, where the t-statistic probability value (0.0254) is smaller than $\alpha = 0.05$ which means H_0 is rejected. ROA partial coefficient value of 0.023910 ROA can be interpreted that every 10% increase ROA ratio, assuming other factors are constant then it will cause the rise of banking stock price by 0,23 percent.

Based on t-test shows that SBI variable influence banking stock price negatively and significantly with confidence level of 95 percent, where t-statistic probability value (0.0000) is smaller than $\alpha = 0,05$ meaning H_0 is rejected. Value of partial coefficient of SBI variable equal to -0.006845 can be interpreted that every 10% increase of SBI variable, assuming other factors constant then it will cause the stock price decrease equal to 0,06 percent. Inflation variable has no significant effect to banking stock price, where the t-statistic probability value (0.1425) is greater than $\alpha = 0.05$ which means H_0 is accepted. The exchange rate variable (exchange rate) has no significant effect on the banking stock price, where the t-statistic probability value (0.6113) is greater than $\alpha = 0.05$ which means H_0 is accepted.

Based on regression coefficient test of panel data of random effect model partially using t-test concludes that five of the nine independent variables used in panel data regression method

influence the change of banking stock price significantly. While testing the equation of the random effect model for all independent variables included in the research model using the F-test. F test results as seen in table 5.21, shows the F-Statistic value of 18.76569 with a probability value of 0.0000 is smaller than $\alpha = 0.05$ which means H_0 is rejected. It shows that all independent variables consist of; NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rates simultaneously affect the banking stock price significantly with a confidence level of 95 percent.

For the goodness-of-fit test measured by the termination coefficient (R2) indicates the number of 0.6034, which means that the variation in the change and fall of the national banking stock price during the period 2005-2015 can be explained by the NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rate of 60.34 percent, while the rest, ie 39.44 percent can be explained by other variables outside the random effects model applied in the study. For the adjusted termination coefficient (R2 adjusted) yields a number of 0.5712 which means that after considering the degree of freedom of the random effect model used, all independent variables used in this study can explain the changes that occurred in the banking stock price during the period 2005-2016 57.12 percent.

**Tabel. 4 Cross Section Random Effect
(No-Heteroscedasticity)**

	BANK	Effect
1	_BRI	0.076687
2	_BCA	0.098435
3	_BNI	0.055150
4	_BDNM	0.068095
5	_QNB	-0.090988
6	_BMNRI	0.089786
7	_CIMB	-0.020620
8	_BII	-0.081142
9	_BPRMT	-0.002267
10	_BVI	-0.159143
11	_BPANIN	-0.033994

Source:ProcessedViews9

From 11 banks in regression equation panel data model of random effect for each bank can be concluded as follows:

1. The Bank with the highest sensitivity of stock price change due to factors affecting it during the period of 2005-2015 is Bank Central Asia Tbk (BCA) with total value of constant equal to $[C_i + 0.7670] = 0.098435 + 0.7670 = 0.865435$.

2. Banks that have the sensitivity of the smallest share price change due to the factors that influence it during the period of 2005-2015 are Bank Victoria Indonesia Tbk (BVI) with total value of constant equal to $[Ci + 0.7670] = -0.159143 + 0.7670 = 0.607857$

Discussion of Results

The empirical findings of the study related to NIM ratios are in line with studies conducted by Rachmawati (2009) and Wijayanti (2010), which proves that there is a significant effect of NIM performance on Stock Prices. In contrast, the study by Indiani (2016) gives different results that the NIM ratio has no effect on stock prices. This is because the stock market has no reaction to the company's earnings information seen through the NIM ratio. The existence of banking NIM information every year is not able to give a signal for investors to take stock investment decisions. Thus, a high NIM score does not guarantee that the bank has a large profit. This is because the amount of corporate operating costs incurred so that banks in generating profit is still not maximized.

For the CAR ratio variable, the results of this study are also in line with previous research conducted Sumarningsih (2014) who found that there is a positive influence and significant CAR to stock price ratio. Research Kusumawati (2009), Indiani (2016) and Lestari (2015) also proved that the CAR ratio has an influence on stock prices. The value of the CAR ratio of a bank describes the better and fulfillment of the amount of capital adequacy that can be collected by banks from third party funds in a relatively large amount. In this case the banking company needs a good management to maintain capital in a reasonable amount and not excessive. The results of different research are presented by the study conducted by Wijayanti (2010), Polii (2014) and Sumarningsih (2014) proving that there is no significant influence between the ratio of CAR to stock prices. The CAR ratio is considered to reflect more of the bank's own capital so that the large CAR value can not guarantee the profitability of the bank. The empirical results of NPL ratio research are in line with the findings of the study conducted by Wijayanti (2010), and Sumarningsih (2014) which concluded that there is no significant influence of NPL ratio variable to stock prices. In contrast to findings of studies conducted by Lestari (2015) and Kusumawati (2009) which proves that the ratio of NPLs affect the price of banking stocks.

The empirical findings of the LDR ratio research are in line with previous research conducted by Sumarningsih (2014), and Lestari (2015) which found that the LDR ratio significantly affected stock prices. Different findings are presented by a study conducted by Wijayanti (2010) and Polii (2014), which suggests that there is no significant influence between the ratio of LDR to Stock Price. While the empirical findings of BOPO ratio research are in line with the results of research conducted by Indriana (2008), which also proves that there is no significant influence between the ratio of BOPO to stock prices. Different empirical evidence proposed by the study conducted by Rachmawati (2009), Anisma (2012) and Sumarningsih (2014), which concluded that the ratio of BOPO has an influence on bank stock prices. The empirical findings of ROA ratios are in line with previous studies conducted by Indriana (2008), Kusumawati (2009), Rachmawati (2009), Wijayanti (2010), Pandansari (2012), Sumarningsih (2014), Polii (2014), Lestari (2015), Indiani (2016), Atmojo (2016), Mudlofir (2016), and Azmi (2016), who also concluded that there is a positive and significant influence on ROA ratios on stock prices. The results of different studies

were found by studies conducted by Anastasia (2003), Aminah (2016), and Artha (2014) which revealed that ROA has no effect on stock prices.

The empirical finding of interest rate variable in the previous study conducted by Artha (2014), Hsing (2012), Adaramola (2011) and Putri (2011) proves that SBI has a significant influence on stock price. On the contrary, different results are presented by research conducted by Rosid (2014), Talla (2013), Kewal (2012) and Alfisah (2010), which concluded that SBIs have no significant effect on stock prices. The results of this study examine the effect of inflation factors supported by a study conducted by Rosid (2014), which concludes that the inflation variable has no effect on the stock price of banks. Different research results proposed by the research Princess (2011) which shows that inflation has an influence on stock prices. This is due to the relationship between inflation with the decline in the ability of purchasing power either individuals or companies due to rising inflation. The high value of inflation resulted in the company's operating costs will be greater and the company's profits will be reduced. Therefore, if the value of big inflation then the possibility of the company's stock price to be small because the company in getting profits more likely to use in the company's operations first.

The results of research related to the exchange rate in line with research conducted by Talla (2013) which concluded that there is a relationship of indirect influence from the strengthening or weakening of the exchange rate with the interest rate banking. If the Rupiah strengthened usually will be followed by a decrease in interest rates which will ultimately reduce bank charges so as to increase its share price. While Alfisah (2012) concluded that the ups and downs of stock prices are not due to the ups and downs of the exchange rate. This shows that the exchange rate does not affect the stock price, so investors pay less attention to this exchange rate in investing so that the exchange rate does not have a significant effect on stock prices. Research Taufiq and Kefi (2015) also revealed that the variable exchange rate has no effect on stock prices. The results of research differ from the results of research conducted by Research Hsing (2012), Adaramola (2011), Talla (2013), and Kewal (2013) which shows the variable exchange rate significantly negative effect on stock prices company. These results indicate that the lower exchange rate in certain periods has an impact on the increase of company stock price. The results of Artha (2014) and Putri (2011) also proved that exchange rate variables significantly influence stock prices. The existence of a significant influence between the exchange rate on stock prices caused by the presence of foreign investors who use foreign currency so that the value of the rupiah currency depreciated or decline in the value of the currency that ultimately led to outside investors tend to release foreign currency and then buy shares that the price drops because of the influence of currency exchange rates. The weakening of the value of the rupiah becomes an attraction for foreign investors who have large capital because of the exchange rate causes the increase of investment will be accepted and ultimately has a positive relationship for stock prices. In addition, the exchange rates and stock prices are closely related because the exchange rate is one factor that can affect the Stock Price Index while the Stock Price Index is a simultaneous impact of many major events related to economic phenomena. If the exchange rate strengthens or appreciates, indirectly the Stock Price Index will also increase. Likewise, if the exchange rate weakened then the Stock Price Index will also decrease. The ups and downs in stock prices can occur due to the appreciation of the rupiah against foreign currencies, which in

particular the rupiah exchange rate against the dollar that could lead to the rise and fall of stock demand in the capital market by investors.

Conclusions

The purpose of the study is to estimate and analyze the factors affecting the stock prices of banks listed on the Indonesia Stock Exchange during the period 2006-2016 using the panel data regression method. The result shows that CAR, LDR, and ROA have positive and significant effect to banking stock price listed on Indonesia Stock Exchange during 2006-2016 period, while NIM ratio and interest rate have negative effect. For the NPL ratio factor, BOPO, inflation rate, and exchange rate did not affect the price of banking stocks listed on the Indonesia Stock Exchange during the period 2006-2016. All independent variables consisting of; NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rates simultaneously affected the price of banking stocks listed on the Indonesian stock exchanges over the period 2006-2016 significantly. Of the variables that influence significantly, LDR ratio variable is the most dominant variable effect on stock price changes while the ratio of NIM variable is the least influence variable. For the goodness-of-fit test measured by the termination coefficient (R²) shows the number of 0.6034, which means that the variation in the change and fall of the national banking stock price during the period 2006-2016 can be explained by the NIM, CAR, NPL, LDR, BOPO, ROA, SBI, inflation, and exchange rate of 60.34 percent, while the rest, amounting to 39.44 percent can be explained by other variables outside the random effects model applied in the study. For the adjusted termination coefficient (R² adjusted) yields a number of 0.5712 which means that after considering the degree of freedom of the random effect model used, all independent variables used in this study can explain the changes that occurred in the banking stock price during the period 2006-2016 57.12 percent. Individually, the bank with the greatest sensitivity to stock price changes due to the factors affecting it is Bank Central Asia Tbk (BCA), while the bank with the lowest sensitivity of stock price change is Bank Victoria Indonesia Tbk (BVI).

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