DYNAMICS OF STOCK PRICES IN THE SHARIA CAPITAL MARKET: THE IMPORTANT ROLE OF FINANCIAL FUNDAMENTAL ANALYSIS

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Abstract

The sharia stock exchange indicates investment potential that attracts market participants. Therefore, it is crucial for investors to review information related to stock prices, including fundamental external analysis such as Return on Equity (ROE), Debt to Equity Ratio (DER), Earnings Per Share (EPS), and Return on Sales (ROS), before making buy or sell transaction decisions. The discrepancy between theory and actual phenomena necessitates deeper investigation. This research aims to identify the impact of fundamental analysis (ROE, DER, EPS, and ROS) on company stock values. The methodology applied is quantitative, utilizing secondary data from published financial reports as data sources. The research population includes all entities listed on the Jakarta Islamic Index during the 2019-2023 period, totaling 20 companies. The sample was determined through purposive sampling, resulting in 10 entities as samples. Based on statistical analysis, Return on Equity has a significant partial influence on stock values, while Debt to Equity Ratio does not show a significant influence, Earnings Per Share has a significant impact, and Return on Sales also has a significant partial influence on stock values. Simultaneously, the variables ROE, DER, EPS, and ROS collectively have a significant impact on stock prices.

Keywords: share price, debt equity ratio, earnings per share, return on equity, return on sales

Abstrak

Bursa saham syariah mengindikasikan potensi investasi yang menarik bagi para pelaku pasar. Oleh karena itu, sangat penting bagi investor untuk mengkaji informasi yang berkaitan dengan harga saham, termasuk analisis eksternal fundamental seperti Return on Equity (ROE), Debt to Equity Ratio (DER), Earnings Per Share (EPS), dan Return on Sales (ROS), sebelum mengambil keputusan transaksi beli atau jual. Adanya perbedaan antara teori dan fenomena yang terjadi perlu diteliti lebih dalam. Penelitian ini bertujuan untuk

mengidentifikasi dampak analisis fundamental (ROE, DER, EPS, dan ROS) terhadap nilai saham perusahaan. Metodologi yang digunakan adalah kuantitatif dengan menggunakan data sekunder dari laporan keuangan yang telah dipublikasikan sebagai sumber data. Populasi penelitian meliputi seluruh entitas yang terdaftar di Jakarta Islamic Index selama periode 2019-2023 yang berjumlah 20 perusahaan. Sampel ditentukan melalui purposive sampling, sehingga menghasilkan 10 entitas sebagai sampel. Berdasarkan analisis statistik, Return on Equity memiliki pengaruh signifikan secara parsial terhadap nilai saham, sedangkan Debt to Equity Ratio tidak menunjukkan pengaruh yang signifikan, Earnings Per Share memiliki pengaruh yang signifikan, dan Return on Sales juga memiliki pengaruh signifikan secara parsial terhadap nilai saham. Secara simultan, variabel ROE, DER, EPS, dan ROS secara bersama-sama memiliki pengaruh yang signifikan terhadap harga saham.

Keywords: harga saham, debt equity ratio, earning per share, return on equity, return on sales

A. Introduction

When used for investment, sharia shares can yield profits or losses. Investors cannot predict with certainty the exact amount of profit they will gain from their investment. However, they can estimate potential returns and assess the likelihood that the actual results may differ from their expectations. Therefore, making investment decisions requires caution. Before choosing to buy or sell shares in a JII member company, investors must be well-informed about relevant business facts[1]. The share price holds significant importance for a company. A high share price presents an opportunity for the company to attract additional investment from investors, leveraging the increase in its share price to secure further financial resources[2].

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[1] Maulana, F. (2017). *Analysis of Fundamental Factors and Systematic Risk on Share Prices in Property and Real Estate Sector Companies on the Indonesian Stock Exchange*. Collection of Management and Accounting Scientific Information and Articles, 13(2), 113–122.

[2] Simangunsong, A. O., & Ovami, D. C. (2021). *Pengaruh Faktor Fundamental dan Teknikal terhadap Harga Saham pada Perusahaan Property dan Real Estate Yang Terdaftar di Bursa Efek Indonesia*. Jurnal Multidisiplin Madani, 1(1), 19–30.

Stock prices are subject to constant fluctuation due to the interplay of supply and demand dynamics on the stock exchange. Both internal and external information sources significantly impact stock prices[3]. Annual financial reports represent a crucial source of information for investors when evaluating their investments. It is obligatory for all companies listed on the Indonesia Stock Exchange to publish annual reports for investors and other users of financial information. Therefore, when these reports are published, investors and other stakeholders are able to evaluate the company's performance and make informed decisions about buying or selling its shares. Achieve the objective of enhancing business value through increased share prices on the capital market, the financial information disclosed by public companies significantly affects stock prices. Various elements or variables serve as indicators in this regard, influencing the investment decisions made by investors[4].

Companies need to analyze their financial condition and performance by examining financial statements. Financial reports serve as a valuable source of information for various stakeholders, including creditors, investors, and the company's management. These reports assist investors in making informed decisions regarding investments, such as whether to sell, buy, or hold shares. Additionally, financial reports facilitate the evaluation of both strengths and weaknesses within a company's financial position, thereby supporting strategic decision-making[5]. A robust financial performance typically correlates with upward movements in

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[3] Astuty, P. (2017). *The Influence of Fundamental Factors and Systematic Risk on StockPrices (Case Study of Companies in the LQ45 Index for the 2011-2015 Period).* Journal of Economics, 19(1), 49–62.

[4] Sitanggang, E. ., & Arif, EM (2017). *Analysis of the Influence of Fundamental Factors and Systematic Risk on PT Stock Returns. Astra Agro Lestari Tbk. (Period 2000 – 2009).* Management Journal,
[5] Arifah, N., & Suyatmin, A. (2021). *Pengaruh Earning Per Share (Eps), Return On Equity (Roe), Return On Asset (Roa), Dan Net Profit Margin (Npm) Terhadap Harga Saham (Studi Empiris Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2019).* The 13th University Research Colloqium 2021, 406–415.

stock prices. Conversely, a decline in financial performance tends to result in decreases in stock prices. Hence, the company's financial performance plays a pivotal role as a reference point for investors to assess risks and make well-informed investment choices[6]. According to Arinna Suhadi[7], investors require information that is comprehensive, clear, accurate, and timely to make informed investment decisions. One way to provide such analysis tools is through the company's publication of financial reports. These reports are crucial for delivering the necessary data that investors need to evaluate potential investments effectively.

In addition to reflecting the company's present operational success and aspirations for future growth, the stock price of firms listed on the Stock Exchange also plays a role in the overall economic advancement of a nation[8]. Investors focus on forecasting future stock prices by assessing fundamental factors that impact stock prices and analyzing the interrelations among these variables[9]Investors should do a thorough analysis of the stocks and financial standing of a firm before deciding to purchase shares[10]. Fundamental analysis, commonly expressed through financial ratios, serves as a traditional measurement tool employed by

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[6] Mayanti, Y. (2022). *Pengaruh ROA, ROE, dan EPS terhadap Harga Saham Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia Tahun 2017-2020*. Jurnal Accounting Information System (AIMS)*, 5*(1), 26–39.

[7] Arinna Suhadi, R. K. (2018). *Pengaruh Rasio Keuangan Terhadap Kondisi Financial Distress Bank Umum Syariah Di Indonesia*. Jurnal Akuntansi AKUNESA, 6(3), 1–25.

[8] Ding, G., & Qin, L. (2020). *Study on the prediction of stock price based on the associated network model of LSTM*. International Journal of Machine Learning and Cybernetics, 11(6), 1307–1317.

[9] Maulana, F. (2017). *Analysis of Fundamental Factors and Systematic Risk on Share Prices in Property and Real Estate Sector Companies on the Indonesian Stock Exchange*. Collection of Management and Accounting Scientific Information and Articles, 13(2), 113–122.

[10] Agustina, R. (2021). *Analisis Fundamental, Acuan Investasi Saham Jangka Panjang*. Jurnal Pengabdian Kepada Masyarakat.

investors to align with their expectations[11]

Researching a company's financial performance involves analyzing its historical and current financial reports, as well as projections for future financial performance. Financial reports offer insights into the company's progress and achievements to date.These financial statements are interpreted using a variety of financial ratios, including Economic Value Added (EVA) and profitability measurements including Return on Equity (ROE), Return on Sales (ROS), Earnings Per Share (EPS), and Basic Earning Power (BEP).These ratios provide measures that help in assessing different aspects of the company's financial health and performance. For long-term creditors or shareholders, apart from being interested or paying attention to short-term financial conditions, they are primarily interested in long-term financial conditions[12].

Once investors evaluate shares using metrics such as Return on Equity (ROE), Earnings Per Share (EPS), Price to Earnings Ratio (PER), and Dividend Yield (DY), they can determine the fair price of the shares. Based on this evaluation, investors can decide whether to sell, hold, or buy shares by comparing the fair price with the current market price. If the market price exceeds the fair price, the stock is considered overvalued, prompting investors to consider selling. On the other hand, if the market price is less than the fair price, investors may decide to purchase the stock since it is perceived as being cheap[13].

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[11] Santoso, B., Sidharta, E. A., & Wardini, A. K. (2020). *The impact of Fundamental Factors on Stock Return of The Engineering and Construction Services Company*. Jurnal Organisasi Dan Manajemen, 16(2), 158–170

[12] Tanjung, A. R., & Darlis, E. (2009). *Pengaruh EVA,ROA,ROE,ROS,EPS,BEP Terhadap Harga Saham Perusahaan Perbankan dan Ansuransi di Bursa Efek Indonesia Tahun 2007-2009*. 1–15.

[13] Tandelilin, Eduardus. (2017). *Pasar modal manajemen portofolio & investasi Yogyakarta*. PT. Kanisius

Several previous studies have investigated the influence of fundamental financial factors on sharia stock prices. Reveals that Return on Assets (ROA), Earnings Per Share (EPS), and Debt-to-Equity Ratio (DER) collectively have a significant impact on sharia stock prices[14]. However, when examined individually, the ROA variable was found to lack a significant effect on sharia share prices. During the period spanning from 2011 to 2016, it was found that Earnings Per Share (EPS) and Debt-to-Equity Ratio (DER) exerted significant influence on the share prices of Sharia-compliant companies listed on the Jakarta Islamic Index.

According to study, basic variables like book value, debt to equity ratio, earnings per share (EPS), and net profit margin may account for 70.1% of the variation in sharia stock prices[15]. The remaining 29.9% of the variance is explained by other factors. Through partial analysis, it was determined that Earnings Per Share, Book Value, and Net Profit Margin have a significant impact on Sharia stock prices. However, discovered that both the Debt to Asset Ratio and Debt to Equity Ratio did not exert a significant influence on Sharia Stock Prices according to their findings[16]. Their research concentrated on fundamental analysis factors including Return on Equity (ROE), Debt to Equity Ratio (DER), and Earnings Per Share (EPS), along with systematic risk (Beta), evaluating their effect on company share prices. Their quantitative analysis indicated that, partially, only ROE and EPS have a significant impact on share prices. Conversely,

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[14] Ningtias, DS, & Nisful Laila. (2019). *The Influence of Fundamental Factors on Sharia Stock Prices in Companies Listed in the Jakarta Islamic Index for the 2011 – 2016 Period*. Journal of Theoretical and Applied Sharia Economics, 6(1), 70–81.

[15] Graciela, E., Laia, M., & Munawarah, M. (2021). *The Influence of Fundamental Analysis on Sharia Stock Prices Included in the Jakarta Islamic Index (JII)*. Owner, 5(1), 196–207.

[16] Purwanti, YD, & Nurastuti, P. (2020). *The Influence of Fundamental Analysis and Systematic Risk on Stock Prices in the Sharia Capital Market*. EKOMABIS: Economic Journal of Business Management, 1(01),103–116.

DER and systematic risk (Beta) were found to have no significant influence on share prices based on their findings.

Whilst previous research has presented diverse viewpoints regarding the impact of financial fundamentals on sharia share prices in the sharia capital market. This study aims to examine the influence of specific fundamental financial factors—Return on Equity (ROE), Debt to Equity Ratio (DER), Earnings Per Share (EPS), and Return on Sales (ROS)—on sharia share prices within the context of the sharia capital market. Focusing on sharia-compliant shares listed on the Jakarta Islamic Index (JII) at the Indonesian Stock Exchange (BEI) from 2019 to 2023.

B. Research Method

This study employed a quantitative method relying on and utilizes secondary data of company financial reports obtained from the Indonesia Stock Exchange website, www.idx.co.id. The population in this research is all companies listed on the Jakarta Islamic Index for the period 2019-2023 totaling 20 companies. The sample in this study was determined using purposive sampling method which aims to get a representative sample according to the criteria in the study. Based on the data listed on the Indonesia Stock Exchange (IDX), there are several criteria from researchers used in selecting samples, namely companies that join the Jakarta Islamic Index (JII) sharia stocks in 2019-2023, companies that are consistently included in the 10 lists of companies that pass the stock selection, companies whose financial statements use rupiah currency.

The Ordinal Least Square equation model can be written in the following form:

$$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X4 + \beta4X4 + \varepsilon$$

Information :

Y   :Stock price

α : Constant

$\beta1, \beta2, \ldots$: Regression Coefficient

X1   :Return on equity

X2   : Debt to equity ratio

X3   :Earnings per share

X4   :Return on Sales

ε   :Error

In this study, two primary variables are utilized: the dependent variable and the independent variables. The dependent variable is the stock price, while the independent variables include Return on Equity (ROE), Debt to Equity Ratio (DER), Earnings Per Share (EPS), and Return on Sales (ROS). These independent variables serve as measures to assess the financial performance and profitability of companies, which are then analyzed in relation to their impact on the stock prices of sharia-compliant shares.

C. Research Findings and Discussion

1. Descriptive statistics

Descriptive statistics offer a comprehensive overview of the dataset, encompassing measures such as the mean (average), variance (standard deviation), maximum, and minimum values. The analysis pertains to research data concerning sharia-compliant companies listed on the Indonesia Stock Exchange during the period from 2019 to 2023.

Table 1. Descriptive statistics

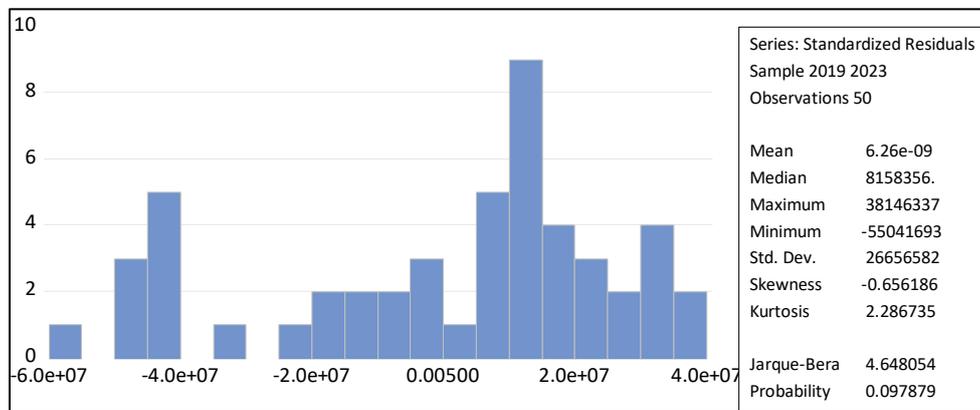| Variable	N	Minimum	Maximum	Mean	Std. Deviation
IHSG	50	727280.0	84081550	59444024	30479447
ROE	50	0.006061	6.868308	1.772005	1.763209
DER	50	0.058308	13.69503	1.085747	1.968304
EPS	50	0.002371	47.47940	13.06549	12.07985
ROS	50	0.087213	69.69221	16.25206	15.28416

Source: Processed Data, Eviews

Based on the table, it can be seen that the lowest minimum value for the EPS variable is 0.002371 and the highest for the share price is 727280.0. The lowest maximum value for the ROE variable is 6.868308 and the highest for the share price is 84.081550. Meanwhile, the lowest standard deviation for ROE was 1.763209 and the highest for share prices was 30.479447.

2. Data analysis

a. Normality test

Figure 1. **Normality test**

Series: Standardized Residuals	
Sample 2019 2023	
Observations 50	
Mean	6.26e-09
Median	8158356.
Maximum	38146337
Minimum	-55041693
Std. Dev.	26656582
Skewness	-0.656186
Kurtosis	2.286735
Jarque-Bera	4.648054
Probability	0.097879

Source: Processed Data, Eviews

After testing for normality, the test results meet the normality assumption because the Jarque-bera value meets 4.648054 > 0.05, so the decision is normally distributed.

b. Multicollinearity test

Tabel 2. **Variance Inflation Factors**

Variance Inflation Factors
Date: 05/08/24   Time: 22:39
Sample: 2019 2023
Included observations: 50

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	4.93E+13	3.184522	NA
ROE	1.05E+13	4.181777	2.059365
DER	5.29E+12	1.702445	1.299091
EPS	1.47E+11	2.981401	1.359061
ROS	1.34E+11	4.276954	1.985828

Testing for multicollinearity involves examining the correlation matrix and verifying that the Variance Inflation Factor (VIF) is below 10, with tolerance values less than 1. Based on the obtained data, the VIF values are confirmed to be less than 10, indicating the absence of multicollinearity symptoms in the regression model used in this study.

c. Heteroskedasicity test

Tabel 3. **Glejser test**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	18.12271	6.73E-07	26932181	0.0000
LOG(ROE)	-3.34E-10	7.99E-07	-0.000418	0.9997
LOG(DER)	2.50E-10	6.34E-07	0.000394	0.9997
LOG(EPS)	-4.30E-11	2.71E-07	-0.000159	0.9999
LOG(ROS)	2.85E-10	5.53E-07	0.000515	0.9996

The heteroscedasticity test can be carried out using the Glejser test, namely for the absolute value of the residual of the independent variable. It was found that all variables were not significant or the significance value was > 0.05. It can be indicated that the regression model in this study does not show symptoms of heteroscedasticity.

d. Autocorrelation Test

Tabel 4. **Durbin Watson**

Variables	Coefficient	t-statistic	Prob.
C	8.453955	24.84874	0.0000
ROE	1.512525	3.923529	0.0003
DER	-0.160682	0.571260	0.5707
EPS	-0.575856	2.588993	0.0129
ROS	-0.571820	2.082581	0.0430

From this table it can be seen that DU < DW < 4-DU = 1.7214 < 2.250 < 2.27 so it can be concluded that there is no autocorrelation.

e. Multiple regression test

Tabel 5. **Regression test**

R-squared	0.741202	Mean dependent var	0.016735
Adjusted R-squared	0.719635	SD dependent var	0.360739
SE of regression	0.191009	Akaike info criterion	-0.378351
Sum squared resid	1.313442	Schwarz criterion	-0.209463
Log likelihood	11.56702	Hannan-Quinn Criter.	-0.317287
F-statistic	34.36817	Durbin-Watson stat	2.250193
Prob(F-statistic)	0.000000		

Source: processed data, eviews

Based on the constant values and regression coefficients, the relationship between the independent variables and the dependent variable in the regression model can be expressed as follows:

$$Y = 24.84874 + 3.923529X_1 + 0.571260X_2 + 2.588993X_3 + 2.082581 + e$$

From the regression equation above it can be used as follows:

1. The value of constant (a) is 24.84874 It can be interpreted that if ROE, DER, EPS and ROS are 0 (zero), then the level of influence on share prices is 24.84874.
2. The regression coefficient value of the ROE variable is positive, namely 3.923529, so it can be interpreted that every increase in ROE by 1% will increase the influence of share prices by 3.92% assuming the other independent variables remain constant.
3. The interpretation of the regression coefficient for the DER variable is as follows: with a coefficient value of 0.571260, it suggests that for every 1% increase in the Debt to Equity Ratio (DER), there is an associated increase of approximately 0.57% in the share price, assuming that all other independent variables remain constant.
4. The regression coefficient value of the EPS variable is positive, namely 2.588993, so it can be interpreted that every 1% increase in liquidity will increase the share price by 2.58% assuming the other independent variables remain constant.
5. The regression coefficient value of the ROS variable is positive, namely 2.082581, so it can be interpreted that every 1% increase in liquidity will increase the share price by 2.08% assuming the other independent variables remain constant.

Results

a. **The effect of return on equity (ROE) on stock prices**

If the significance (sig) value is less than 0.05, the proposed hypothesis is accepted, indicating that ROE has a significant effect on stock prices (H1 accepted). If the sig value is greater than 0.05, the proposed hypothesis is rejected, indicating that ROE does not have a significant effect on stock prices (H0 accepted). Based on the test results above, with a sig value of 0.003 < 0.05, H0 is rejected and H1 is accepted, concluding that variable X1 (ROE) influences Y (stock prices). A positive t value signifies

H1 : Fundamental analysis of return on equity (ROE) influences stock prices

b. **The effect of debt equity ratio (DER) on share prices**

If the significance (sig) value is less than 0.05, the proposed hypothesis is accepted, indicating that DER has a significant effect on stock prices (H1 accepted). If the sig value is greater than 0.05, the proposed hypothesis is rejected, indicating that DER does not have a significant effect on stock prices (H0 accepted). Based on the test results above, with a sig value of 0.5707 > 0.05, H0 is accepted and H1 is rejected, concluding that variable X2 (DER) does not influence Y (stock prices). A positive t value signifies

H2 : Fundamental analysis of debt equity ratio (DER) has no effect on stock prices

c. **The effect of earnings per share (EPS) on share prices**

If the significance (sig) value is less than 0.05, the null hypothesis (H0) is rejected, indicating that EPS has a significant effect on share prices (H1 accepted). Conversely, if the sig value is greater than 0.05, the null hypothesis is not rejected, indicating that EPS does not have a significant effect on share prices. Based on the test results, with a sig value of 0.0109 < 0.05, H0 is rejected and H1 is accepted, demonstrating that variable X1 (EPS) influences Y (share prices). A positive t value signifies

H3 : Fundamental analysis of earnings per share (EPS) influences share prices.

d. The effect of Return on sales (ROS) on stock prices

If the significance (sig) value is less than 0.05, the proposed hypothesis is accepted, indicating that EPS has a significant effect on share prices (H1 accepted). If the sig value is greater than 0.05, the proposed hypothesis is rejected, indicating that EPS does not have a significant effect on share prices (H0 accepted). Based on the test results above, with a sig value of 0.0430 < 0.05, H0 is rejected and H1 is accepted, concluding that variable X4 (EPS) influences Y (share prices). A positive t value indicates

H4 : Fundamental analysis Return on sales (ROS) influences stock prices

From the results of this research, it is possible to use fundamental analysis to predict investment risk before investing in the Islamic stock market on the JII stock index.

Discussion

a. Return on Equity

Based on the results of the multiple regression analysis presented in the table, it is evident that Return on Equity (ROE) significantly impacts stock prices. ROE reflects the efficiency with which a company utilizes its own capital to generate profits or net income, indicating higher profitability potential. A higher ROE ratio typically enhances investor interest in shares, as it suggests favorable prospects for profit growth. Securities analysts and shareholders commonly focus on ROE as a key metric. Consistently high ROE can lead to an increase in a company's share price. This finding corroborates previous studies by Arifannisa and Nugraha (2017), Maulana (2017), and Rahmani, Nugraha, and Waspada (2017), which also underscored the influence of ROE on stock prices.

b. *Debt equity ratio*(DER)

Based on the multiple regression test results presented in the table, it is found that Debt to Equity Ratio (DER) does not exert a

significant influence on stock prices. This outcome can be attributed to the situation where total debt surpasses total capital, thereby heightening the risk level perceived by investors. Consequently, a high Debt to Equity Ratio indicates increased financial risk, potentially leading to lower stock prices. Investors may perceive higher risk due to the company allocating profits towards debt repayment rather than shareholder returns. This finding aligns with Maulana, F. (2017), who similarly concluded that Debt to Equity Ratio (DER) does not impact stock prices significantly.

c. *Earnings per share***(EPS)**

Based on the multiple regression test results in Table, it is evident that Earnings Per Share (EPS) significantly influences stock prices. An increase in EPS typically leads to higher share prices. EPS serves as a critical indicator for investors during stock analysis, guiding their investment decisions. Higher EPS values indicate greater profitability for shareholders, thereby enhancing the appeal of shares in the Capital Market. Investors favor stocks with higher profits as they anticipate higher dividends. This finding is consistent with research by Dwinurcahyo & Mahfudz[17] and Watung and Ilat[18], which also highlight the influence of Earnings Per Share (EPS) on share prices.

d. *Return on Sales***(ROS)**

From the results of the multiple regression test in the table, partial fundamental analysis of Return on Sales (ROS) influences

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[17] Dwinurcahayo, Ridho dan Mahfudz, 2016. *"Pengaruh faktor-faktor fundamental terhadap harga saham (studi pada perusahaan pertambangan yang terdaftar di bursa efek indonesia (BEI) Tahun 2012-2014).* Diponegoro journal of management. Volume 5, Nomor 3. Hal 1-15

[18] Watung, R. W., & Ilat, V. (2016). *Pengaruh Return On Asset (Roa), Net Profit Margin (Npm), Dan Earning Per Share (Eps) Terhadap Harga Saham Pada Perusahaan Perbankan Di Bursa Efek Indonesia Periode 2011-2015.* Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi, 4(2).

stock prices. If ROS increases, it will be followed by an increase in share prices. This is because ROS is an indicator or reference for investors in carrying out stock analysis before making investment decisions. The higher the ROS value, the greater the profit provided to shareholders. The results of this research are in line with the research of Noer Sasongko and Wulandari[19] ,but are not in line with the research results of Kartika Saptorini Dewi (2004) and Yevi Dwitayanti (2005) which stated that ROE has no effect on stock prices.

D. Conclusion

Based on the research conducted using 10 companies listed on the Jakarta Islamic Index (JII) over the period 2019-2023 and analyzed using Eviews 12 software, the study aimed to assess the impact of Return on Equity (ROE), Debt to Equity Ratio (DER), Earnings Per Share (EPS), and Return on Sales (ROS) on stock prices both collectively and individually. ROE, EPS, and ROS are found to individually impact stock prices among the companies analyzed, whereas DER does not exhibit a significant influence during the specified period. The study adds to the existing literature on financial analysis and stock market dynamics, particularly in the context of sharia-compliant investments. It provides a basis for future research on the topic.These results provide valuable insights for investors and analysts in assessing the factors driving stock price movements in the sharia capital market.

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[19] Sasongko Noer dan Nila Wulandari, 2006, *Pengaruh Economic Value Added dan Rasio – rasio Profitabilitas terhadap Harga Saham*, Empirika, Vol 19. No.1,Juni 2006 : hal. 64 -80.

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