Do CPO price and capital lead to stock price? The mediating role of profitability

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ARTICLE INFO	ABSTRACT
	Two factors affect stock prices, internal factors that are directly related to the company which can be seen from the financial statements, namely the capital structure (Debt Equity Ratio) and the profitability or profits obtained by the company (Return on Assets) and external factors related to macroeconomic fundamentals, such as price CPO. The type of data in this research is quantitative data. The research population is a palm oil sector company listed on the Indonesia Stock Exchange from 2020 – 2022. The sample selection technique was carried out based on predetermined criteria so that there were 52 observational data. The analytical tool used in this study is SmartPLS 3. The results show that profitability is not affected by CPO prices, between capital structure and profitability there is a negative and significant effect, and between profitability and stock prices, there also have a negative and significant effect. CPO and DER prices do not affect share prices. Meanwhile, neither CPO prices nor capital structure significantly affect stock prices mediated by profitability.

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INTRODUCTION

Several things cause the phenomenon of a scarcity of palm oil and soaring prices. The first is caused by a surge in demand from countries that use CPO (Crude Palm Oil). However, when the demand has increased, there has been a disruption in supply in producing countries such as Indonesia, Malaysia, and South America. As we enter 2022, CPO prices experience a significant spike due to the conflict between Russia and Ukraine. The conflict was caused by a decrease in the production of CPO substitutes such as sunflowers, coal, and soybeans, where the two countries are the largest producers of energy and commodities.

This information can be used as material for consideration in investing in the capital market. As is known, the risk of investing in the capital market is in principle very closely related to the occurrence of stock price volatility, where the ups and downs of stock prices are influenced by information. Information that brings good news (good news) will make the stock price rise, and conversely, information that brings bad news (bad news) will cause the stock price to fall. This is following the signaling theory where information related to the rise and fall of prices in the stock market will influence investor decisions (Fahmi, 2014).

Investors, in looking at stocks, pay attention to the company's ability to maintain and even increase the stock price of the company itself. Stock market prices as a reflection of the value of a company; there are many increases and decreases. This is because stock prices reflect fundamental, technical, and socio-political information. In the stock market, this will be remembered by the rise and fall of stock prices in the capital market. Therefore, changes in stock prices are an essential factor in assessing company performance. This is the argument underlying why changes in relevant stock prices are used as the basis for evaluating the performance of companies that go public (Septiantini, et al., 2016).

In the stock exchange, the supply and demand for shares determines the price of shares. The stock price will go up when many people buy shares, and the price will decrease when many people sell shares. However, the economic situation, individual company achievements, and various other expectations have been included in the prices in the stock market so that they will affect stock prices (Singgih, 2012). Although it is realized that not only the company's internal and macroeconomic conditions are beyond the company's control, but those that affect the company's conditions are very broad and complex (Septiantini, et al., 2016).

Under normal conditions, when the CPO price rises, the company will be more profitable if it sells at a high price. Seeing an increased profit rate, investors are interested in investing, so they will buy shares, and the impact will increase the demand for company shares. However, at one time, the company's share price experienced a decline. This is thought to be influenced by other things most likely located in the company's internal part. Therefore the authors raise variables related to the internal nature of the company, namely the company's performance, which consists of capital structure and profitability, which describes the company's capital management and ability to generate profits.

In addition to some of the information described above, information about prices, and information from internal companies, namely performance in the form of capital structure and company profitability, must be considered. The way to determine the optimal capital structure is related to the company's debt, namely the debt it has, especially long-term debt. If the capital structure owned by a company is optimal, then the opportunity cost of capital can be minimized and shareholder wealth can be maximized (J. Fred Weston & Thomas E. Copeland, 1997). Debt to Equity Ratio (DER) can be used to measure debt. Based on (Kasmir, 2015) Debt to Equity Ratio is the ratio used to compare total debt with own capital.

The profitability ratio can measure the company's ability to generate profits or profits. In measuring the company's ability to generate profits, the aspect of the assessment is the company's effectiveness concerning investment and sales in generating profits for the company. The better the company's ability to generate profits, the better the profitability ratio will be shown (Fahmi, 2014). The profitability ratio can be used as a reference for an investor to see if a company can make good use of its resources to generate profits.

Many studies examine the effect of price and capital structure on stock prices. Research conducted by (Sundari, 2015) explained that the CPO price variable affects stock prices. This indicates that the increase or decrease in CPO prices also determines the stock price. This indicates that the increase and decrease in CPO profit and price determines the price level of stock. Meanwhile, research conducted by (Muhammad Aryton, 2021) states that prices do not have a significant effect on stock prices. In research conducted by (Alifatussalimah & Sujud, 2020) and (Eka Sholeha & Sulistyo, 2021) the results show that capital structure as measured by DER affects stock prices. Meanwhile, research conducted by (Utami & Darmawan, 2018) states that DER does not affect stock prices. Research conducted by (Nasikin & Yuliana, 2022) states that ROA has a positive and significant effect on stock prices. Research conducted by (Anita Wijayanti, 2017) states that profitability has no significant effect on stock prices.

The results from previous studies showed different results. We see that several previous studies are contradictory, strengthening the need to submit research to analyze the effect of CPO prices, capital structure, and profitability on the share prices of palm oil companies. This needs to be

done because the palm oil sector, the commodity, is experiencing a significant increase in selling prices from 2020-2022, so it attracts the attention of investors. Based on the problem description, this study formulates the problem of the influence of CPO prices and capital structure on stock prices with profitability as the intervening variable.

The difference between this study and previous research lies in the variable profitability as an intervening variable and the selection of objects in this study using oil palm plantation companies that consistently report semiannual financial reports in the last three years. So on this occasion, the researcher wanted to test the theory of previous research to determine whether these variables had an influence or, in this study, resulted in other conclusions.

LITERATURE REVIEW

Signaling theory

Signaling theory explains if the movement of stock prices either up or down that occurs in the market such as stock prices, bonds and so on will affect investors. Signal theory explains that companies report voluntarily to the capital market so that investors want to invest their funds, managers will give signals by presenting financial reports properly so that the value of shares increases (Khasanah & Suwarti, 2022). Signaling theory is very closely related to stock prices, because if a company gives a positive signal it will increase share prices in the stock market, and vice versa (Wisudani, 2021). Market conditions are influenced by the response given by investors to the signals given. both positive and negative signals the response from investors varied, some were aggressive in stock hunting, some waited (wait and see) while waiting for developments before taking action, and others did not react (Fahmi, 2014).

Stock Price

Fluctuations in stock prices can occur in such a short time, it can be in seconds or minutes. This is inseparable from the interactions that occur between actors in stock trading, namely stock sellers and stock buyers, which are motivated by demand and supply (Khasanah & Suwarti, 2022). The company's good financial performance will be reflected through its share price which will have an impact on increasing the value of the company. Good corporate value will become a magnet for creditors, investors, and stakeholders in investing. Therefore, if a company wants to get a positive response from investors, the company must be able to increase its value of the company (Aisyah & Sartika, 2022). The increase in share prices was influenced by the increase in profits earned by the company. High company profitability directly reflects that the company can provide high returns (profits) for investors. The share price used is the closing price, which means the market price that occurs due to the end of a period (Inayah, et al., 2021).

CPO Price

Oil palm is an industrial/plantation plant that is used as a producer of cooking oil, industrial oil, and fuel. With the benefits it generates, palm oil is one of the most traded commodities. In buying and selling activities the most important thing is regarding pricing. Price can also be interpreted as the value of an item which is calculated based on payment for the production factors used to realize these goods (Wahyuni, et al., 2021). The reference price is obtained from investment id and the selling price is transacted through the international commodity market in Rotterdam, The Netherlands. CIF Rotterdam is a reference for world oil prices based on trade meter regulations. The increase in CPO prices can be caused by several factors including the production of palm oil, exports of palm oil, and the price of palm oil (Karia, et al., 2013).

Capital structure

Comparison of the amount of debt originating from outside or foreign capital and own capital or equity is an understanding of the capital structure (Halim, 2015). One indicator that can be used to assess a company's capital structure is the Debt to Equity Ratio (DER). DER shows the ability of the company's equity (own capital) to fulfilling its obligations and describes the debt ratio and equity ratio in the company's funding. The higher the DER ratio of a company means the level of debt used is higher and vice versa. Companies that have an optimal capital structure will be able to maximize the company's stock price (Brigham & Houston, 2014).

Profitability

The profitability ratio is the ratio used to measure the level of effectiveness of a company in generating profits related to sales and investment activities. The profitability ratio itself aims to compare the current year's profit with the previous year and then measure the extent of the company's ability to generate profits and measure how much profit is generated from each rupiah in a certain period. According to (Fahmi, 2014) companies with the ability to generate high profits have better profitability ratios. One ratio that can be used to measure or assess a company's ability to generate profits is Return On Assets (ROA). (Mardiyanto, 2009) ROA is a measure of the company's ability as a whole to generate profits with the total assets available in the company. The lower this ratio, it can be said that the company's profitability is also not good.

CPO price relationship with profitability

In the range of 2020 to 2022 CPO prices will continue to increase, under normal conditions when CPO prices increase, companies will get more profits when selling at high prices. Research conducted (Asriyanti & Syafruddin, 2017) found empirical evidence that prices affect profitability. The selling price of the product has an impact on the company's profitability. The higher the selling price, the higher the value of the company's profitability, so the hypothesis is formulated:

H1: CPO price has a positive effect on profitability.

The relationship between capital structure and profitability

According to (Fahmi, 2014) the form of a description of a company's financial proportions can be seen from the company's financial structure or capital structure. The capital structure is a comparison between capital or funds originating from the company itself with funds originating from loans or long-term debt used to finance the company's activities. Good debt management and being able to increase company income or profits compared to the burden on the forest that must be borne, in this case, debt can increase company profitability (Dewi & Sedana, 2019). This statement is supported by research from (Fathoni & Syarifudin, 2021) and (Arista & Topowijono, 2015) where the capital structure has a positive and significant effect on profitability, so the hypothesis formulated is:

H2: Capital structure has a positive effect on profitability.

Profitability relationship with stock price

Assessing the effective and efficient management of the company can be seen from the sales and investment activities in generating profits for the company. This statement is the meaning of the profitability ratio (Kasmir, 2015). Return On Assets is one of the tools used as an indicator in assessing the level of company profitability. The higher the ROA, the higher the profit a company will generate from its total assets. Companies with high levels of profitability will attract investors to invest, this will be followed by an increase in share prices because the demand for shares also increases. In line with research (Ardiansyah, et al., 2022) which states that there is a positive and significant effect between profitability and the ROA indicator on stock price movements.

H3: Profitability has a positive effect on stock prices.

The relationship between CPO prices and stock prices

Under normal conditions when the price of CPO increases, the company will gain more profit when selling at a high price. Seeing an increased profit rate, investors will be interested in investing because basically, investors will prefer investing in companies with higher profits. This is following the signaling theory, with information about rising CPO prices, it will cause a reaction from investors towards making investment decisions. In this case, when there is information on price increases, investors will buy company shares. So the impact on the company, the company's stock price will increase. Research conducted by (Agustina & Patar Simamora, 2021) shows that there is a significant influence between CPO prices on stock prices. Research conducted (Sudoni, et al., 2020) at the company PT London Sumatra Indonesia Tbk also shows that if the price of CPO has a positive and significant effect on the stock price, namely an increase in the price of CPO, the share price will increase the share price of PT London Sumatra Indonesia Tbk. Based on the theory and results of previous studies, the following research hypotheses can be developed. So the research hypothesis is:

H4: CPO prices have a positive effect on stock prices

The Relationship between capital structure and stock price

The optimal capital structure is one that maximizes share price or shareholder wealth (Yang, et al., 2014). The use of more and more debt, reflected in the debt ratio (the ratio between debt and total capital), is getting bigger. The high DER will reflect the high company financing that does not come from its financial sources, but from creditors, which is a quite dangerous trend because it also reflects the company's high dependence on debt. As a result, stock prices tend to decrease with a higher risk of using debt (Brigham & Houston, 2014). Based on this information according to the signaling theory, the stock price will increase when the DER value of a company gets smaller due to an increase in demand for company shares. Conversely, when the DER value is more excellent, the stock price will weaken due to the lack of investor interest in investing. The research results (Alifatussalimah & Sujud, 2020) and (Sufyati HS & Rachmawati, 2020) prove that DER has a negative and significant effect on the stock prices of companies in the plantation subsector. This shows that a decrease in DER will cause an increase in stock prices, while an increase in DER will cause a decrease in stock prices. So, the research hypothesis is:

H5: Capital structure has a negative effect on stock prices

Indirect relationship between CPO prices and stock prices through profitability

Under normal conditions when the price of CPO increases, the company will gain more profit when selling at a high price. Seeing an increased profit rate, attracts investors to invest so that the impact can increase stock prices. (Amanda, et al., 2018) in his research found empirical evidence that price has a significant positive effect on profitability. Research conducted (Nasikin & Yuliana, 2022) and (Ardiansyah, et al., 2022) proves that profitability as measured by the Return On Asset Ratio has a significant effect on stock prices. Based on this explanation, it can be concluded that profitability can mediate between CPO prices and stock prices. From this explanation, the hypothesis formulated is:

H6: CPO prices have an indirect effect on stock prices through profitability.

Indirect relationship between capital structure and share price through profitability

The debt-to-equity ratio is a ratio that shows a comparison between debt and equity. Debt can be used by companies to increase their capital to increase profits if managed properly. (Hasanuddin, 2020) in his research found empirical evidence that capital structure does not affect stock prices. Research conducted (Putra & Nurhidayati, 2020) found empirical evidence that capital structure affects profitability. (Latifah & Suryani, 2020) found empirical evidence that profitability affects stock prices. Based on this explanation, it can be concluded that profitability can mediate between capital structure and stock prices. so that the hypothesis formulated is:

H7: Capital structure influences indirectly on stock prices through profitability

METHOD

Population and sample

The data in this study uses secondary information that comes from electronic media in the form of financial reports for the 2020-2022 period obtained through the Indonesia Stock Exchange. Based on information obtained from the IDX website, there are 24 registered palm oil sector companies, so purposive sampling was chosen as the method for taking criteria in this research. The criteria for taking the sample are 1) Oil palm plantation companies listed on the Indonesia Stock Exchange in 2020-2022 2) Oil palm plantation companies that issue financial reports consecutive semester reports and annual reports in 2020-2022 3) Coconut companies palm oil that did not experience a loss during the period of semester II of 2020 to semester I of 2022. Based on these criteria, the samples that have been obtained through the IDX website, these samples were re-selected according to the established criteria. The following samples and the number of observations used in this study:

Table 1. Sampling process

Sample criteria	Amount
Oil palm plantation companies listed on the Indonesia Stock Exchange until 2022	24
Oil palm plantation companies that do not issue semiannual reports and annual reports consecutively during the period of semester II of 2020 – semester I of 2022	(2)
Palm oil companies that suffer losses	(9)
Total oil palm plantation companies that became the research sample	13
Number of research observations (2020-2022)	52

Measurement of research variables

The variables used in this study consist of the independent variable, namely the CPO price, the capital structure is measured by the debt-equity ratio, the dependent variable, namely the stock price, and the intervening variable, namely profitability, which is measured by the return on assets. Table 2 describes the variable measurements used.

Table 2. Operational definitions of variables

Variable	Indicator	Formula
CPO Price	Reference CPO Price	CPO Price = USD (CPO Price)
Capital Structure	Debt to Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}} \times 100\%$
Profitability	Return On Assets	$\text{Return On Assets} = \frac{\text{Net Profit}}{\text{Total asset}} \times 100\%$
Stock Price	Stock Price (closing price)	Share prices of palm oil companies that are members of the IDX

Data analysis technique

Data analysis using Partial Least Square (PLS) and using SmartPLS tools. PLS is an alternative Structural Equation Modeling (SEM) method that can be used to solve problems in the relationship between variables. PLS is a fairly robust analytical method because it does not depend on many assumptions. In addition, the data usually does not need to be multivariate (an indicator with a categorical, ordinal or interval ratio scale can be used in the same model), the sample does not have to be large (Ghozali & Hengky, 2015). The number of samples that are small or not large in the method of linking reflective and formative indicators that can be used for all data scales makes PLS more suitable and suitable for use compared to other analyses.

The variables in this study are the dependent variable, independent variable, and mediating variable. In this study, stock prices act as Y variables or dependent variables, CPO prices and Debt to Equity Ratio act as X variables or independent variables, while profitability as measured through Return on Assets functions as Z variables or mediating variables. With the intervening variable, this research was conducted by path analysis. Path analysis is part of a regression model that can be used to analyze causal relationships between one variable and another. Path analysis is used by using correlation, regression, and path so that it can be known to arrive at intervening variables (Sugiyono, 2013). The condition for a variable to mediate the effect of the independent variable and the dependent variable is if there is a significant influence between the independent variable and the mediating variable, and there is a significant influence between the mediating variable and the independent variable (M. Baron & A. Kenny, 1986).

RESULT AND DISCUSSION

Descriptive statistical test

Table 3. Descriptive statistical test results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
CPO Price	52	583,00	1505,00	1033,2500	326,273
DER	52	0,0003	2,299	1,046	0,646
ROA	52	0,0024	0,493	0,066	0,080
Stock Price	52	0,01	0,87	0,1171	0,179

The table shows a descriptive statistical analysis of each variable. The CPO Price variable has an overall mean of 1033,250 standard deviations of 326,273, a maximum value of 1505.00, and a minimum value of 583.00. The capital structure proxied with the Debt Equity Ratio has an overall mean of 1,046 standard deviations of 0,646, a maximum value of 2,299, and a minimum value of 0,0003. The variable Profitability proxied with Return on Assets has an overall mean of 0,066, a standard deviation of 0,080, a maximum value of 0,493, and a minimum value of 0,0024. The stock price variable has an overall mean of 0.117 standard deviations of 0.181, a maximum value of 0.87, and a minimum value of 0.01.

Measurement model (outer model)
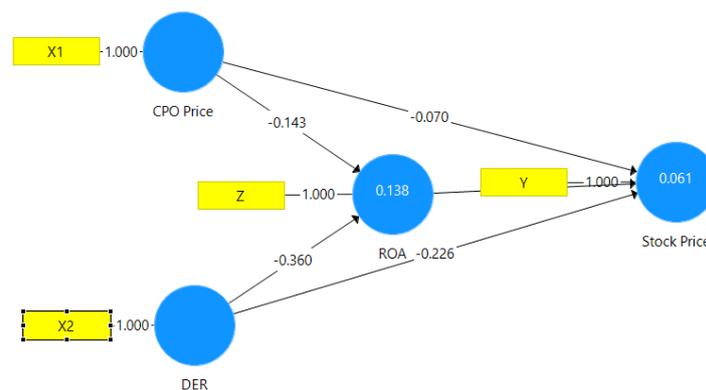
Validity test & reliability test

The validity test used in the study there is two tests. The first is convergent validity which can be seen from the outer loading value in the SmartPLS program with a value greater than 0.7. The second is discriminant validity by looking at the AVE value with the condition that it must be greater than 0.5. The results of data processing using SmartPLS 3.0 can be seen in the following table, where the outer loading value has met the minimum convergent validity value where each indicator has a value of

1,000 or more than the required value. Likewise, convergent validity shows that each indicator has met discriminant validity where the value is 1,000, which means the value is more than 0.5.

Table 3. Validity test and reliability test

Variable	Outer Loading/Convergent Validity	Average Variance Extracted	Composite Reliability	Cronbach Alpha
X1 (CPO Price)	1	1	1	1
X2 (DER)	1	1	1	1
Z (ROA)	1	1	1	1
Y (Stock Price)	1	1	1	1

In the SmartPLS program, the reliability test can be carried out using two methods. The first is to look at Cronbach's Alpha, where the minimum required value is 0.6. Then the second method is to look at the value of Composite Reliability. The minimum value required to pass this testing stage is 0.7. Based on the results of data processing using SmartPLS 3.0, it is obtained if Cronbach's alpha value is above 0.7, which is a value of 1,000. Likewise, the composite reliability value is also 1,000, which means that it is above the minimum required value of 0.7.

Structural model evaluation (inner model)

The table shows the R-Square Stock Price has a value of 0.061 or 6.1%. This shows that the Stock Price variable that can be explained is 6.1%, while the remaining 93.9% is explained by other variables that are not listed in this study. Then the variable R-Square ROA has a value of 0.138 or 13.8%. This shows that the ROA variable that can be explained is 13.8%, while the remaining 86.2% is explained by other variables that are not listed in the study.

Table 4. R-Square

	R-Square	R-Square Adjusted
Stock Price	0.061	0.003
ROA	0.138	0.103

Goodness of Fit calculation

Based on the results of the Goodness of Fit calculation, the NFI (Normal Fit Index) value is equal to 1,000. This means that it has met the criteria of the model fit with the data.

Table 5. GoF

	Saturated model	Estimated model
SRMR	0	0
d_ULS	0	0
d_G	0	0
Chi-square		
NFI	1	1

Effect of CPO prices on profitability

Based on the results of the direct effect analysis that has been carried out, it shows that the value of the P values in the image has a value of 0.337. From this value, it can be seen that the value is 0.337 > 0.05. These results indicate that the effect of the CPO price variable on ROA is not significant, so it can be concluded that the H1 hypothesis is rejected. The results of this study are not in line with research conducted by (Mubarok, et al., 2019) which states that world CPO prices affect profitability. The results of this study indicate that price changes, both the ups and downs of CPO prices, do not have an impact on the level of company profitability.

Table 6. Hypothesis test

	Original Sampel (O)	Sampel Mean (M)	Standard Deviation (STDEV)	T Statistics (lO/STDEVl)	P Values	Information
CPO price > ROA	-0.143	-0.096	0.148	0.961	0.337	Not Significant
DER > ROA	-0.360	-0.336	0.130	2.775	0.006	Significant
ROA> Stock price	-0.212	-0.201	0.104	2.036	0.042	Significant
CPO price > Stock price	-0.070	-0.062	0.158	0.441	0.659	Not Significant
DER > Stock price	-0.226	-0.206	0.144	1.565	0.118	Not Significant
CPO price > ROA > Stock price	0.030	0.025	0.037	0.821	0.412	Not Significant
DER > ROA > Stock price	0.076	0.072	0.050	1.518	0.130	Not Significant

In the range of 2020 to 2022 CPO prices will continue to increase but this will not affect the profitability of companies in the palm oil sector. In a normal situation when the price of CPO rises, the profit earned will also increase. The ineffectiveness of increasing CPO prices on profitability can be caused by several things. Among them is that the decline in palm oil production can be caused by some things including weather disturbances, limited fertilizers, and a shortage of labor which is then suspected to be the cause of the decline in CPO production. Apart from the decline in palm oil production, another factor that caused the CPO price to increase but did not affect profitability was the policy of limiting CPO exports. This is done by the government to meet domestic needs first. As is known some time ago the community had experienced a scarcity of cooking oil. In addition to the export restrictions, the government also made price adjustments to the selling price of oil so that from the beginning companies could earn higher profits as a result of the increase in CPO prices, but due to the two factors mentioned above, the increase in CPO prices did not affect companies in the palm oil sector. Government policies that affect the selling price of palm oil products, production costs, and trade restrictions can have an impact on the profitability of palm oil companies.

Effect of capital structure on profitability

Based on the results of the direct effect analysis that has been carried out, it shows the value of the path coefficient (X2) of capital structure which in this study is measured using the DER indicator of -0.360. From these results, it can be concluded that the CPO price variable has a negative value, which means that the influence between variable (X2) DER and variable (Z) Profitability goes in opposite directions. The results of the P Values shown in the figure have a value of 0.006. From this value, it can be seen that the value is 0.006 <0.05.

These results indicate that the effect of the DER variable on ROA is significant, so it can be concluded that the H2 hypothesis is rejected. The results of this study are in line with the results of other studies which state that DER has a negative and significant effect on ROA (Puspitasari, 2021) and (Noviana Sujono, et al., 2019). The results of this study indicate that the value of the profitability or profit to be obtained by the company will increase if the value of the company's DER ratio is getting smaller. That is, a higher level of debt makes a negative contribution to return on assets. This result is not surprising because loan interest is the first cost and reduces profits (Liow, 2010).

Contrary to research conducted by (Wartono, 2018), (Novita, et al., 2022) and (Herliana, 2021) which stated that there was no significant effect between DER on ROA. The increasing DER shows

that companies use more debt as a source of funding. This poses a potentially large risk if the company is unable to pay its debts as they fall due. Because the company must use most of its capital to pay off debt, this can reduce the company's income and affect the profits it makes.

Effect of profitability on stock prices

Based on the results of the direct effect analysis that has been carried out, it shows the results of the path coefficient (Z) Profitability, which in this study is measured using the ROA indicator, has a value of -0.212. From these results, it can be concluded that the ROA variable has a negative value, which means that the influence between the (Z) ROA variable and (Y) stock price variable runs in the opposite direction. The results of the P Values shown in the figure have a value of 0.042. From this value, it can be seen that the value is 0.042 <0.05. These results indicate that the effect of the ROA variable on stock prices is significant, so it can be concluded that the H3 hypothesis is rejected. The results of this study are in line with other studies which state that ROA has a negative and significant effect on stock prices (Alifatussalimah & Sujud, 2020).

The results of this study indicate that an increase in company profitability will not be accompanied by an increase in the company's stock price. The negative effect of ROA on stock prices arises because even though ROA reflects a company's ability to generate profits from its assets, ROA that is too high at some point may indicate that the company has not made optimal use of the profits generated to invest assets that have the potential to increase company profits. In other words, the company has not been able to maximize its potential in reinvesting the profits it has earned. This condition can reduce investors' interest in buying the shares in question, which in turn can lead to a decrease in share prices.

Contrary to research conducted by (Lafairi Rera & Suminar, 2022) and (Adikerta & Abundanti, 2020) with the result that ROA has a positive and significant effect on stock prices, which means that any increase in ROA in a company will also affect stock prices. The company's profitability increases when ROA increases, this will have an impact on the profitability that will be received by shareholders to increase.

Effect of CPO prices on stock prices

Based on the results of the direct effect analysis that has been carried out, the results of the P values shown in the figure have a value of 0.659. From this value, it can be seen that the value is 0.659 > 0.05. These results indicate that the effect of the CPO price variable on stock prices is not significant, so it can be concluded that the H4 hypothesis is rejected. The results of this study indicate that changes in the CPO price level either increase or decrease do not have a significant impact on changes in the company's stock price.

The existence of a government policy regarding restrictions on CPO exports has a major impact on the world's CPO supply because more than 50% is supplied by Indonesia. Based on the law of supply and demand for commodity trading at the global level, this made CPO prices immediately shot up almost 4% on the Malaysian Derivatives Exchange in a week. However, while the increase in CPO prices continued to accelerate, the shares of CPO producers did not necessarily accelerate. This is because investors lack confidence in the palm oil sector. After all, usually, price increases do not last for a long time. Investors are worried about losing the momentum to gain income from rising CPO prices.

Jasa Utama Sekuritas analyst Chris Apriliony said that CPO sector stocks were still lagging because investors tended to lack confidence in the CPO sector, which has been a weight for the index. Moreover, usually, the increase in CPO is only limited to the short term. The movement of shares that are not so significant makes the index rate depressed and even reduces the value of the company's capitalization itself. Meanwhile, Erdikha Elit Sekuritas analyst Ivan Kasulthan assesses that currently, most CPO stocks have almost entered the saturation phase in the short term (Puspisari & Indrastiti, 2021).

Contrary to the results of this study, research conducted by (Pangemanan, et al., 2017), and (Sunaryo & Kurniawan, 2020) states that there is a positive and significant influence between CPO prices on stock prices. The increase in Crude Palm Oil (CPO) commodity prices which continued to increase succeeded in luring market players to buy shares. The act of buying shares indicates an increase in demand for shares, which has an impact on increasing share prices.

Effect of capital structure on stock prices

Based on the results of the direct effect analysis that has been carried out, the results of the P Values shown in the figure have a value of 0.118. From this value, it can be seen that the value is 0.118 > 0.05. These results indicate that the effect of the DER variable on stock prices is not significant, so it can be concluded that the H5 hypothesis is rejected.

This is in line with research (Hasanuddin, 2020), (Utami & Darmawan, 2018), and (Andung, 2022) which states that the effect of DER on stock prices is negative and not significant. The results of this study reflect that investors' considerations in viewing DER differ. Some see DER not as an obstacle or a trigger for interest in buying shares and does not affect shares. Precisely view if the debt is needed as additional funds by the company to achieve company growth.

The absence of influence between DER on stock prices reflects that capital gains, which are short-term profits and trends in the market, are more of a consideration for investors compared to company DER. It is no longer dividend-oriented but capital gain oriented which is the orientation of most investors. The results of this study also show that the information on DER changes that can be seen in the company's financial statements does not influence stock price decisions. This can be based on the use of debt as well as the return of interest and principal of the debt is not considered important by investors in making investments so that investors' perceptions are not affected by future profits.

Contrary to research conducted by (Alifatussalimah & Sujud, 2020), (Dzulqodah & Mujati S, 2016) and (Nining AF, 2020) which shows that DER affects stock prices. DER reflects how the company uses funds from the company's capital structure which comes from long-term debt and capital which comes from equity. The positive effect of DER on stock prices reflects if the size of the capital issued by investors for the company to generate net income is something investors pay attention to. The greater the DER value reflects the capital structure the business uses more funds to earn profits.

The effect of CPO prices on stock prices through profitability

The condition for a variable to mediate the effect of the independent variable and the dependent variable is if there is a significant influence between the independent variable and the mediating variable, and there is a significant influence between the mediating variable and the independent variable independent (M. Baron & A. Kenny, 1986). Based on the results of data analysis on profitability testing as a mediating variable the influence of CPO prices on stock prices is not met. The following results of the analysis are shown in the table above, the p-value shows 0.130 where this number exceeds the threshold value which indicates a significant influence relationship, namely a maximum of 0.05. In addition, the t-statistic value is also below 1.96, namely 1.518 which is the minimum value required for a significant influence relationship, so it can be concluded that the H6 hypothesis is rejected.

The effect of capital structure on stock prices through profitability

Baron & Kenny states that the condition for a variable to mediate the effect of the independent variables and the dependent variable is if there is a significant influence between the independent variable and the mediating variable and if there is a significant influence between the mediating variable and the independent variable independent (M. Baron & A. Kenny, 1986). Based on the results of the analysis of profitability testing data as a mediating variable, the influence of capital structure on stock prices is also not fulfilled. Following the results of the analysis shown in the table above, the p-

value is 0.412 where this figure exceeds the threshold value which indicates a significant influence relationship, namely a maximum of 0.05. In addition, the t-statistic value is also below 1.96 which is equal to 0.821 which is the minimum value required for a significant influence relationship, so it can be concluded that the H7 hypothesis is rejected.

CONCLUSION

According to the results of the research analysis and discussion, the results can be concluded as follows: 1) Variable Crude Palm Oil (CPO) prices show negative results that are not significant to profitability as measured by ROA indicators. This means that if there is an increase in profitability, it will cause the stock price to fall. This can happen because the high profit received by the company will not necessarily guarantee a return in the form of shares to investors, taking into account the obligations that still need to be fulfilled by the company and a large number of total idle assets, this can weaken the stock price because investors can consider these two things so they tend not to be interested in investing in the company. 2) Capital structure as measured by the Debt Equity Ratio (DER) indicator shows significant negative results on profitability as measured by the ROA indicator. 3) Variable Profitability as measured by the ROA indicator shows significant negative results on stock prices. 4) The variable price of crude palm oil (CPO) shows insignificant negative results on stock prices. 5) Capital structure as measured by the Debt Equity Ratio (DER) indicator shows insignificant negative results on stock prices. 6) Profitability variables with ROA indicators are unable to mediate the effect of Crude Palm Oil (CPO) Prices on stock prices. 7) Profitability variables with ROA indicators are unable to mediate the effect of the Debt Equity Ratio (DER) on stock prices.

The author realizes there are still many shortcomings and limitations that the author does. As for the limitations of this study, researchers only took research objects which were limited to 13 companies, namely companies listed on the Indonesia Stock Exchange in the oil palm plantation sub-sector which in the last three years reported semester financial reports, namely from semester II of 2020 to semester I of 2022 In addition, the variable indicators are also limited, namely on capital structure only use debt to Equity Ratio (DER) and Return on Assets (ROA) for the variable profitability. The following input which can be given for further research is using other sectors as research objects or combining several sectors with various considerations so that more and more samples are used, adding or replacing the independent variables with other variables that are relevant and may affect the dependent variable, and using different methods to test the effect between variables, such as using the Sobel test if the data used is usually distributed.

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