

THE INFLUENCE OF MARKET VALUE AND LEVERAGE ON STOCK PRICES OF MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) IN 2019-2023

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Abstract. *This research investigates the influence of market value and leverage on stock price movements. The population in this research consists of manufacturing firms listed on the Indonesia Stock Exchange, selected through purposive sampling based on specific criteria. The analytical method employed is inferential statistics using structural equation modeling (SEM), particularly the variance-based approach with the WarPLS 7.0 tool. The results indicate that market value exerts a strong and significant positive impact on stock prices, whereas leverage shows an insignificant and minimal contribution, with a weakly positive influence. These findings suggest that indicators of profitability play a more crucial and decisive role in determining stock prices than capital structure, which appears to be less emphasized or deemed non-essential by market participants within Indonesia's manufacturing sector. It is expected that companies will focus on creating sustainable market value and developing wise financing strategies to remain competitive in the eyes of investors.*

Keywords: Accounting, Indonesia Stock Exchange, Leverage, Market Value, Stock Price