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Do Liquidity and Solvency Ratios Matter to Stock Prices in the Transportation Infrastructure Sub-Sector Companies?

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Abstract−Stock prices play an important role in reflecting a company's performance in the capital market and are a key consideration for investors before investing. However, the fluctuations in stock prices of Transportation Infrastructure sub sector companies from 2019-2023 raised suspicions of the influence of financial ratios, such as liquidity and solvency ratios. This study aims to determine analysis the effect of liquidity ratio (CR) and solvency ratio (DER) on stock prices of Transportation Infrastructure sub sector companies listed on the Indonesia Stock Exchange for the period 2019-2023. This study uses a quantitative approach in the form of secondary data obtained from the company's financial statements. Sample selection using purposive sampling technique, obtained 6 companies with a total of 30 observation for five years. Data analysis was carried out using SPSS through descriptive statistics, classical assumption test, t-test, and F-tests. The results of the study showed that partially, CR had no significant effect on stock prices with a t-count value of 1.274 < t-table 2.04841 and a significannce of 0.214 > 0.05, while DER had a positive and significant effect with a t-count value of 6.527 > 2.04841 t-table and a significance of 0.000 < 0.05. Simultaneously, CR and DER had a significant effect on stock prices with an F-count value of 30,740 > 3.35 F-table and a significance value of 0.000 < 0.05.

Keywords: Financial Performance; Liquidity Ratio; Solvency Ratio; Stock Prices; Transportation Infrastructure

1. INTRODUCTION

The transportation infrastructure sub-sector plays a pivotal role in national economic development by enabling the movement of people, goods, and services. In emerging economies like Indonesia, the sub-sector not only supports industrial growth but also attracts significant attention from investors, both local and international. Given its capital-intensive nature, companies operating in this sector typically rely heavily on debt financing and long-term infrastructure investments. As a result, assessing their financial health becomes critical, particularly through liquidity and solvency ratios, which are commonly used indicators in fundamental financial analysis.

Liquidity ratios measure a company's ability to meet its short-term obligations using its current assets. Common indicators include the Current Ratio (CR) and Quick Ratio (QR). Solvency ratios, on the other hand, assess long-term financial stability and the ability to meet debt obligations, typically represented by the Debt-to-Equity Ratio (DER) and Interest Coverage Ratio (ICR). For investors, these ratios serve as signals for evaluating financial sustainability and investment risk (Fikri & Yolanda, 2023).

Amid the recent global disruption, such as the COVID-19 pandemic, rising interest rates, global inflation, and geopolitical uncertainty, transportation infrastructure companies have faced both demand-side and cost-side shocks (Al-Ansi et al., 2023). These dynamics heighten the importance of financial flexibility and stability, particularly in managing liquidity and solvency. Investors, in turn, have become more cautious, emphasizing companies' ability to navigate operational risks through strong balance sheets (Ylinen et al., 2022). In this context, understanding whether and how liquidity and solvency ratios are reflected in stock prices is not only timely but necessary.

Companies included in the infrastructure transportation sub-sector on the Indonesia Stock Exchange are companies engaged in the development, management, and provision of transportation facilities and infrastructure. This sub-sector is an important part of the infrastructure sector because it supports the smooth mobility of goods and human activities, which ultimately has a direct impact on national economic growth (Yannis & Chaziris, 2022). These companies have a strategic role in supporting national connectivity, logistics efficiency, and regional development (Bayoumi et al., 2021). Therefore, their performance and financial condition are often of concern to investors, especially in long-term investments.

The 2019-2023 period is also a challenging period for the infrastructure transportation sector in Indonesia. The COVID-19 outbreak that emerged in early 2020 has had a serious impact on the operations and financial performance of companies in this sector. Mobility restrictions, decreased demand, and supply chain disruptions are some of the factors that affect company performance (Sudan & Taggar, 2021). Therefore, it is important to examine how financial ratios such as CR and DER affect the stock prices of companies in the infrastructure transportation sector during this period.

Numerous studies have examined the influence of financial performance indicators on stock valuation in general sectors, only a few have focused on the transportation infrastructure sub-sector in Indonesia. For example, (S. D. Rahmawati & Putra, 2022) conducted a study on infrastructure, utility, and transportation companies listed on the Indonesia Stock Exchange from 2018 to 2020. Their research demonstrated that CR, DER, and ROA significantly affected stock returns. However, the research aggregated multiple sectors without isolating transportation infrastructure, which arguably possesses different financial structures and operating dynamics. Another study by (Andriany et al., 2024) concentrated more specifically on transportation firms in Indonesia from 2017 to 2021. Their results indicated that CR, ROA, and DER had significant effects on firm value as measured by Price-to-Book Value (PBV). While insightful, the study used firm value instead of stock price as the dependent variable, potentially omitting market sentiment and price

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volatility factors that influence real-time investor decision-making. (Aprilani & Haningsih, 2025) took a different approach by examining financial distress predictors in the transportation sub-sector for the 2018–2022 period. Their findings revealed that high DER heightened the risk of financial distress, while high CR and strong sales growth reduced that risk. However, the study's focus on bankruptcy prediction rather than valuation limits its relevance to investors concerned with pricing accuracy. On an international level, a study by (Alsulami, 2025) on South Asian airline companies found that current, quick, and cash ratios positively impacted Return on Equity (ROE), while DER negatively affected it. Although their study supports the idea that financial health matters, it was directed toward profitability, not stock price behavior. Moreover, the unique regulatory and competitive environments in other regions may not be directly applicable to Indonesia's capital markets.

Thus, while prior studies have laid the groundwork for understanding the roles of liquidity and solvency, none have explicitly addressed how these ratios impact stock prices in the transportation infrastructure sub-sector in Indonesia. This research seeks to bridge that critical gap. This study aims to investigate the influence of liquidity and solvency ratios on stock prices of transportation infrastructure companies listed on the Indonesia Stock Exchange during the 2019–2023 period. By focusing on a critical sub-sector that is heavily dependent on external financing and long-term assets, this research captures unique financial behavior not adequately represented in broader sector studies.

The urgency of this research stems from the fact that investor confidence in the transportation sector has been significantly tested in recent years. Post-pandemic recovery, rising interest rates, and government shifts in infrastructure funding have forced firms to re-evaluate their capital structures. At the same time, investors are increasingly turning to financial ratios as tools to make quick judgments in volatile markets. Understanding how these ratios correlate with stock prices can improve both corporate financial strategies and investor decision-making.

Unlike most studies that group transportation with broader infrastructure or utilities, this study provides targeted insight into the financial determinants of stock pricing within the transportation infrastructure sub-secto. The other contribution of this study is by focusing on stock price rather than firm value, profitability, or returns, this research aligns more closely with real-time investor behavior and stock market dynamics.

2. RESEARCH METHODS

2.1 Basic Research Framework

This study uses a quantitative research design. The independent variable are liquidity ratio with proxy current ratio (CR) and the solvency ratio with proxy debt to equity ratio (DER), while the dependent variable is stock price of transportation infrastructure sub-sector companies listed on the Indonesia Stock Exchange during the period 2019-2023.

The population in this study was all transportation infrastructure sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period, totaling 9 companies. The sampling technique used in this study was purposive sampling based on certain criteria, usually adjusted to the research objectives or characteristics of the variables studied. The criteria used in sampling in this study are as follows:

a. Transportation infrastructure sub-sector companies listed on the Indonesia Stock Exchange during the 2019-2023 periods.
b. Companies that publish complete financial reports during this period.
c. Companies that have complete data related to the variables used in the study, namely Current Ratio (CR), Debt to Equity Ratio (DER), and closing stock prices for the fourth quarter during that period.

Based on these criteria, a sample of 6 companies was obtained from a total of 9 transportation infrastructure sub-sector companies listed on the IDX. Operational variables are summarized in the following table:

Table 1. Research Variables

Variables	Definition	Indicator	Source
Current Ratio (X_1)	Current ratio is a ratio that explains the extent to which a company's current assets can be used to cover its short-term liabilities or current debts	$\frac{\text{Current Asset}}{\text{Current Liabilities}}$	(Kasmir, 2018)
Debt To Equity Ratio (X_2)	Debt to equity ratio is a ratio used to show the extent to which a company finances its activities using debt compared to its own capital.	$\frac{\text{Total Debt}}{\text{Total Equity}}$	(Kasmir, 2018)
Stock Price (Y)	Stock price is the selling value listed on the stock exchange at a certain time and stock pricing is determined by market participants and stock prices usually fluctuate following supply and demand.	closing price at the end of the fourth quarter of each year	(Suherman & Siska, 2021)

Considering the previous theoretical and empirical insights, the following framework represents the thinking structure of this study.

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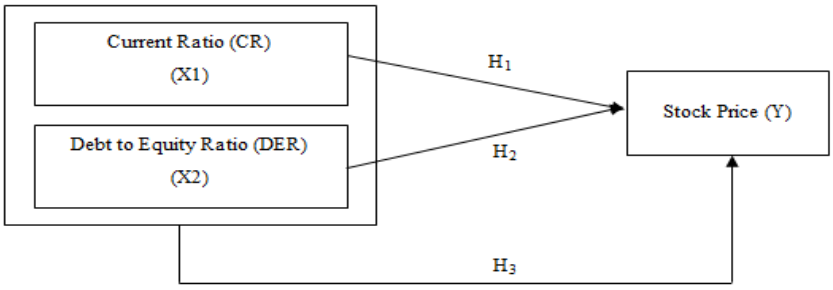

Figure 1. Research Framework

Liquidity ratio, particularly the Current Ratio (CR) reflects a company's ability to meet its short-term obligations using its current assets. In the context of transportation infrastructure companies, which are typically capital-intensive and have slower cash turnover, maintaining a healthy level of liquidity is crucial. For investors, CR serves as an important indicator of a firm's short-term financial stability. Companies with higher CR values are generally perceived as being more resilient in facing liquidity pressures, especially during periods of economic uncertainty such as the COVID-19 pandemic. A study by (Rahmawati & Putra, 2022) revealed that CR influenced stock returns in the infrastructure and transportation sectors, although the impact on stock prices was not always statistically significant. Conversely, (Sholihah & Damayanti, 2025) found that while CR did not have a partial effect on the stock prices of transportation companies, it played a significant role when analyzed in conjunction with other financial variables. Given the 2019–2023 observation period, this hypothesis is relevant to assess whether CR continues to serve as a meaningful indicator in shaping market perceptions of stock prices for transportation infrastructure companies listed on the Indonesia Stock Exchange.

H1: Liquidity Ratio (CR) partially affects stock prices in Infrastructure Transportation Companies listed on the IDX for the 2019-2023 periods.

The Debt to Equity Ratio (DER) reflects a company's capital structure, indicating the extent to which it relies on debt compared to equity to finance its assets. A high DER suggests significant leverage, which may increase financial risk and influence investors' perception of a company's long-term stability. In the transportation infrastructure sector, an industry typically requiring large-scale, long-term financing, thus DER serves as a key indicator for evaluating a firm's financial health. Investors often view DER as a signal of financial risk. An excessively high DER may imply heavy interest burdens and a higher risk of default, whereas a balanced DER reflects prudent capital structure management. A study by (Rahmawati, 2023) found that DER had a positive and significant effect on stock prices in the transportation sub-sector. In contrast, (Sholihah & Damayanti, 2025) reported that DER had a negative and significant partial effect on stock prices of transportation companies in Indonesia. Given the financial dynamics and external pressures during the 2019–2023 period, this hypothesis aims to examine whether DER continues to be a critical variable that partially influences stock prices in this sector.

H2: Debt to Equity Ratio (DER) partially affects stock prices in Infrastructure Transportation Companies listed on the IDX for the 2019-2023 periods.

The combination of the Current Ratio (CR) and the Debt to Equity Ratio (DER) offers a more comprehensive view of a company's ability to manage both short-term obligations and long-term financial commitments. In the capital-intensive and macroeconomically sensitive transportation infrastructure sector, maintaining a balanced position between liquidity and capital structure is crucial for investors when assessing a company's risk profile and growth potential. A study by (Sholihah & Damayanti, 2025) found that CR and DER jointly had a significant effect on the stock prices of Indonesian transportation companies during the 2017–2023 period. Similar findings were reported by (Rahmawati, 2023) who noted that a combination of financial indicators explains stock price movements more effectively than individual ratio analysis. These finding demonstrate that a comprehensive financial analysis is essential rather than examining ratios in isolation because is more relevant for understanding stock price behavior in transportation infrastructure companies listed on the Indonesia Stock Exchange during the 2019–2023 period.

H3: The liquidity ratio (CR) and solvency ratio (DER) simultaneously affect the stock prices of Infrastructure Transportation Companies listed on the IDX for the 2019-2023 periods.

2.2 Data Analysis

2.2.1 Classical Assumption Test

The classical assumption test is a statistical requirement that must be met in multiple linear regression analysis based on ordinary least squares (OLS). The purpose of the classical assumption test is to ensure that the linear regression model meets certain statistical requirements so that the estimated results (regression coefficients) obtained are Best Linear Unbiased Estimator (Mubarak, 2021).

a. Normality test

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A regression model is considered good if its residual values are normally distributed. To test for data normality, statistical tests such as the Shapiro-Wilk test, the Kolmogorov-Smirnov test, histograms, and Q-Q plots can be used (Iba & Wardhana, 2021). The following are the basic criteria for normality test results. If the significance value is >0.05, then the distribution of the regression model is normal, otherwise if the significance value is <0.05, then the distribution of the regression model is non-normal.

b. Multicollinearity test
The purpose of the multicollinearity test is to determine whether a correlation exists between the independent variables in the regression model. A good regression model should have no correlation between the independent variables (Sihabudin et al., 2021). The tolerance and variance inflation factor (VIF) values are used to assess whether multicollinearity is present in a regression model. Multicollinearity is not present if the VIF is less than 10 and the tolerance value is greater than 0.10. Multicollinearity is present if the VIF is greater than 10 and the tolerance value is less than 0.10.

c. Heteroscedasticity test
The heteroscedasticity test is used to determine whether or not there is a deviation from the classical assumption of heteroscedasticity, namely the unequal variance of the residuals for all observations in the regression model. Heteroscedasticity can be tested using a variety of techniques, such as the Glejser test, the Park test, the Scatterplot test, and the Spearman's rho correlation coefficient test. Heteroscedasticity is determined by adjusting for the following criteria: heteroscedasticity does not occur if the significance value is greater than 0.05, and it does occur if the significance value is less than 0.05.

d. Autocorrelation test
A good regression model is one that is free from autocorrelation. One method used is the Durbin-Watson test (DW test). The test criteria include: a) If $0 < d < dL$, then there is positive autocorrelation. b) If $dL < d < dU$ and $4 - dU < d < 4 - dL$, there is no autocorrelation. c) If $d - dL < d < 4$, there is negative autocorrelation. d) If $dU < d < 4 - dU$, there is neither positive nor negative autocorrelation.

2.2.2 Hypothesis Test

a. Partial test (t- test)
To answer Hypotheses 1 and 2, a t-test is used. If the calculated t-value is less than the t-table value or the significance value is greater than 0.05, then the independent variable individually has no effect on the dependent variable (the hypothesis is rejected). Conversely, if the calculated t-value is greater than the t-table value or the significance value is less than 0.05, then the independent variable individually has an effect on the dependent variable (the hypothesis is accepted).

b. Simultaneous test (F-test)
To answer hypothesis 3, the F test is used. If the calculated F value > F value, with a significance value of F < 0.05, then the independent variables simultaneously influence the dependent variable. If the calculated F value < F value, with a significance value of F > 0.05, then the variables simultaneously do not influence the dependent variable.

3. RESULTS AND DISCUSSION

3.1 Results

3.1.1 Descriptive Statistics

This study analyzed 30 observations from 6 companies over 5 years. This study analyzed 30 observations from 6 companies over a 5-year period. The results of the descriptive statistical analysis for each variable are presented in Table 2.

Table 2. Statistical Analysis of Companies in the Transportation Infrastructure Sub-Sector 2019-2023

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	30	.28	4.83	1.9627	1.31526
Debt To Equity Ratio	30	.17	3.29	1.1553	.94303
Harga Saham	30	114	5175	1087.13	1515.617

The liquidity ratio, measured by the current ratio, showed a minimum value of 0.28, indicating that a particular company had the lowest liquidity during the 2019-2023 period. Conversely, a maximum value of 4.83 indicates that a company had the highest success in meeting its short-term obligations during that period. The average current ratio was 1.9627, with a standard deviation of 1.31526. This indicates that companies' ability to meet their short-term obligations varies quite widely, with most companies having current ratios within reasonable limits.

The solvency ratio, measured by the debt-to-equity ratio, assesses the extent to which a company uses debt in its financing structure and its ability to repay its debt. The debt-to-equity ratio variable above shows a minimum value of 0.17, indicating that a company's capital structure is well-managed and not heavily dependent on debt. Meanwhile, a maximum value of 3.29 indicates that certain companies experience a high dependence on debt financing. However, a high DER value is not always negative if debt is used productively. The average value of 1.1553 and standard deviation

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of 0.94303 indicate that companies generally have a debt-to-equity ratio of 1.15, indicating that companies' capital structures tend to use debt in amounts that are nearly equal to or slightly greater than equity. However, the presence of a standard deviation close to the mean indicates that funding structures vary considerably across companies.

The stock price variable shows a fairly wide range of values, with a minimum value of IDR 114 and a maximum of IDR 5,175. The average stock price was 1,087.13 with a standard deviation of 1,515.617. This high standard deviation indicates that market conditions are heterogeneous among companies and are likely influenced by factors such as business scale, financial performance, company reputation, and market predictions regarding company performance.

3.1.2 Normality test

The normality test used was the one-sample Kolmogorov-Smirnov test, as indicated by the Asymp. Sig. (2-tailed) value. The results of the normality test are presented in Table 3. The test results in Table 3 show the Asymp. Sig. (2-tailed) value of 0.099, indicating a significance value greater than 0.05. Therefore, it can be concluded that the data is normally distributed, thus meeting the assumptions of the normality test.

Table 3. Normality Test Results

		Unstandardized Residual
N		30
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	837.23983221
Most Extreme Differences	Absolute	.147
	Positive	.147
	Negative	-.126
Test Statistic		.147
Asymp. Sig. (2-tailed)		.099[c]

3.1.3 Multicollinearity test

The results of the multicollinearity test for companies in the transportation infrastructure sub-sector listed on the IDX for the 2019-2023 period are shown in Table 4.

Table 4. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Current Ratio	213.311	167.497
Debt To Equity Ratio	1524.804	233.612

The test results in Table 4 indicate that the current ratio and debt-to-equity ratio variables have tolerance values of 0.535 > 0.10, and a VIF value of 1.869 < 10. Due to both criteria are met, it can be concluded that there is no multicollinearity among the independent variables in the regression model.

3.1.4 Heteroscedasticity test

Heteroscedasticity testing in this study was conducted using the Glejser test. If the significance value (sig) is greater than 0.05, it indicates no signs of heteroscedasticity. The results of the heteroscedasticity test for companies in the infrastructure transportation sub-sector listed on the IDX for the 2019-2023 periods are presented in Table 5.

Table 5. Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	556.144	345.655		1.609	.119
	Current Ratio	-84.189	101.241	-.194	-.832	.413
	Debt To Equity Ratio	183.760	141.203	.304	1.301	.204

The results of the heteroscedasticity test using the Glejser test indicate a significance value of >0.05 for both independent variables, with the current ratio at 0.413 and the debt-to-equity ratio at 0.204. This indicates no heteroscedasticity in the regression model.

3.1.5 Autocorrelation test

Autocorrelation testing was performed using the Durbin-Watson (DW) statistic. A model is considered free from autocorrelation if the DW value falls between the lower limit (dU) and upper limit (4 - dU) according to the criteria in the Durbin-Watson table. The results of the autocorrelation test for the research data are presented in Table 6.

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The test results show that the Durbin-Watson (DW) statistical value is 1.690. Referring to the Durbin-Watson table with a sample size of 30 and 2 independent variables, the dL value is 1.2837 and dU = 1.5666. So, it can be concluded that the DU value <D <4-DU = 1.5666 < 1.690 < 2.4334, which means that the Durbin-Watson value in this study is between the DU and 4-DU values and there is no autocorrelation.

Table 6. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.834[a]	.695	.672	867.695	1.690

a. Predictors: (Constant), Debt To Equity Ratio, Current Ratio
b. Dependent Variable: Stock Price

3.1.6 Partial test (t- test)

The results of the t-test are presented in Table 7. The results of the t-test for the liquidity variable measured using the current ratio show a calculated t value of 1.274 < t table 2.04841 (n-k = 30-2 = 28) with a significance value (sig.) = 0.214 > 0.05, so H1 is rejected, which means the liquidity ratio (CR) does not have a significant effect on stock prices. The solvency ratio measured using the debt to equity ratio (DER) proxy shows a calculated t value of 6.527 > t table 2.04841 (n-k = 30-2 = 28) with a significance value (sig.) of 0.000 < 0.05, H2 is accepted. This states that the solvency ratio (DER) has a positive and significant effect on stock prices.

Table 7. Partial t-Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1093.182	571.864		1.912	.067
	CR	213.311	167.497	.185	1.274	.214
	DER	1524.804	233.612	.949	6.527	.000

a. Dependent Variable: Stock Price

3.1.7 Simultaneous test (F-test)

Simultaneous hypothesis testing was conducted to determine the effect of liquidity (CR) and solvency (DER) on stock prices. Decision-making in this test was based on a significance value <0.05 and a comparison between the calculated F-value and the F-table. The formula for calculating the F-table is df1 = k = 2 (number of independent variables) and df2 = n-k-1 = 30-2-1 = 27. Thus, the F-table value is 3.35. The results of the F-test are explained in Table 8.

Table 8. Simultaneous Test Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46287579.904	2	23143789.952	30.740	.000[b]
	Residual	20328145.563	27	752894.280		
	Total	66615725.467	29			

a. Dependent Variable: Stock Price
b. Predictors: (Constant), Debt To Equity Ratio, Current Ratio

Based on the F-test results above, the calculated F-value is 30.740 > 3.35, with a significance value of 0.000 <0.05. This indicates that the significance value is less than 0.05, therefore $H_0$3 is rejected and HI3 is accepted. Thus, it can be concluded that simultaneously the liquidity (current ratio) and solvency (debt to equity ratio) variables have a significant influence on stock prices in the 2019-2023 period

3.2 Discussion

3.2.1 The Effect of the Liquidity Ratio (Current Ratio) on Stock Prices

Based on the results of the hypothesis testing in this study, it was found that the liquidity ratio variable, measured by the current ratio, has an insignificant positive effect on stock prices, with a significance value of 0.214 > 0.05. Meanwhile, there is a positive relationship between the current ratio and stock prices, with a regression coefficient of 213.311. However, this is not strong enough to prove that an increase in the current ratio significantly contributes to stock price increases. Therefore, the hypothesis stating that liquidity (CR) affects stock prices cannot be accepted.

These results indicate that investors, in the context of this study, not only consider liquidity ratios such as the current ratio when making stock investment decisions, but also consider other factors such as capital structure, growth potential, profitability, and industry conditions. These results align with previous research by (Yusuf et al., 2022) and (Rahmawati et al., 2024) that found the current ratio to have an insignificant positive effect on stock prices, thus strengthening the findings of previous studies. However, the results of this study contradict previous research by (Yusuf et al., 2022) and (Rahmawati et al., 2024) which stated that liquidity (CR) significantly influences stock prices.

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A current ratio that is too high may indicate a company's inefficiency in managing its current assets. Conversely, a current ratio that is too low can pose a risk to the company's ability to meet its short-term obligations. Therefore, investors tend to consider the optimal balance in the current ratio, rather than simply looking at its actual value.

3.1.2 The Effect of the Solvency Ratio (Debt to Equity Ratio) on Stock Prices.

Hypothesis testing results indicate that the solvency ratio, measured by the debt-to-equity ratio, has a positive and significant effect on stock prices. The regression coefficient value of 1,524.804 indicates a positive relationship with a significance level of 0.000 <0.05. An increase in the debt-to-equity ratio (DER) will lead to an increase in the stock price of transportation infrastructure companies during the 2019-2023 periods. Therefore, the solvency hypothesis (DER) is accepted, as DER has a partial positive and significant effect on stock prices.

The results of this study reflect investors' view that companies with high debt levels tend to be more willing to take risks to achieve greater profits. In this case, the company is considered to be implementing the high-risk-high-return principle, where the greater the proportion of debt, the greater the company's willingness to face risks to achieve higher potential profits. If management is able to manage this debt efficiently and productively, these borrowed funds can be converted into profits, ultimately positively impacting the company's earnings per share (EPS). The results of this study align with previous research conducted by (Marsela & Yantri, 2021) and (Firmansyah & Maharani, 2021), which found a positive and significant effect between the solvency ratio and stock prices. This study also analyzed the transportation infrastructure sector listed on the IDX, although conducted over a different period, but this corroborates the findings of this study. However, these results differ from previous research conducted by (Devi & Albertus, 2023), which also examined the transportation sector, which concluded that the solvency ratio (DER) had a negative and insignificant effect on stock prices.

3.1.3 The Effect of Liquidity Ratio and Solvency Ratio on Stock Prices

Based on the results of the hypothesis analysis using the F-test, it can be concluded that liquidity (CR) and solvency (DER) simultaneously have a significant effect on the stock prices of transportation infrastructure sub-sector companies listed on the IDX for the 2019-2023 period. This analysis yielded a calculated F-value of 30.740 with a significance level of 0.000 <0.05. This indicates that both variables simultaneously have good predictive power over stock prices. Although the current ratio is not significant individually, when combined with the debt-to-equity ratio, they can provide a more comprehensive picture of a company's financial condition, influencing investor decisions. These two variables explain 67.2% of the variation in stock prices.

This analysis aligns with previous research by (Kartikasari, 2019) which explained the simultaneous or joint influence of the current ratio and debt-to-equity ratio on the stock prices of infrastructure companies for the 2008-2017 period and supports the results of this analysis. However, the results of this study are not in line with previous research by (Sari, 2020) which stated that the current ratio and debt to equity ratio simultaneously did not affect the stock prices of automotive companies in the 2016-2019 period because the sample studied was only 16 samples, so the ability of the regression model to detect simultaneous influences was not strong enough in previous research.

4. CONCLUSION

There are three conclusions can be drawn based on the results of research conducted on transportation infrastructure sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. First, partially, the liquidity ratio (current ratio) has no significant effect on stock prices. Second, partially, the solvency ratio (debt to equity ratio) has a positive and significant effect on stock prices. Third, simultaneously, the liquidity ratio (CR) and solvency ratio (DER) significantly influence stock prices. This study is limited to two financial ratios (CR and DER), only covers the transportation infrastructure sub-sector during the 2019–2023 period, and does not consider external factors and other variables that can affect stock prices. For further research, it is recommended to add financial and macroeconomic variables, expand the scope of sectors and time periods, and use more complex analytical methods such as panel regression or other predictive mode.

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