

The Influence Of The Exchange Rate, Interest Rates, Indonesian Coal Price Reference (HBA) And World Oil prices On The Firm's Value Of Coal mining firms traded On The IDX In 2018-2023



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FINAL REPORT

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LECTURER ADVISOR APPROVAL PAGE

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ABSTRACT

This study aims to analyze the impact of exchange rates, interest rates, coal benchmark prices, and oil prices on the firm value of coal companies listed on the Indonesia Stock Exchange (IDX) for the period 2018-2023. Using a quantitative approach and multiple linear regression analysis, this research evaluates the effect on firm value. The analysis results indicate that exchange rate have a significant effect on firm value, while interest rates, coal benchmark and oil prices with firm value. Based on these findings, it is recommended that coal companies focus more on risk management related to fluctuations in exchange rates to enhance firm value.

Keywords: Exchange rate, Interest, HBA, Oil Price, Firm Value

PREFACE

Alhamdulillah for all the blessings He has given, so that the author can complete this final project well. This final project was prepared to fulfil one of the requirements for graduation from the Professional Accountant Education Study Programme, Faculty of Economics and Business, Tarumanagara University.

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Kutai Timur, 19 Nopember 2024

(Asep Maulana Akbar)

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CHAPTER I INTRODUCTION

Along with the development of the global economy in the energy sector, especially coal mining. This sector plays a vital role in supporting domestic and international needs. Coal as one of the main energy commodities not only affects the economy of producing countries but also tied to global economic conditions (Pahlevy et al., 2024). In Indonesia, coal mining firms traded on the Indonesia Stock Exchange (IDX) are strongly influenced by several external factors, such as the rupiah exchange rate, interest rates, reference coal prices and world oil prices.

Given that coal companies in Indonesia are mostly export-oriented, company revenues are susceptible to fluctuations in the rupiah exchange rate, especially since international contracts and transactions use foreign currency (W. D. Safitri & Hartati, 2020). Furthermore, domestic interest rates significantly influence the cost of capital and investment choices made by coal companies. When interest rates increase, the interest burden on debt also increases, which in turn can reduce a company's profits and competitiveness (A. Safitri et al., 2024). The coal price reference or also known as HBA which stands for Harga Batubara Acuan set by the Indonesian government also affects these companies' earnings, given that coal prices in the domestic market are often regulated based on the HBA (Septiawan, 2018).

On the other hand, the global oil price is an important indicator as it relates to operational and logistics costs in the coal mining industry. Fluctuations in world oil prices affect the price of fuel used in mining operational activities, which ultimately have an impact on company profits (Prasada & Pangestuti, 2022).

This research attempts to examine the impact of the rupiah exchange rate, interest rates, coal price reference, and world oil prices on the value of coal mining firms traded on the Indonesia Stock Exchange (IDX) in the period 2018-2023. By focusing on this period, this study can provide insight into how global economic and commodity factors affect the Indonesian coal industry amid global market uncertainty. This study's findings are anticipated to provide an overview for investors, company management, and the government in making policies that are more adaptive to the dynamics of the world economy and commodity markets

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