Factors Affecting Sharia Share Prices of Companies Listed on the Indonesian Sharia Share Index (ISSI)

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Abstract
Objective – This study aims to examine the effect of the Price Earnings Ratio (PER), Dividend Yield (DY), and Debt to Equity Ratio (DER) on Sharia Share Prices in Indonesia.

Design/methodology – The source of data used in this study is secondary data in the form of the company's annual financial statements obtained from the official website of the Indonesia Stock Exchange. This study uses multiple linear regression analysis. Purposive sampling method was used to draw the samples.

Results – The results of this study indicate that Earnings per Share (EPS) has a positive effect on Sharia Share Prices meaning that if the company's EPS is high, more investors will be willing to buy the shares, causing the share price to rise. Dividend Yield (DY) has a positive effect on Sharia Share Prices because high dividends are an attractive sign for investors to buy because is considered that the company can provide good returns to investors. If investors are interested in buying because of dividend yields, the price will rise. Debt to Equity Ratio harms Sharia share prices. If the Debt to Equity Ratio (DER) decreases, the share price will increase because investors are increasingly interested. After all, the investment risk is lower due to the decrease in the company's debt.

Novelty/Originality – This research can be used as a reference for investors in making share investment decisions and as information for companies to improve their business and report quality.

Keywords: Price Earnings Ratio, Dividend Yield, Debt to Equity Ratio, Sharia Share Prices

1. Introduction

The Islamic economy, especially in Indonesia, is indeed growing and it is not surprising that currently there are more and more developing sharia products ranging from sharia banking, sharia mortgages, and even sharia investment including in the form of shares or securities. Recently, sharia securities investment can be divided into sharia debt securities or *Sukuk*, both corporate and state *Sukuk*. Islamic shares are already quite popular even though Islamic shares do not have as many choices as investment options in conventional banking or the sector. According to the Financial Services Authority (OJK), sharia shares are defined as shares that do not conflict with sharia principles and they have been listed on the Indonesian Sharia Share Index (ISSI) so that investors feel calmer in doing investments that are expected to comply with Islamic guidance.

Quoting from idxnewschannel.com (06/07/2021), in the last decade, the Indonesian Sharia capital market has become increasingly crowded with an increase in the number of shares which is greater than 80% of the growth rate of the number of shares in general. In 2019, the Islamic share index showed higher growth than the Composite Share Price Index (JCI) which recorded a growth of 1.70%. The Jakarta Islamic Index (JII) rose 1.88%, the Indonesia Sharia Share Index (ISSI) rose 2.03%, and the Jakarta Islamic Index 70 (JII70) rose 2.56%. The increase also occurred in 2021. The market capitalization of Sharia shares in Indonesia increased by 19.36% and reached Rp3,983,65 trillion at the end of 2021. This increasing trend was followed by an increase in the number of Sharia shares that are members of the Sharia Securities List.

Before investors decide which sharia shares to buy, investors must analyze to find out the value of a company. Two analyzes can be carried out by investors, namely fundamental analysis and technical analysis (Hartono, 2017; Sutrisno, 2012). Technical analysis is a trading analysis used to evaluate investments and identify trading opportunities by analyzing statistical trends gathered from trading activity, such as price and volume movements. While fundamental analysis emphasizes the importance of the fair value of a share and requires data, news, and figures sourced from the company's performance, which can be seen from developments, company balance sheets and profit and loss statements, business projections, and plans for expansion and cooperation. If the company's performance is experiencing good development, then the share price will increase, besides that fundamental analysis is also used to calculate the intrinsic value of a share using the company's financial data. For fundamental analysis, there are two approaches to calculating the firm's intrinsic firm value, namely the PER (Price Earnings Ratio) approach and the present value approach (Hartono, 2017; Sutrisno, 2012). This research is limited to the PER approach.

Other company performance indicators used to analyze the value of a company are Dividend Yield (DY), and Debt to Equity Ratio (DER). Share investment returns will provide benefits in the form of dividends and gains. The dividend is the distribution of profits given by the company to investors, while again is a difference between today's share price and past share prices. Dividends will be a very important consideration for investors in investing in shares because dividends are considered more certain than gains. The trade-off that occurs in the Pecking Order Theory (Myers & Majluf, 1984) is to compare debt with share prices. When the company announces the issuance of shares causes the company's share price to fall. This problem will be resolved if the company finances the company with retained earnings, but the retained earnings are not sufficient to fund the company's operations, so it still requires external funding, so the path of resistance is debt. The issuance of debt will have a small impact on the share market price and be considered less worrying for investors.

Several previous studies suggesting that PER affects share prices were carried out (Kumar, 2017) in the Auto Sector in India, and (Irfrianto, 2015) in the Telecommunications Sector. However, several studies have shown different results (Astuti et al., 2018) which state that PER harms the Company's Share Price. Previous research that suggests DY affects share prices was put forward by (Majanga, 2015) and (Ningsih et al., 2016). Another study that reported that DY did not affect share prices was conducted by (Wagiri, 2013) who tested it on various industrial sectors for the period 2007-2011.

There are also inconsistent research results when looking at the effect of DER on share prices. (Desmawati et al., 2015) and (Nugraha & Sudaryanto, 2016) state that DER influences share prices, while the results of (Hermawanti & Hidayat, 2016) research and (Zaki et al., 2017) state otherwise. The inconsistency of the results of previous studies motivates the undertaking of this research which intends to re-examine the effect of Price Earnings Ratio, Dividend Yield, and Debt to Equity Ratio on sharia share prices of Companies Listed on the Indonesian Sharia Share Index (ISSI). The rest of this paper proceeds as follows. Next section reviews the literature review and theoretical framework. Research method is described in the following section. Then, the description of results and discussion are provided. Finally the last section concludes.

2. Literature Review, Theoretical Framework, and Hypotheses Development

Agency Theory

The main principle of agency theory is the existence of a working relationship between the party giving the authority, namely the owner (principal), and the party receiving the authority, namely the manager (agent) (Jensen & Meckling, 1976). The application of agency theory can be realized in a work contract or work agreement which will regulate the proportion of rights and obligations of each party. The work contract or work agreement is a set of rules that regulate the mechanism of cooperation, both in the form of benefits and risks that are approved by the principal and agent (Asyik, 2000). Share investors here can be categorized as principals because investors are owners and company directors can be categorized as Agents because they run a business and receive the authority to run a business. Due to the separation between company ownership and company management in this working relationship, trust and business ethics are needed as a basis or foundation to create balance and avoid agency problems.

Improving financial performance is the responsibility of the agent and on the other hand, the investor's motive for investing is to gain profits and ownership for that there are aspects to be considered. Good financial performance is a requirement for a company to attract investors and is represented through financial statements. Financial statements are the final result of the accounting process carried out to provide information about the financial condition of a company and become the basis used for investors and agents to assess companies and make investment decisions (Suhadak et al., 2019). The value and performance of the company can also be represented by the share price. High share prices indicate high company value (Ismiyatun et al., 2021). Furthermore, from financial performance, investors analyze the level of security and risk by looking at the comparison of the level of debt and capital owned by the company through the Debt to Equity Ratio (DER). Investors tend to feel safer investing in companies with low DER (Alipudin & Oktaviani, 2016).

Signaling Theory

The signaling theory states that the company tries to give a good signal to get a positive reaction from investors so that the captured signal then affects the investment decisions made by investors. An effective signal is a signal that can be caught and felt by the market (Suhadak et al., 2019). This investment decision-making process includes financial information and company management policies. Financial information and management policies are generally considered and analyzed by investors to assess company performance and predict the prospects of a business or company, especially those related to sharing returns (Naveed et al., 2020); (Puspitaningtyas, 2019). Share returns can be in the form of dividend yields or capital gains. Some investors prefer dividends over capital gains because of the higher level of certainty rather than depending on share price fluctuations (Gumanti, 2013). In addition, high dividend yields can also attract investors because this aspect signals that the company can provide large profits for investors (Gumanti, 2013).

Sharia Capital Market

Sharia capital market is a capital market that is conducted following sharia principles, every transaction with securities in the capital market is carried out following Sharia law (Sutedi, 2014). The capital market is an activity related to the public offering and trading of securities of public companies. The capital market is one of the objects or products of muamalah. Transactions in the capital market following the principles of Sharia law are not prohibited and are allowed if there are no transactions that are contrary to Sharia provisions (Sutedi, 2014). Research about the sharia capital market has been widely conducted with various results. Karyatun et al. (2021) imply that investors should consider the sharia capital market as an alternative investment.

The Indonesian Sharia Share Index (ISSI) is all shares that have followed sharia principles listed on the Indonesia Stock Exchange (IDX) and have been declared following sharia principles by MUI based on DSN-MUI Fatwa No. 80/DSN-MUI/III/2011. ISSI is expected to be a reference for investors to invest in shares, especially Islamic shares. Sharia law prohibits transactions in which there is speculation and contains *gharar* or obscurity, namely transactions that allow for fraud *(khida')*. In other words, making a false offer *(najsy)*; transactions for goods that are not owned (short selling/*bai'umaalaisa bimamluk*); selling something that is not clear *(bai'ul ma'dum);* purchases for share piling of securities *(ihtikar)* and disseminating misleading information or using inside information to gain profits from prohibited transactions (insider trading). With the various provisions and views of sharia as above, investment cannot be made on all capital market products because many of the capital market products are contrary to sharia. According to (Sutedi, 2014) sharia principles will also emphasize:

1. Halal products/services from business activities because according to sharia principles, humans can only gain profits or increase assets from things that are lawful and good;
2. The existence of specific business activities with clear benefits so that there is no doubt about the business results that will be the object of calculating the profits earned;
3. There is a fair profit-sharing mechanism, both in terms of profit and loss according to the participation of each party;
4. Emphasis on fair market mechanisms and prudential principles for both companies and investors.

Sharia Share Prices

The share price is the value of a share which is determined by the power of the offer to buy and sell shares in a certain market mechanism and is the selling price from one investor to another (Hadi, 2015). According to Salim (2013), shares are a form of capital statement in a company. Sharia share price could carry potential diversification benefits according to Abbes & Trichilli (2015). Three factors influence the price of sharia shares in the capital market, namely:

1. Amount of Cash Dividends Given

   According to(Ningsih et al., 2016) dividend yield is the result of the percentage of earnings per share divided by the price of each share. An increase in dividends is one of the factors that affect the growth of share prices, which can increase the confidence of shareholders because the amount of large dividends is desired by investors thus share prices will rise. Vice versa, a decrease in dividends will have a bad impact on share prices because investors will judge that the company has experienced a decline in profits.
2. *Price Earnings Ratio*

   Price Earnings Ratio (PER) describes investors' understanding of the company's ability to generate profits (Fahmi, 2013). Investors will invest in companies that have good returns. If earnings per share are high in the company, this will provide good returns, and investors will consider making more capital investments than before and this will affect the company's share price. High interest from investors will increase share prices due to high buying pressure from investors. Vice versa, if earnings per share experience a significant decline, this will harm share prices because investors assess the company has experienced a decline in profits, where which will be detrimental to investors.

3. Risk and Return Rate
   Investment risk is one of the considerations for investors investing. Companies have different levels of debt. Some companies have debt that exceeds their equity and some companies have debt that does not exceed their equity level. Companies with high solvency ratios can have an impact on the emergence of large financial risks. This great financial risk arises from the fact that the company has to bear or be burdened with paying large amounts of debt. Companies with low solvency ratios have smaller financial risk, and business financing through debt does not exceed total equity so investment security is safer in companies that have lower debt than total equity.

Price Earnings Ratio, Dividend Yield, dan Debt to Equity Ratio

The Price Earnings Ratio (PER) is the ratio between share price and earnings per share (Sinaga, 2011). PER shows the comparison of share prices in the market with net income (Fahmi, 2013). PER reflects the market assessment of the company's ability to generate profits (Fahmi, 2013:55). The PER formula is:

$$Price\ Earnings\ Ratio = \frac{Price\ Per\ Share}{Earnings\ Per\ Share}$$

Based on this formula, it can be seen that the Price Earnings Ratio (PER) is influenced by two factors, namely Earnings Per Share (EPS) and Share Price. According to (Sinambela, 2011) Earnings Per Share (EPS) is the amount of profit earned for each share. Earnings per share (EPS) shows how much profit the company generates for investors with each amount of share ownership (Alwi, 2003). The increase in Earnings Per Share (EPS) means that the company is experiencing good sales or profit growth, thereby increasing the possibility of dividends being given to investors. If the company's profit is high, then more investors will be willing to buy, resulting in a higher share price. The higher the EPS value, the more attractive investors will be because the more profits will be received by shareholders. If investors are not interested in the company's earnings per share (EPS), then the Price Earnings Ratio (PER) will also decrease, and the share price will decrease.

If the company's EPS is high, more investors will want to buy the shares, causing the share price to rise. So, the Price Earnings Ratio (PER) will also increase due to buying pressure from investors and share prices will also increase. On the other hand, if the selling pressure is high and the share price drops due to unsatisfactory Earnings Per Share (EPS), the Price Earnings Ratio (PER) will also decrease due to selling pressure from investors and ultimately the share price will also fall. Therefore, the hypothesis proposed in the study is:
H1. Price Earnings Ratio affects Sharia Share Price.

Dividends are the distribution of profits obtained by the company to shareholders according to the portion of their ownership (Salim, 2013). Dividend Yield is the percentage of earnings per share divided by the price of each share (Hadi, 2015). The decision on the number of dividends is based on the decision of the General Meeting of Shareholders (GMS) (Gumanti, 2013). The dividend yield formula is:

$$Dividend\ Yield = \frac{Dividend\ Per\ Share}{Stock\ Price}\ x\ 100\%$$

From this formula, it can be seen that Dividend Yield is the amount of return on investment that is given in the form of dividends to investors, which is measured by the price of shares purchased by investors and the number of dividends given (Gumanti, 2013). The dividend signal theory explains that the announcement of dividend payments can trigger share price movements and that information is considered a signal that indicates the company's prospects. If the dividend yield is high, investors will be more interested in buying the company's shares because investors think that the company is profitable for investors. Then, share prices will rise because investors are interested in buying with good dividend yields and vice versa (Gumanti, 2013).

Some investors prefer dividends to capital gains because dividends promise something more certain than relying on changes in share prices (Gumanti, 2013; 5). Therefore, the aspect of certainty in obtaining cash flow becomes the main issue underlying management so there is a tendency to offer higher dividends from year to year. The Gordon Valuation Model explicitly shows that companies with high dividend growth will increase their share price faster than companies with low dividend growth (Ningsih et al., 2016).

The decision of investors to buy shares can be caused by various factors, one of which is because of high dividend yields. High dividends make a company attractive to buy because it provides good returns to investors. If investors are interested in buying because of dividend yields, the price will rise. Conversely, if the dividend yield is low, investors are not too interested in buying and the share price will fall due to selling pressure from investors. Therefore, the hypothesis proposed in the study is:

H2. Dividend Yield affects Sharia Share Price.

The debt-to-equity ratio (DER) is the ratio of total debt to total equity (Hery, 2016). DER is included in the solvency ratio. The solvency ratio is used to measure the company's ability to fulfill all its obligations, both short-term and long-term obligations (Hery, 2016). It is safer for investors to invest in companies that have a low level of Debt to Equity Ratio (DER) because this means that the company's total debt does not exceed the total capital thus the investment risk is lower (Alipudin & Oktaviani, 2016). The formula for the Debt to Equity Ratio is:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Liabilities}{Total\ Shareholder's\ Equity}$$

Based on this formula, investors can calculate the company's ability to pay off its debts using its equity. Good debt is debt that does not exceed capital (Sinaga, 2011). A good DER is a DER that is worth not more than one (Liembono, 2016). From the point of view of risk management, it is not recommended to invest or provide capital loans to DER that exceed the value of one (Sinaga, 2011).

Many companies whose profits grow slightly due to the company's revenue being eroded due to the large amount of debt that must be repaid. If the company has no difficulty in paying off debt, then net income is easier to increase. If the debt is too large, the company's profits will be eroded by the debt that must be paid. Then if the company's operational financing is supported by debt, it will be difficult for the company to make a profit. If the company is difficult to make a profit because operational financing is supported by debt and profits are no longer able to pay off debt, then the company can potentially go bankrupt.

When a company has a low level of debt risk, good dividends, and Price Earnings Ratio that tends to increase, investors will consider this attractive and are willing to buy the company's shares so that the share price will increase. Share prices can increase if investors buy shares at a higher price than the previous price. The decision of investors to buy shares can be caused by various factors, one of which is seeing the company's ability to pay off its debts. This is to minimize investment risk. Therefore, if the Debt to Equity Ratio decreases, the share price will increase because investors are increasingly interested because the company's debt is decreasing. From this explanation, the hypothesis is that the Debt to Equity Ratio (DER) affects share prices. Therefore, the hypothesis proposed in the study is:

H3. Debt to Equity Ratio affects Sharia Share Price.

3. Research Method

Research Population

The population in this study amounted to 399 companies listed in the Indonesian Sharia Share Index (ISSI) on the Indonesia Stock Exchange from 2014-to 2018. The observation period which is from 2014-to 2018 is taken due to the normal period without any abnormal macroeconomic symptoms or conditions. Meanwhile, from 2019-2021 there was a crisis due to the pandemic and the recovery economy which caused unusual activity in the capital market. The sampling method used in this study is non-probability using purposive sampling (purposeful sampling). The company criteria determined by the researchers are:

1. Companies listed in the Indonesian Sharia Share Index (ISSI) on the Indonesia Stock Exchange in 2014-2018.
2. Companies listed in the Indonesian Sharia Share Index (ISSI) have published financial reports for the period 2014-2018.
3. Companies listed in the Indonesian Sharia Share Index (ISSI) paid dividends for the period 2014-2018.

Based on the sample criteria above, the selection of this research sample can be seen in the following table 1:

Table 1. Research Sample Selection

Criteria	Total
Companies listed in the Indonesian Sharia Share Index 2014-2018	316
Companies that do not issue financial statements are listed in the 2014-2018 Indonesian Sharia Share Index	(12)
Companies that did not pay dividends during 2014-2018 in the 2014-2018 Indonesian Sharia Share Index	(133)
Total companies listed in the Indonesian Sharia Share Index taken as sample	171
Number of years of research	5
Observation total	171 x 5 = 855

Source: Processed secondary data, IDX (2019).

The total companies listed in the Indonesian Sharia Share Index sampled are 171 companies listed in the Indonesia Sharia Share Index (ISSI) in 2014-2018.

Variable Operationalization

Independent Variable

The independent variables here are (1) Price Earnings Ratio, (2) Dividend Yield, and (3) Debt to Equity Ratio. The definitions of each independent variable in this study are:

1. Price Earnings Ratio (X1). Price Earnings Ratio is the comparison between share price and earnings per share, with the calculation as follows:

$$\text{Price Earnings Ratio} = \frac{\text{Price Per Share}}{\text{Earnings Per Share}}$$

2. Dividend Yield (X2). Dividend Yield is the ratio between the dividend per share and the price per share, with the calculation as follows:

$$\text{Dividend Yield} = \frac{\text{Dividend Per Share}}{\text{Stock Price}} \times 100\%$$

3. Debt to Equity Ratio (X3). The debt to Equity Ratio is the ratio between total debt and total equity, with the calculation as follows:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Shareholder's Equity}}$$

Dependent Variable

In this study, the dependent variable is the close price of companies listed in the Sharia Share Index on the Indonesia Stock Exchange.

4. Results and Discussions

The results of descriptive statistical tests of variables and multiple linear regression that have met the classical assumptions can be seen in the tables below:

Table 2. Result of Descriptive Statistics Test

	Max.	Min.	SD
PER	3638.74	-695.13	401.59
DY	31.56	0.01	5.24
DER	65.46	0.00	5.54
Share Price	33.625.00	92.00	5166.91
R square 0.828			

Table 3. Multiple Linear Regression Analysis

	Std. Coefficients	t	Sig.
PER	0.129	3.989	0.000
DY	0.900	27.18	0.000
DER	-0.097	-2.962	0.003
R square 0.828			

The Effect of Price Earnings Ratio on Sharia Share Prices

Based on the results of multiple linear regression, the regression coefficient PER (Price Earnings Ratio) is 1.661 and is positive, meaning that every increase in the Price Earnings Ratio will increase the Share Price by 1.661 points. Based on the results of the individual parameter significance test (t-test), the Price Earnings Ratio variable has a value of 3.989 with a significance level of 0.000 which is smaller than a significance level of 0.05 (5%). This shows that the Price Earnings Ratio affects Islamic share prices. Therefore, it can be concluded that the first hypothesis (H1) is accepted. So that it can be said, the increasing Price Earnings Ratio will further increase the Sharia Share Price. Price Earnings Ratio (PER) is a measure to determine how the market gives value or price to company shares (Irfrianto, 2015). This ratio also reflects investors' assessment of profit growth. Price Earnings Ratio (PER) can be calculated by dividing Earnings Per Share (EPS) by the Share Price. The increase in Earnings Per Share (EPS) means that the company is experiencing good sales growth or profit growth. If the company's EPS is high, more investors will want to buy the shares, causing the share price to rise. Finally, the Price Earnings Ratio (PER) will also increase due to buying pressure from investors and share prices will also increase. On the other hand, if the selling pressure is high and the share price drops due to unsatisfactory Earnings Per Share (EPS), the Price Earnings Ratio (PER) will also decrease due to selling pressure from investors and ultimately the share price will also fall.

The results of this study are in line with the results of Kumar (2017), Irfrianto (2015), Sudarman & Diana (2022), and Akbar (2018) who state that the Price Earnings Ratio has a significant impact on the market price of a share. However, the results of this study are not in line with the research results of Astuti et al. (2018) and

Hanifah (2019) research which state that the Price Earnings Ratio does not affect share prices.

The Effect of Dividend Yield on Sharia Share Prices

Based on the results of multiple linear regression, the Dividend Yield regression coefficient is 888.096 and is positive, meaning that every increase in Dividend Yield will increase the Share Price by 888.096 assuming other independent variables are constant or equal to zero. Based on the results of the individual parameter significance test (t-test), the DY (Dividend Yield) variable has a value of 27.179 with a significance level of 0.000 which is less than a significance level of 0.05 (5%). This shows that Dividend Yield affects Sharia Share Prices. Thus, it can be concluded that the second hypothesis (H2) is accepted. Therefore, it can be stated that the higher the dividend yield, the higher the Sharia share price. Dividend Yield is the ratio between the dividend per share and the price per share (Ningsih et al., 2016). Dividend policy is a factor that can affect share prices and this will determine how much part of the company's profits will be distributed to company shareholders and will be retained in the company. The dividend is a distribution of profits from a business that is given to shareholders where the profit can be in the form of cash dividends.

The decision of investors to buy shares can be caused by various factors, one of which is because of high dividend yields. High dividends make a company attractive to investors because it provides good returns to investors. If investors are interested in buying because of the dividend yield, the share price will rise. Conversely, if the dividend yield is low, investors are not too interested in buying and the share price will fall due to selling pressure from investors.

The results of this study are in line with those (Majanga, 2015) and (Ningsih et al., 2016) which state that dividend yields have a significant effect on share prices. However, this study is not in line with those (Purnamasari, 2013) and (Wagiri, 2013) who found that dividend yields do not affect share prices.

The Effect of Debt to Equity Ratio on Sharia Share Prices

Based on the results of multiple linear regression, the regression coefficient of DER (Debt to Equity Ratio) is -90.807 and is negative, meaning that every decrease in Debt to Equity Ratio will increase the share price by -90.807 points. Based on the results of the individual parameter significance test (t-test), the Debt to Equity Ratio variable has a value of -2.962 with a significance level of 0.003 which is smaller than a significance level of 0.05 (5%). This shows that the Debt to Equity Ratio harms Sharia Share Prices. Therefore, it can be concluded that the lower the Debt to Equity Ratio, the more the Sharia share price will increase. Based on these results, the Debt to Equity Ratio harms Sharia Share Prices. Thus, the third hypothesis (H3) is accepted.

The debt to Equity Ratio is the ratio between total debt and total equity (Desmawati et al., 2015). The debt to Equity Ratio (DER) is a solvency ratio. The solvency ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed with debt (Alipudin & Oktaviani, 2016). From the perspective of the ability to pay short and long-term obligations, the lower the ratio the better the company's ability to pay its obligations, and the higher the DER indicates the worse the company's ability to pay its obligations (Desmawati et al., 2015).

The debt to Equity Ratio (DER) can show or describe the company's ability to pay off its debts. Concerning investors, DER affects investment risk. The higher the level of Debt to Equity Ratio (DER) means that the composition of debt is also higher, and hence it will have an impact on the company's ability to pay off its debts. A high DER indicates that equity needs are mostly met from debt. If a company decides to pay off its maturing debt by replacing other securities or paying using retained earnings, then the company prioritizes paying the debt.

Shares can go up in price if investors buy shares at a price higher than the previous price. The decision of investors to buy shares can be caused by various factors, one of which is seeing the company's ability to pay off its debts. This is to minimize investment risk. Thus, if the Debt to Equity Ratio decreases, the share price will increase because investors are increasingly interested due to investment risk. After all, the company's debt is decreasing. From this explanation, the Debt to Equity Ratio (DER) harms share prices.

The results of this study are in line with Desmawati et al. (2015), Akbar (2018), Sudarman & Diana (2022), and Nugraha & Sudaryanto (2016) which state that the Debt to Equity Ratio harms share prices. However, the result of this study contradicts the research result of (Zaki et al., 2017) and (Hermawanti & Hidayat, 2016) who demonstrated that the Debt to Equity Ratio does not affect share prices.

5. Conclusion

Based on the results of the research discussion, it can be concluded that Earnings per Share (EPS) has a positive effect on Sharia share prices in companies listed in the Indonesian Sharia Share Index on the Indonesia Stock Exchange. If the company's EPS is high, more investors will be willing to buy the shares, causing the share price to rise. Dividend Yield has a positive effect on Sharia Share Prices in companies listed in the Indonesian Sharia Share Index on the Indonesia Stock Exchange. High dividends make a company attractive for investors to buy because the companies are considered to be able to provide good returns to investors. If investors are interested in buying because of dividend yields, the price will rise. The debt to Equity Ratio harms Sharia share prices on companies listed in the Indonesian Sharia Share Index on the Indonesia Stock Exchange. If the Debt to Equity Ratio decreases, the share price will increase because investors are increasingly interested because the investment risk is lower due to the decrease in the company's debt.

The limitations of this research are in the observation year range which is from 2014 to 2018 and only examines three independent variables from the company's financial or fundamental aspects. Suggestions for the further research can be to observe the object of research by extending the year of observation, increasing the size of the research sample so that research results can be more accurate and can also test the impact of non-financial aspects on share prices, or adding other financial variables that have the potential to affect share prices.

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