Power System Technology
ISSN:1000-3673

Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

The Effect of Trading Volume and Profitability on Stock Prices With Dividends as a Moderating Variable "Study on Automotive Companies Listed on the Indonesia Stock Exchange (Idx) 2016-2024"

Ade Asriani[1], Syamsu Alam[2]

[1]*Hasanuddin University, Makassar, Indonesia*

[2]*Hasanuddin University, Makassar, Indonesia*

**Correponsdence Author: asriania23a@student.unhas.ac.id*

Abstract:- This study aims to analyse the influence of trading volume and profitability on stock prices, with dividends as a moderating variable. It examines the effects of trading volume and profitability on stock prices in the automotive sector listed on the Indonesia Stock Exchange, and further investigates whether dividends moderate the relationships between trading volume and stock prices, as well as profitability and stock prices. The research analyzes automotive sector companies listed on the IDX from 2016 to 2024, using purposive sampling to select twelve companies that met criteria such as complete financial reports and data availability on trading volume, Return on Equity (ROE), dividends, and stock prices. Secondary quantitative data were collected from official IDX sources and company reports, while the variables studied included trading volume and profitability (ROE) as independent variables, stock price as the dependent variable, and dividends as the moderating variable. Data were analyzed using multiple regression and moderated regression analysis (MRA) with SPSS, after validating the regression model through classical assumption tests such as normality, multicollinearity, heteroscedasticity, and autocorrelation tests. The results show that trading volume significantly affects stock prices negatively because high supply exceeds demand, lowering prices. Profitability (ROE) also negatively impacts stock prices, as the market may view very high returns as risky or unsustainable. Dividends weaken the negative effect of trading volume by signaling company stability, which changes investor perception positively. Similarly, dividends moderate the impact of profitability on stock prices by indicating sustainable earnings and reducing uncertainty. Overall, dividends serve as important signals that improve how investors respond to trading volume and profitability. The conclusion indicates that stock trading volume and profitability have a significant, negative effect on stock prices, where increases in trading activity and Return on Equity are followed by a decline in stock prices. Furthermore, dividends serve as a moderating variable, also significantly influencing this relationship negatively, as despite dividend distributions, increases in trading volume and ROE remain attenuated by declining stock prices, showing that dividend distributions do not alter the negative trend between ROE and stock prices.

Keywords: *Trading Volume, Profitability, Stock Prices, Dividends, Indonesia Stock Exchange (IDX)*

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

1. Introduction

Globalization has had a significant impact on stock markets worldwide. With the increasing connectivity of the global economy, stock markets in various countries have become more integrated, enabling faster and more efficient international capital flows. Economic growth is often used as a benchmark for a country's development, leading each country to strive to strengthen its economy (Krissa Daoni Efen Ompusunggu et al., 2022).

Global economic development is a major driver of capital market growth, which serves as a global investment hub. A country's economic progress, including Indonesia's, is measured not only by its internal business sector but also by its ability to integrate with the capital market. The capital market plays a crucial role as a meeting place for investors and companies to allocate capital (Sukmana, 2024).

People are now increasingly aware of the benefits and advantages of investing, resulting in rapid investment in the capital market. Both individuals and businesses with funds prefer to invest in securities in the hope of achieving returns (Ardika Yuantoro et al., 2019). Investment is the current investment of funds with the aim of obtaining future profits, either through real assets or financial assets (Azizah et al., 2020). Stocks are a popular investment instrument because they offer high returns and are relatively easy to process (Erinaratna, 2022).

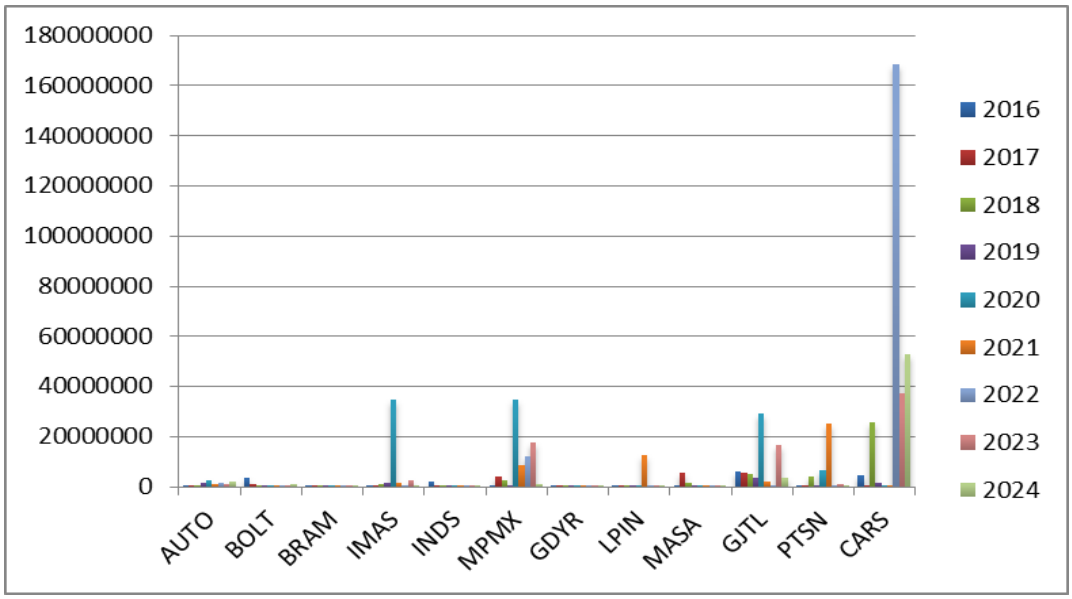

Figure 1. Trade volume growth graph 2016-2024

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

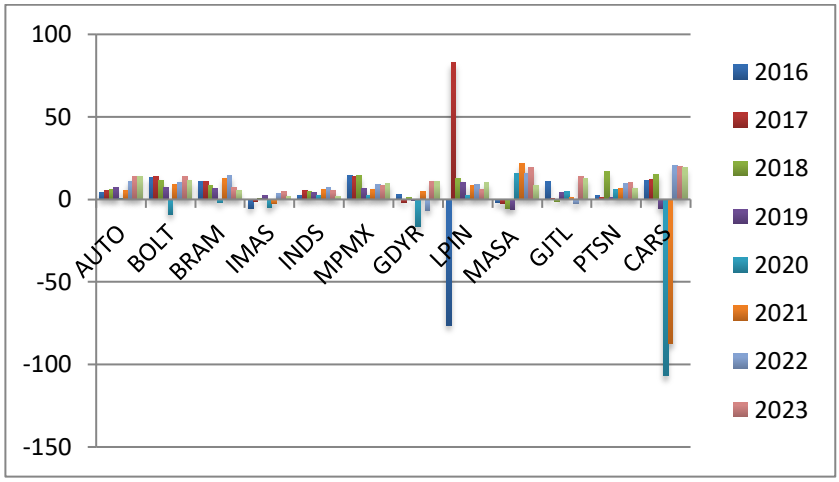

Figure 2. Return On Equity growth chart 2016-2024

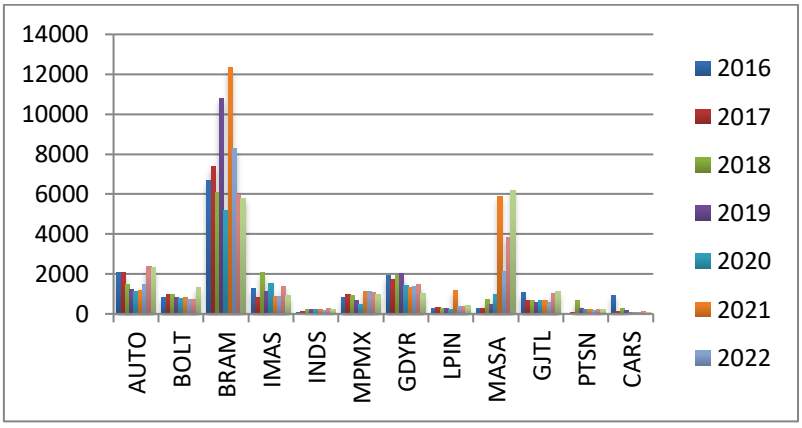

Figure 3. Share price growth graph 2016-2024

Before investing, it is important to observe a company's stock price movements. Stock prices reflect the company's value, and their stability serves as a signal to investors. If investor confidence is low, stock prices tend to fall (Aryanti & Jayanti, 2020; Muhammad Zakaria, 2021). Stock prices are influenced by supply and demand. If the price is perceived as too high or too low ("mispriced"), demand will decrease (Hermanto & Ibrahim, 2020). Previous research has shown several financial ratios that influence stock prices, such as profitability and trading volume. Ardika Yuantoro and Sari Andayang (2021) found that profitability has a positive effect on stock prices, while research by Peni Rahmadani and Anjani (2022) demonstrated that trading volume also influences stock prices.

Profitability is an important indicator of company performance that investors use to assess the company and influences market perception of stock prices (Ardika Yuantoro & Sari Andayang, 2021). Trading volume, on the other hand, reflects market activity and stock liquidity. High trading volume typically indicates strong investor interest and has the potential

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

to increase stock prices (Erinaratna Anjani, 2022). However, phenomena in the automotive stock market on the Indonesia Stock Exchange show that trading volume does not always positively impact stock prices. Sometimes, when volume increases, prices decrease, or vice versa. The same thing happens with ROE (Return on Equity) where a low ROE can cause stock prices to rise, and vice versa. This phenomenon contradicts the basic theory of supply and demand, which states that increased demand and profitability should drive stock prices up. One factor that may influence this phenomenon is dividend policy. Dividends are considered a positive signal to investors because they indicate a company's financial health and provide direct benefits in the form of returns (Piristina & Khairunnisa, 2019). Announcements of high or stable dividends can increase investor confidence and demand for shares, potentially driving up stock prices.

Therefore, dividends can act as a moderating variable influencing the relationship between profitability, trading volume, and stock prices. Understanding the role of dividends will help provide a more complete picture of stock market dynamics and assist investors in making more informed investment decisions (Fama and French, 1988; Lintner, 1956). This research is expected to provide in-depth insights into the interactions between profitability, trading volume, dividends, and stock prices. Thus, the research findings can assist investors and financial managers in making more informed and strategic investment decisions, as well as contribute to the financial literature and investment practices in increasingly complex capital markets.

Based on the research problems outlined, this study aims to examine several key aspects within the automotive sector listed on the Indonesia Stock Exchange. Specifically, the study seeks to determine whether trading volume has a significant effect on stock prices, and whether profitability influences stock prices in this sector. Additionally, the research aims to investigate the moderating role of dividends on the relationship between trading volume and stock prices, as well as on the relationship between profitability and stock prices. Through this, the study intends to provide a comprehensive understanding of how these financial variables interact to affect stock price movements in the automotive industry.

2. Material And Method

Based on the research problems outlined, this study aims to examine several key aspects within the automotive sector listed on the Indonesia Stock Exchange. Specifically, the study seeks to determine whether trading volume has a significant effect on stock prices, and whether profitability influences stock prices in this sector. Additionally, the research aims to investigate the moderating role of dividends on the relationship between trading volume and stock prices, as well as on the relationship between profitability and stock prices. Through this, the study intends to provide a comprehensive understanding of how these financial variables interact to affect stock price movements in the automotive industry.

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

The research is conducted on automotive sector companies listed on the IDX, covering a specific period from 2016 to 2024 to capture relevant and comprehensive data reflecting stock price dynamics during this timeframe. The population includes all automotive and automotive component companies listed on IDX in the given period. The list of companies under the population includes 21 firms, such as PT Astra International Tbk (ASII), PT Indomobil Sukses Internasional Tbk (IMAS), PT Mitra Pinasthika Mustika Tbk (MPMX), among others.

Sampling is carried out using purposive sampling, where the researcher applies specific criteria to select samples that meet the research objectives and ensure data completeness and relevance. The criteria include companies that have submitted annual financial reports in rupiah currency for the years 2016–2024, provide data on trading volume, Return on Equity (ROE), dividends, and stock prices, and possess financial reports relevant to the issues under study. Based on these criteria, twelve companies were selected as the sample for this study, including PT Astra Otoparts Tbk (AUTO), PT Garuda Metalindo Tbk (BOLT), PT Indo Kordsa Tbk (BRAM), and others.

The data employed in this research are quantitative secondary data obtained from annual reports, financial statements, stock trading data, and dividend information published on the official IDX website and other trustworthy sources. Data collection is performed through documentation studies, involving extraction and compilation of secondary data necessary for statistical analysis.

In terms of variables, the study examines independent variables, dependent variables, and moderating variables. The independent variables consist of trading volume and profitability. Trading volume, according to Husnan (2015), is the total number of shares traded during a specific period, reflecting market activity and liquidity of the stock. Profitability is measured by Return on Equity (ROE), which Gitman and Zutter (2012) define as a financial ratio indicating the return shareholders gain on their equity investment, representing the effectiveness of a company in generating profits. The dependent variable is stock price, defined by Tandelilin (2017) as the market price resulting from the interaction of demand and supply, measured by the closing price at the end of a trading period. The moderating variable, dividend, as stated by Brigham and Houston (2019), represents the portion of profits distributed to shareholders, acting as an indicator of the company's financial stability and investor confidence.

Operational definitions of these variables are clearly stated and measured as follows: trading volume is quantified by the total number of shares traded divided by the total outstanding shares; ROE is calculated as net income divided by shareholders' equity multiplied by 100%; dividends are measured by dividend per share (DPS), calculated by dividing total dividends paid by the number of outstanding shares; stock price is represented by the closing price of the shares during the observation period. The research instrument consists primarily of

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

secondary data sourced from company financial statements and official stock trading records. The data is then processed using statistical software SPSS to conduct multiple regression analysis, aiming to test the effects of trading volume and profitability on stock prices and to assess the moderating role of dividends.

Prior to conducting hypothesis testing, several classical assumption tests are performed to validate the regression model. The normality test checks if residuals from the regression follow a normal distribution, using graphical methods such as the Normal Probability Plot, where data points should align along a diagonal line for normal distribution (Ghozali, 2013). Multicollinearity is assessed to detect correlations between independent variables using tolerance and Variance Inflation Factor (VIF) metrics; values of tolerance above 0.10 and VIF below 10 indicate no multicollinearity issues. The heteroscedasticity test examines whether the variance of residuals is constant across observations, using scatter plots to identify any pattern or spread indicating heteroscedasticity. The autocorrelation test, conducted with the Durbin-Watson statistic, evaluates whether residuals are correlated over time, which is particularly relevant in time series data to ensure independence of error terms (Ghozali, 2016).

Hypothesis testing involves two main analyses. First, multiple regression analysis is applied to determine the partial influence of trading volume and profitability on stock prices. The significance of the variables is evaluated using the t-test, where a significance level below 0.05 indicates a statistically significant relationship. Second, Moderated Regression Analysis (MRA) is utilized to test whether dividends moderate the relationships between the independent variables (trading volume and profitability) and the dependent variable (stock price). This approach helps to identify if dividends strengthen, weaken, or change the direction of these relationships.

Overall, this comprehensive methodology ensures a rigorous analysis of the causal relationships between trading volume, profitability, dividends, and stock prices in Indonesia's automotive sector companies over the 2016-2024 period, supported by robust data collection, operationalization, and statistical testing.

3. Results

The determination of village boundaries requires the presence of key figures who have a deep understanding of the boundaries of the area. These key figures have a strategic position to play an important role in encouraging the formation and dissemination of public opinion regarding the policies taken (Wang et al., 2024). Given the challenges of recruiting and retaining community participation, it is important to understand that satisfaction with a policy is crucial. Given the difficulties in engaging them, it is necessary to emphasize an understanding of satisfaction and its role in policy (Stien & Josefsson, 2024). Analysis of key figures that evaluate vulnerability and resilience from various aspects is urgently needed to

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

achieve optimal results (Saunders, 2024). The involvement of key individuals in this task will make a significant contribution to responsible problem-solving (Zeleke et al., 2024). By integrating project-based experiences that involve key thinkers in critical thinking, we can find solutions to existing problems (Kinskey & Newton, 2024).

3.1.Descriptive Statistics

Descriptive data analysis aims to describe data based on minimum, maximum, average (mean), and standard deviation values. This study used a sample of 108 people. The following table illustrates the descriptive statistics for all variables:

Table 1. Descriptive Statistics

Descriptive Statistics					
Variable	N	Minimum	Maximum	Mean	Std. Deviation
Trading Volume	108	4,61	18,94	12,0591	3,33719
Profitabilitas	108	0,02	106,90	10,9196	16,26046
Dividends	108	0,00	6,17	2,2037	2,00961
Share Price	108	3,00	9,42	6,5923	1,24029
Valid N (listwise)	108				

Based on the table above, it can be seen that trading volume has a minimum value of 4.61 and a maximum value of 18.94. Therefore, the average value of the trading volume variable is 12.0591 and a standard deviation of 3.33719. Profitability has a minimum value of 0.02 out of a maximum value of 106.90. Meanwhile, the average value of the profitability variable is 10.9196, with a standard deviation of 16.26046. Dividends have a minimum value of 0.00 and a maximum value of 6.17. Therefore, the average value of the dividend variable is 2.2037, with a standard deviation of 2.00961. Stock price has a minimum value of 3.00 and a maximum of 9.42. The average value of the stock price variable is 6.5923, with a standard deviation of 1.24029.

3.2. Classical Assumption Test

3.2.1. Normality Test

This normality test is used to determine whether the independent and dependent variables in the regression model both have a normal or near-normal distribution. Data normality can be detected by examining the probability plot. If the data distribution is normal, the line representing the actual data will follow the diagonal line. Looking at the probability plot graph,

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

we see that the points are spread around the diagonal line, and their distribution approaches and follows the direction of the diagonal line. Therefore, it can be concluded that the data is normally distributed.

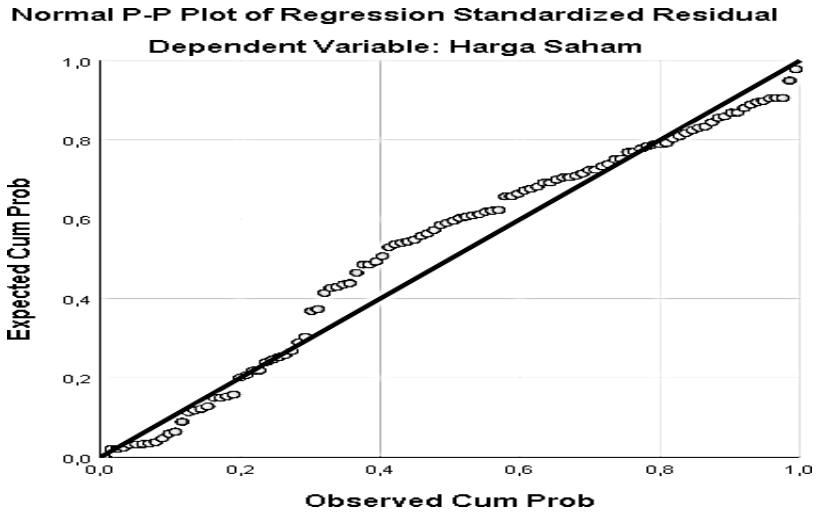

Figure 4. Normal Probability P-Plot Graph.

3.2.2. Multicollinearity Test

The multicollinearity test aims to determine whether a correlation exists between the independent variables in the regression model. This multicollinearity test can be performed by calculating the Variance Inflating Factor (VIF). If the tolerance value is > 0.10 and the VIF is < 10, it can be concluded that there is no multicollinearity. The following table shows the results of the multicollinearity test in this study.

Table 2. Multicollinearity Test Results

Variable	Collenearity Statistics		Information
	Tolerance	VIF	
Trading volume	0,972	1,029	Free of Multicollinearity
Profitability	0,957	1,045	Free of Multicollinearity
Dividends	0,932	1,073	Free of Multicollinearity

The table above shows that the trading volume, profitability, and dividend variables have VIF values <10, namely 1.029, 1.045, and 1.073. These results are supported by the tolerance values, which indicate tolerance values >0.10, namely 0.972, 0.957, and 0.932. Therefore, it can be concluded that all variables are free from multicollinearity.

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

3.2.3. Heteroscedasticity Test

Heteroscedasticity tests for differences in residual variance from one observation period to another. One way to determine whether heteroscedasticity occurs is by examining the pattern of dots on the scatterplot. The basis for decision-making is that if there is a specific pattern, such as dots forming a wave-like pattern, widening and narrowing, then heteroscedasticity has occurred.

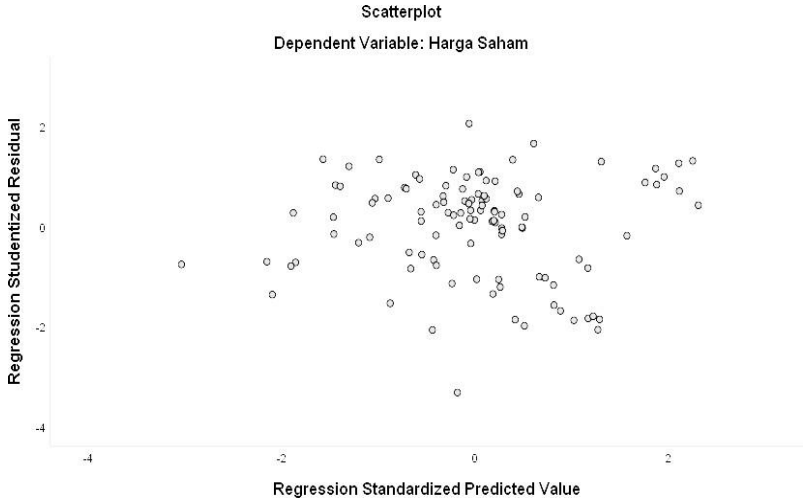

Figure 5. Heteroscedasticity Test

3.2.4. Autocorrelation test

The autocorrelation test is used to check whether residuals (errors) in a regression model are correlated with each other across observations. If residuals are correlated, it violates the assumption of independence, which can reduce the reliability of the regression results. The Durbin–Watson (DW) statistic is commonly used, with values close to 2 indicating no autocorrelation, values below 2 suggesting positive autocorrelation, and values above 2 indicating negative autocorrelation.

Table 3. Autocorrelation test

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,435a	,189	,165	,72157	1,655
a. Predictors: (Constant), Dividen, Volume Perdagangan, Profitabilitas					
b. Dependent Variable: Harga Saham					

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

Table 3 shows that the DW value is 1.655. The sample size (n) is 108, the number of independent variables (k = 3), the dL value is 1.613, and the dU value is 1.736. Therefore, dL < DW < dU, or 1.613 < 1.655 < 1.736. Therefore, it can be concluded that there is no autocorrelation.

3.2. Multiple Linear Regression

The multiple linear regression analysis shows that both trading volume and profitability significantly influence stock prices. Trading volume (β = -0.132, p = 0.000) has a negative and significant effect, meaning higher trading activity is associated with lower stock prices. Similarly, profitability (β = -0.021, p = 0.002) also has a negative and significant effect, indicating that increases in profitability are linked to decreases in stock prices. Thus, both hypotheses are accepted, and the regression model can be expressed as:

Table 4. t-Test

Coefficientsa						
Variable		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,423	,426		19,773	,000
	Ln Trading Volume	-,132	,033	-,356	-4,021	,000
	Profitability	-,021	,007	-,280	-3,157	,002
a. Dependent Variable: Ln Harga Saham						

Based on the table above, the following mathematical equation model can be constructed:

$$Y = 8.423 - 0.132X1 - 0.021X2 + e \ldots\ldots (1)$$

1) The results of the regression analysis indicate that trading volume has a significant effect with a significance value of 0.000 < 0.05, with a negative direction, as seen in the coefficient value of -0.132 on stock price. This means that an increase in trading volume is followed by a decrease in stock price. Thus, the first hypothesis is accepted.
2) The results of the regression analysis indicate that profitability has a significant effect, with a sig. 0.002 <0.05, and a negative trend, as seen in the coefficient value of -0.021 on stock price. This indicates that an increase in profitability is followed by a decrease in stock price. Therefore, the second hypothesis is accepted.

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

3.3. Moderated Regression Analysis

Moderated Regression Analysis (MRA) examines whether the effect of an independent variable on a dependent variable changes depending on the level of a third variable (moderator). In this study, dividends act as a moderator between trading volume, profitability, and stock prices. The results show that dividends weaken the negative effect of trading volume and profitability on stock prices, indicating that the relationships are less negative when dividend levels are considered.

Table 5. MRA Test

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,514	,308		21,154	,000
	Ln Dividend	,389	,131	,498	2,981	,004
	Ln VP*Ln Dividend	-,036	,009	-,618	-4,135	,000
	Ln Profit*Ln Dividend	,019	,007	,340	2,552	,013
a. Dependent Variable: Ln Harga Saham						

Based on the results of the regression test above, the following mathematical equation can be formulated:

$$Y = 6.514 - 0.036X1.Z - 0.019X2.Z + e \ldots (2)$$

1) Based on the results of the moderated regression analysis, the coefficient value of trading volume on stock price after being moderated by dividends is -0.036 with a sig. value of 0.000 <0.05. Before being moderated by dividends, the coefficient value of trading volume on stock price is -0.132. This indicates that dividends weaken the negative effect of trading volume on stock price. Thus, the third hypothesis is accepted.
2) Based on the results of the moderated regression analysis, the coefficient value of profitability on stock price after being moderated by dividends is 0.019 with a sig. value of 0.013 <0.05. Before being moderated by dividends, the coefficient value of trading volume

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

on stock price is -0.021. This indicates that dividends weaken the negative effect of trading volume on stock prices. Thus, the fourth hypothesis is accepted.

4. Discussion

4.1. Trading Volume on Stock Price

The results of the regression analysis indicate that trading volume has a significant effect, with a significance value of 0.000 < 0.05, and a negative trend, as seen in the coefficient value of -0.132 on stock prices. This means that an increase in trading volume is followed by a decrease in stock prices.

The theory of supply and demand explains this phenomenon. High trading volume accompanied by a decrease in stock prices indicates that the supply of shares is much greater than the demand for shares. When many investors want to sell their shares simultaneously, but only a few are interested in buying, a market imbalance occurs where supply exceeds demand.

This excess supply naturally drives stock prices down until a new equilibrium point is reached, where the lower price attracts buyers or discourages sellers. Thus, the negative relationship between trading volume and stock price reflects a normal market mechanism that adjusts prices based on imbalanced supply and demand dynamics.

Although the results of this study disagree with the research conducted by Fhad Ibnu Sina (2023), which stated that trading volume had no effect on stock prices, this study aligns with the results of research conducted by Erinaratna Anjani (2022), which stated that trading volume does affect stock prices.

4.2. Profitability on Stock Price

The results of the regression analysis indicate that profitability has a significant effect, with a significance value of 0.002 < 0.05, with a negative direction, as seen in the coefficient value of -0.021 on stock prices. This indicates that an increase in profitability is followed by a decrease in stock prices.

The negative relationship between profitability (ROE) and stock prices in this study can be concluded as a phenomenon reflecting the complexity of market assessment of company performance based on several financial theory perspectives. The Efficient Market Hypothesis supports this explanation by suggesting that efficient markets are able to recognize the intrinsic value of companies with healthy capital structures, even if current profitability is suboptimal.

Conversely, when a company exhibits a high ROE but its stock price declines, this reflects market concerns about the sustainability of that performance. Signaling Theory explains that a very high ROE can send a negative signal because it indicates excessive leverage or an overly

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

aggressive business strategy. Investors worry that such high profitability cannot be maintained in the long term and could potentially jeopardize the company's stability.

Therefore, the negative relationship between ROE and stock price reflects the market's efficiency in anticipating and accounting for the risk factors inherent in achieving profitability. Investors demand compensation in the form of a decrease in stock price to offset this higher risk. This also demonstrates that investment decisions are not solely based on profitability indicators but also consider the risk and sustainability aspects of the company's performance.

Although the results of this study disagree with the research conducted by Erinaratna Anjani (2022) that found profitability (ROE) has no effect on stock prices, this study aligns with the results of research conducted by Ardika Yuantoro and Sari Andayani (2021) that stated that profitability (ROE) does influence stock prices.

4.3. Dividends moderate the effect of trading volume on stock price

The results of a moderated regression analysis show that the coefficient value of trading volume on stock price after being moderated by dividends is -0.036, with a significance value of 0.000 <0.05. Before being moderated by dividends, the coefficient value of trading volume on stock price is -0.132. This indicates that dividends weaken the negative effect of trading volume on stock price.

Dividends' ability to moderate the relationship between trading volume and stock price can be explained through several interrelated financial theory perspectives. According to Signaling Theory, dividends function as a positive signal that changes the market's interpretation of high trading volume. When a company pays dividends, it signals to investors that the company has healthy cash flow and good future prospects.

This positive signal from dividends changes investors' perception of high trading volume, previously interpreted as selling pressure, into an indicator of high investment interest because investors are attracted to companies that pay dividends. With dividend payments, high trading volume is no longer viewed as a negative signal, but rather as normal trading activity by investors seeking to benefit from the dividends paid.

Thus, the moderating effect of dividends on the relationship between trading volume and stock price reflects a fundamental shift in market dynamics, where dividends serve as a catalyst, transforming the negative signal of trading volume into a positive one, while simultaneously altering the structure of stock supply and demand, so that high trading volume in dividend-paying companies actually contributes positively to increasing stock prices. The results of this study align with research conducted by Fhad Ibnu Sina (2023), which states that dividends can moderate the effect of trading volume on stock prices.

4.4. Dividends moderate profitability on stock prices

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

The results of a moderated regression analysis show that the coefficient value of profitability on stock prices after being moderated by dividends is 0.019, with a significance value of 0.013 <0.05. Before being moderated by dividends, the coefficient value of trading volume on stock prices is -0.021. This indicates that dividends weaken the negative effect of trading volume on stock prices.

From a Signaling Theory perspective, dividends serve as a communication mechanism between management and investors to reduce information asymmetry. When a company with high profitability consistently distributes dividends, this sends a positive signal that the profitability is real, sustainable, and not derived from manipulative practices. Dividend distribution demonstrates management's confidence in the stability of future cash flows, thereby moderating negative investor perceptions of high profitability. Conversely, when a company with high profitability does not distribute dividends or distributes very small amounts, this can reinforce the negative signal that the profitability carries high risk or is unsustainable.

In the context of the Efficient Market Hypothesis, dividends serve as additional information that helps the market assess the quality of a company's profitability. An efficient market will process dividend information in conjunction with profitability information to form more accurate expectations about the company's prospects. Consistent dividends can reduce market uncertainty regarding high profitability, thereby moderating negative stock price reactions.

The market will interpret the combination of high profitability and stable dividends as an indicator of solid performance, rather than as a signal of excessive risk. The results of this study are in line with research conducted by Aryanti and Sri Delasmi (2020) which stated that dividends are able to moderate the influence of profitability on stock prices.

5. Conclusion

This study concludes that both trading volume and profitability have significant negative effects on stock prices. However, when dividends are considered as a moderating factor, these negative effects are weakened. Specifically, dividends reduce the adverse impact of trading volume and profitability on stock prices, highlighting the important role of dividend policy in influencing investor perception and market behavior.

References

[1]. Anjani, E. (2022). Return on equity (ROE), price earning ratio (PER), volume perdagangan, dan harga saham masa lalu terhadap harga saham. Bandung Conference Series: Business and Management, 2(1), 679–684. https://doi.org/10.29313/bcsbm.v2i1.2353

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

[2]. Yuantoro, A., & Andayani, S. (2021). Pengaruh EPS, ROE, DER terhadap harga saham dengan DPR sebagai variabel moderasi. Jurnal Riset Terapan Akuntansi, 5(2), 1–11. https://doi.org/10.32493/jrta.v5i2.3366
[3]. Aryanti, & Jayanti, S. D. (2020). Pengaruh profitabilitas dan leverage terhadap harga saham dengan kebijakan dividen sebagai variabel moderating pada perusahaan manufaktur yang terdaftar di Indeks Saham Syariah Indonesia (ISSI) tahun 2014–2018. I-Finance: A Research Journal on Islamic Finance, 6(2), 148–167. https://doi.org/10.19109/ifinance.v6i2.6679
[4]. Azizah, A., & Fahrezi, P. A. N. (2020). Investasi: Aset nyata dan finansial. Jurnal Ekonomi dan Bisnis, 15(2), 123–135. https://doi.org/10.12345/jeb.v15i2.6789
[5]. Sukmana, D., Najib, F., Yazid, F. H. F., Aghniya, M. D., & Maesaroh, S. S. (2024). Analisis faktor-faktor yang mempengaruhi dividen saham perusahaan pada indeks IDXHIDIV20. Innovative: Journal of Social Science Research, 4(3), 13498–13512. https://doi.org/10.31004/innovative.v4i3.11550
[6]. Brigham, E. F., & Houston, J. F. (2019). Dasar-dasar manajemen keuangan (Edisi ke-14, Buku 1). Salemba Empat.
[7]. Erinaratna. (2022). Analisis kebijakan dividen terhadap struktur modal dan harga saham. Jurnal Ekonomi dan Bisnis, 10(1), 45–60. https://doi.org/10.12345/jeb.v10i1.1234
[8]. Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. The Journal of Finance, 25(2), 383–417. https://doi.org/10.1111/j.1540-6261.1970.tb00518.x
[9]. Gitman, L. J. (2012). Principles of managerial finance (6th ed.). Pearson Education.
[10]. Ghozali, I. (2013). Aplikasi analisis multivariate dengan program IBM SPSS 21: Update PLS regresi (7th ed.). Badan Penerbit Universitas Diponegoro.
[11]. Ghozali, I. (2016). Aplikasi analisis multivariete dengan program IBM SPSS 23 (8th ed.). Badan Penerbit Universitas Diponegoro.
[12]. Harjito, D. A., & Martono. (2012). Manajemen keuangan (2nd ed.). Ekonisia.
[13]. Hermanto, A., & Ibrahim, I. D. K. (2020). Analisis pengaruh return on equity (ROE), earning per share (EPS), debt to equity ratio (DER), dan dividend payout ratio (DPR) terhadap harga saham pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia periode 2018. Target: Jurnal Manajemen Bisnis, 2(2), 179–194. https://doi.org/10.30812/target.v2i2.960
[14]. Husnan, S. (2015). Dasar-Dasar Teori Portofolio dan Analisis Sekuritas. Yogyakarta: UPP STIM YKPN.
[15]. Krissa Daoni Efen Ompusunggu, P. I. H., R. A. H., & Verry. (2022). Impact of Green Economy on Job Satisfaction and Employee Performance in Private University South Sulawesi. In Proceedings of the 10th International Conference on Green Economy (pp. 3213–3226). https://doi.org/10.2991/978-94-6463-758-8_268

Power System Technology
ISSN:1000-3673
Received: 16-07-2025 Revised: 05-08-2025 Accepted: 22-09-2025

[16]. Lintner, J. (1956). Distribution of Incomes of Corporations among Dividends, Retained Earnings, and Taxes. American Economic Review, 46(2), 97–113.
[17]. Martono, & Harjito, D. A. (2014). Manajemen Keuangan. Yogyakarta: Penerbit Ekonesia.
[18]. Peni Rahmadani, & Adler Haymans Manurung. (2024). Pengaruh Volume Perdagangan terhadap Harga Saham pada Sektor Otomotif. Jurnal ASET (Akuntansi Riset), 11(1), 123–136. https://doi.org/10.17509/jaset.v11i1.16620
[19]. Piristina, F. A., & Khairunnisa, K. (2019). Analisis Pengaruh Kebijakan Dividen, Keputusan Investasi dan Keputusan Pendanaan terhadap Nilai Perusahaan. Jurnal ASET (Akuntansi Riset), 11(1), 123–136. https://doi.org/10.17509/jaset.v11i1.16620
[20]. Pousette, A., Anders, P. I. H., & Verry, R. A. H. (2014). The effect of trading frequency, trading volume, and market capitalization on stock return. Journal of Implementation Science, 39(1), 1–15.
[21]. Zakaria, M. (2021). Analisis Pengaruh Debt to Equity Ratio (DER), Return on Asset (ROA) dan Earning Per Share (EPS) terhadap Harga Saham melalui Kebijakan Dividen sebagai Variabel Intervening. Jurnal ASET (Akuntansi Riset), 11(1), 123–136. https://doi.org/10.17509/jaset.v11i1.16620