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The Influence of Macroeconomic Effects on Company Financial Performance with CPO Prices as an Intervening Variable in Palm Oil Companies Listed on the Indonesia Stock Exchange (IDX) in 2011-2021

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Abstract. This study aims to determine the effect of Inflation, interest rates and exchange rates on company financial performance with CPO prices as an intervening variable for oil palm companies listed on the IDX for the 2011-2021 period. The data used in this research is secondary data. This type of research uses an associative method with a quantitative approach. The number of samples in this study is 110 data based on the criteria obtained for 11 periods with the Eviews 12 testing tool. The analysis technique used is panel data regression and the Sobel test. The results of this study include: (1) Inflation has a positive but not significant effect on CPO prices, (2) Interest rates have a negative and significant effect on CPO prices, (3) The rupiah exchange rate has a negative but not significant effect on CPO prices, (4) Inflation, interest rates and the rupiah exchange rate simultaneously have a significant effect on CPO prices, (5) Inflation has a negative but not significant effect on the performance of palm oil companies, (6) Interest rates have a positive but not significant effect on the performance of palm oil companies, (7) The exchange rate has a negative and significant effect on the performance of palm oil companies, (8) CPO prices have a positive and significant effect on the performance of palm oil companies, (9) Inflation, interest rates,the rupiah exchange rate and CPO prices simultaneously affect the performance of palm oil companies, (10) CPO prices cannot mediate the effect of Inflation on the performance of palm oil companies, (11) CPO prices can edition of the effect of interest rates on the performance of palm oil companies, and (12) CPO prices cannot mediate the effect of the exchange rate on the performance of palm oil companies.

Keywords: Inflation; interest rates; rupiah exchange rate; CPO price and company financial performance.

A. INTRODUCTION

The national palm oil industry is one of the industries that play a strategic role in the Indonesia macroeconomy. In Indonesia's macro economy, this industry has a strategic role as a foreign exchange earner, locomotive for the national economy, energy sovereignty, the people's economic sector and employment. As the largest palm oil-producing country in the world, the production of palm oil (CPO) in Indonesia has increased significantly every year. As Central Bureau of Statistics data, in 2020, the total CPO production reached 44,759,147

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tons. This figure has grown by 86.5% since 2011. Along with the increasing amount of production, the volume of exports of palm oil (CPO) has also increased, where the total volume of exports of Indonesian palm oil (CPO) in 2020 has reached 25.

As the world's largest palm oil producer, Indonesia has a large market potential for palm oil and palm kernel in the domestic and foreign markets. Although the price of palm oil (CPO) has fluctuated, it continues to increase if you look at the trend. Quoted from Bigalpha, CPO prices have increased by 37.64% year to date (as of October 2021). The price on the Medan spot market itself, on November 11 2021, reached its peak of Rp. 21.340,-/kg. Historically, CPO prices have decreased several times, namely in 2013, 2015, 2018 and 2019, with the lowest price in the range of Rp.7,086/kg, which occurred in 2019.

Many companies are engaged in the palm oil industry, from plantations to processing. According to BPS data, Indonesia has 2,511 oil palm plantation companies, consisting of 163 large state-owned plantations and 2,348 large private plantations. Several palm oil companies have also been listed as public companies on the Indonesia Stock Exchange (IDX). According to the data quoted from Bigalfa, the number of palm oil companies registered on the IDX in 2020 is 24. Production growth and the increase in export value and CPO prices differed from palm oil companies' financial performance levels. As shown in the graph below, the average company performance, as seen from the profitability ratio (ROA), shows a decline in 2013, 2015, 2016, 2018 and 2019.

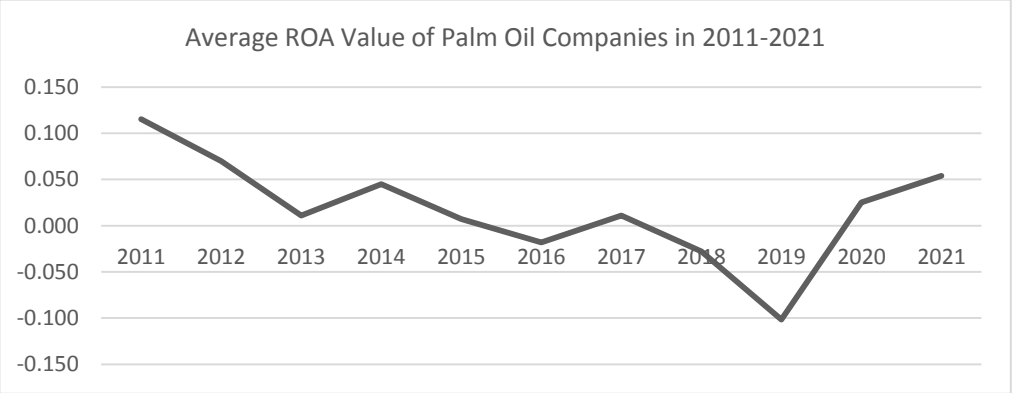

Figure 1. Average ROA Value of Palm Oil Companies in 2011-2021

The firm performance is conceptually influenced by fundamental (macro & micro) and technical factors. Macro factors that cannot be controlled include economic, political, legal, social, cultural, demographic, environmental, technological and competition. Each macro factor has its indicator. The research is limited to macroeconomic factors, inflation indicators, interest rates, and the Rupiah exchange rate.

Inflation is one of the economic indicators which is marked by rising prices of desired goods in the market. Inflation can also affect company performance because production costs increase. As data from BPS, in the last 11 years, Inflation has increased with the highest rates in 2013 and 2014, namely the inflation rate reached 8.38 and 8.36. This high inflation rate occurred due to an increase in prices, as indicated by an increase in the expenditure group index, which was caused by the government's policy of increasing the price of fuel oil (BBM).

In addition to the inflation rate, a macroeconomic indicator that has the potential to affect company performance is interest rates. Saputro (2019) proved that the BI rate has a negative effect on the profitability of mining companies, where if the BI rate decreases, the company's ability to generate profits will increase. As data from BPS, in the last 11 years, Bank Indonesia's interest rate increases were highest in 2014 and 2015, namely 7.5%. According to the Governor of BI, Bank Indonesia's policy of increasing interest rates in 2014

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was carried out in response to inflation expectations, maintaining current account deficit conditions, maintaining banking liquidity, and increasing credit growth. These things are closely related to the increase in the price of fuel oil (BBM) in 2014.

Furthermore, Andiana and Amanah (2018) proved that the rupiah exchange rate positively affects ROA, which means that any increase in the rupiah exchange rate will increase the company's ability to generate profits. As BPS data in the last 11 years, the rupiah exchange rate showed a significant weakening in 2013, 2015 and 2018. The weakening of the exchange rate occurred most profoundly in 2013, namely at Rp.12,189, - whereas in the previous year, it was in the range of Rp. 9,670,-. The weakening of the rupiah exchange rate against the US dollar was caused by the large amount of foreign investment resulting from the stimulus cuts carried out by the United States (US) central bank or the Federal Reserve. As reported by Kompas.com (2013), the currency that fell the most in Asia was the rupiah,

The impact of changing macroeconomic conditions on a company depends on its internal/fundamental conditions. Good company performance is reflected in high profitability. The profit ratio used to measure the performance of company management in managing all company assets is the return on assets (ROA). Research related to this has been carried out by Puspitasari et.al. (2021), Nugraha et.al. (2021), Azhari (2020), Supriyatna (2020), Nurhamdi (2020), Safrudin et.al. (2019), Burhanudin et.al. (2019), Andiana et.al. (2018), Setyaningsih et.al. (2018), Widodo et.al. (2017) and several other studies.

The results of these studies resulted in various conclusions, so further research is needed. This research was conducted on palm oil companies listed on the IDX. The oil palm companies were chosen because they are export-oriented, and the company's performance will be related to macroeconomic variables. Besides, the CPO price as an intervening variable will also add to the "differentiation" of this study from other studies. Therefore, this study will discuss "The Influence of Macroeconomics on Company Performance with CPO Prices as an Intervening Variable in Palm Oil Companies Listed on the Indonesia Stock Exchange in 2016-2021."

B. LITERATURE REVIEW

Inflation is a continuous increase in general commodity prices measured by a price index over a certain period. The Consumer Price Index (CPI) is a commonly used measure of Inflation. Changes in the CPI reflect changes in the prices of goods and services consumed by the public. According to Aluko & Ajayi (2018), Inflation has a positive relationship with banking efficiency but a negative one with banking stability.

As defined by OJK, interest can be interpreted as the price that the bank must pay to the customer (if it has deposits) and the price that must be paid by the customer to the bank (if it has a loan). In simple terms, bank interest rates are the rewards banks offer to customers who buy or sell their products.

The exchange rate is the price of a currency against foreign currency and how much the local currency is worth in foreign currency. The exchange rate is a significant price in the economy. (Syahputri, 2020)

Price is the amount charged for a product or service or the value exchanged by consumers to obtain or use a product or service (Kotler & Armstrong, 2008). The CPO price is hypothesized to be a function of the export price. Meanwhile, export prices are influenced by the exchange rate when international trade occurs.

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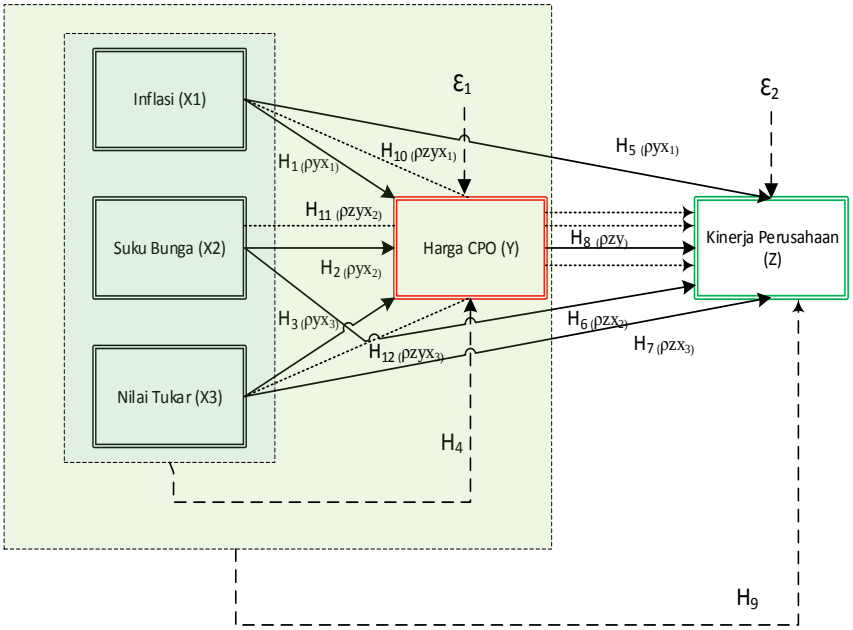

Figure 2. Framework of Thinking

The structural equation for the path diagram in this study is divided into two, namely:

Y = α + ρyx1 X1 + ρyx2 X2 + ρyx3 X3

Z = α + ρzx1 X1 + ρzx2 X2 + ρzx3 X3+ ρzy Y

The hypotheses in this study include the following:

Ha1: There is an effect of Inflation on CPO prices

Ha2: There is an effect of interest rates on CPO prices

Ha3: There is an effect of the exchange rate on CPO prices

Ha4: There is a simultaneous effect of Inflation, interest rates & exchange rates on CPO prices

Ha5: There is an effect of Inflation on the financial performance of palm oil

Ha6: There is an influence of interest rates on the financial performance of palm oil

Ha7: There is an effect of the exchange rate on the financial performance of palm oil

Ha8: There is an influence of CPO prices on the financial performance of palm oil

Ha9: There is a simultaneous influence of Inflation, interest rates, exchange rates and CPO prices on the financial performance of palm oil

Ha10: CPO prices can mediate the effect of Inflation on the financial performance of palm oil

Ha11: CPO prices can mediate the effect of interest rates on the financial performance of palm oil

Ha12: CPO prices can mediate the effect of the exchange rate on the financial performance of palm oil.

C. RESEARCH METHODOLOGY

This study uses an associative method with a quantitative approach. The data used in this research is secondary data. The secondary data sources processed in this study were obtained from several agencies, including the Indonesia Stock Exchange (IDX), Bank Indonesia (BI), the Central Bureau of Statistics (BPS), the Commodity Futures Trading Supervisory Agency (Bapebti) and various research journals and reading books published relevant.

The population in this study were all oil palm plantation companies listed on the Indonesia Stock Exchange, totalling 22 companies. The sampling technique was purposive sampling in which ten companies were obtained according to the following criteria:

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1) Palm oil companies listed on the Indonesia Stock Exchange (IDX) with an IPO date prior to 2012.
2) Oil palm companies publish and complete financial reports during the study period, namely from 2011-2021.
3) Oil palm companies that have financial reports audited by a public accountant

The data analysis methods in this study are panel data regression and path analysis methods. The tests carried out are the Chow test, Hausman test, Langrage Multilipier test, regression test, t-test, F test and Sobel test.

D. RESULTS AND DISCUSSION

RESULTS
Descriptive Analysis Results

Table 1. Descriptive Statistical Analysis

	X1_INFLATION	X2_BIRATE	X3_KURS	Y_CPO	Z_ROA
Means	4.060000	5.686364	12809.27	9260455	0.017218
Median	3.350000	5.700000	13548.00	8613,000	0.023500
Maximum	8.830000	7.500000	14481.00	17564.00	0.493000
Minimum	1.680000	3.500000	9068,000	7086,000	-0.583000
std. Dev.	2.272343	1.228502	1768.212	2739674	0.119442

Source: Results of Eviews application data processing 12, 2022

The table above shows, that the Independent Variable (X1), which is Inflation, has a maximum value of 8.83 with a minimum of 1.68. The average (mean) and standard deviation of the inflation variable (X1) are 4.06 and 2.27. The Independent Variable (X2), Interest Rate, has a maximum value of 7.5 and a minimum value of 3.5. At the same time, the average (mean) and standard deviation of the interest rate variable (X2) are 5.6 and 1.2. The Independent Variable (X3), the Exchange Rate, has a maximum value of 14481 with a minimum value of 9068. At the same time, the average (mean) and standard deviation of the Exchange Rate variable (X3) are 12809 and 1768. The Intervening Variable (Y), the Price of CPO, has a maximum value of 17564 with a minimum value of 7086. While the average (mean) and standard deviation of the variable CPO price (Y) are 9260 and 2739. The Dependent Variable (Z), ROA, has a maximum value of 0.49 and a minimum value of -0.58. The mean (mean) and standard deviation of the ROA variable (Z) are 0.017 and 0.119.

Analysis Results of Substructural 1 (Y)

1) Model Test Results of Substructural 1 (Y)

Table 2. Results of Testing the Substructural Panel Data Regression Model 1

No	Method	Testing	Results
1	ChowTest	Common Effectsvs Fixed Effects	Common Effects
2.	Lagrange Multiplier	Common Effect vs Random Effect	Random Effects
3.	Hausman test	Fixed Effects vs Random Effects	Random Effects

Source: Results of data processing, 2022

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Based on the results of paired testing of the three models, the Chow test, Hausman test and Lagrange Multiplier Breusch-Pagan (LM BP) test, it can be concluded that the random effect model in the panel data regression method is used further to estimate and analyze the factors that influence CPO prices on ten palm oil companies listed on the Indonesia Stock Exchange during the 2011-2021 period.

2) Regression Test Results of Substructural 1 (Y)

Table 3. Regression Panel Data Results of Substructural 1

Variables	coefficient	std. Error	t-Statistics	Prob.
C	18765.20	2354409	7.970237	0.0000
X1_Inflation	186.3065	122.1258	1.525529	0.1301
X2_BIRate	-1628,868	229.8511	-7.086622	0.0000
X3_Kurs	-0.077976	0.134091	-0.581514	0.5621

Source: Results of eviews application data processing 12, 2022

The estimation results of substructural panel data 1 (Y) in the table above show the estimated effect of Inflation, interest rates and exchange rates on CPO prices using the Random Effect Model (REM), which produces the following regression equation:

$Y = \alpha + \rho yx1\ X1 + \rho yx2\ X2 + \rho yx3\ X3 + e$

$Y = 18765.20 + 186.3065\ X1 - 1628.868\ X2 - 0.077976\ X3 + e$

3) Hypothesis Test Results of Substructural 1 (Y)

Table 4. t-test results of Substructural 1

Variables	coefficient	std. Error	t-Statistics	Prob.
C	18765.20	2354409	7.970237	0.0000
X1_Inflation	186.3065	122.1258	1.525529	0.1301
X2_BIRate	-1628,868	229.8511	-7.086622	0.0000
X3_Kurs	-0.077976	0.134091	-0.581514	0.5621

Source: Results of eviews application data processing 12, 2022

The probability variable X1_Inflation results are 0.1301 > 0.05, which can be concluded that Inflation does not affect CPO prices. The results of the probability variable X2_Birate are worth 0.0000 <0.05. It can be concluded that the BI Rate (Interest Rate) affects CPO prices. The result of the probability variable X3_Kurs is 0.5621 > 0.05, which can be concluded that the Exchange Rate (Exchange Rate) does not affect CPO prices.

Table 5. F Test Results & Determination Coefficient of Substructural 1

Weighted Statistics			
Root MSE	2117.002	R-squared	0.397425
Mean dependent var	9260455	Adjusted R-squared	0.380371
SD dependent var	2739674	SE of regression	2156576
Sum squared residue	4.93E+08	F-statistics	23.30391
Durbin-Watson stat	1.273381	Prob(F-statistic)	0.000000

Source: Results of eviews application data processing 12, 2022

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As the analysis results in the table above, it is known that the Prob. (F-statistics) is 0.00000 <0.05, which concludes that the Inflation Variables (X1), Interest Rates (X2) and Exchange Rates (X3) jointly affect CPO prices (Y). In addition, it is known that the R-squared value is 0.397425. This shows that the variables Inflation (X1), Interest Rates (X2) and Exchange Rates (X3) can explain/influence CPO prices (Y) by 39%, while other variables explain the remaining 61%.

Results Analysis of Substructural 2 (Z)

1) Model Test Results of Substructural 2 (Z)

Table 6. Results Panel Data Regression Model Test of the Substructural 1

No	Method	Testing	Results
1	*ChowTest*	*Common Effects*vs Fixed Effects	*Fixed Effects*
2.	*Hausman test*	*Fixed Effects vs Random Effects*	*Random Effects*
3.	*Lagrange Multiplier*	*Common Effect vs Random Effect*	*Random Effects*

Source: Results of data processing, 2022

Based on the results of paired testing of the three models, namely the Chow test, Hauman test and Lagrange Multiplier Breusch-Pagan (LM BP) test, it can be concluded that the random effect model in the panel data regression method is further used to estimate and analyze the factors that influence company performance on ten palm oil companies listed on the Indonesia Stock Exchange during the 2011-2021 period.

2) Regression Test Results of Substructural 2 (Z)

Table 7. Regression Panel Data Results of Substructural 2

Variables	coefficient	std. Error	t-Statistics	Prob.
C	0.154602	0.125951	1.227469	0.2224
X1_Inflation	-0.000647	0.005070	-0.127588	0.8987
X2_BIRate	0.007596	0.011617	0.653857	0.5146
X3_Kurs	-2.26E-05	5.51E-06	-4.097469	0.0001
Y_CPO	1.20E-05	4.17E-06	2.884875	0.0048

Source: Results of eviews application data processing 12, 2022

The estimation results of substructural panel data 2 (Z) in the table above show the estimated effect of Inflation, interest rates, exchange rates and CPO prices on ROA using the Random Effect Model (REM), which produces the following regression equation:

$Z = \alpha + \rho zx1\ X1 + \rho zx2\ X2 + \rho zx3\ X3 + \rho zy\ Y$

$Z = 0.154602 - 0.000647X1 + 0.007596X2 - 0.0000226X3 + 0.000012Y + e$

3) Hypothesis Test Results of Substructural 2 (Z)

Table 8. t-test results of Substructural 2

Variables	coefficient	std. Error	t-Statistics	Prob.
C	0.154602	0.125951	1.227469	0.2224

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X1_Inflation	-0.000647	0.005070	-0.127588	0.8987
X2_BIRate	0.007596	0.011617	0.653857	0.5146
X3_Kurs	-2.26E-05	5.51E-06	-4.097469	0.0001
Y_CPO	1.20E-05	4.17E-06	2.884875	0.0048

Source: Results of eviews application data processing 12, 2022

The result of the probability variable X1_Inflation is 0.8987 > 0.05, which can be concluded that Inflation does not affect ROA. The result of the probability variable X2_Birate is 0.5146 > 0.05, which can be concluded that interest rates do not affect ROA. The result of the probability variable X3_Kurs is 0.0001 <0.05, which can be concluded that the Exchange Rate affects ROA. The results of the probability variable Y_CPO are worth 0.0048 <0.05, which can be concluded that CPO prices affect ROA.

Table 9. F-Test Results & Determination Coefficient of Substructural 2

Weighted Statistics		
Root MSE	0.090361	R-squared 0.208805
Mean dependent var	0.006778	Adjusted R-squared 0.178664
SD dependent var	0.102053	SE of regression 0.092488
Sum squared residue	0.898169	F-statistics 6.927667
Durbin-Watson stat	1.556967	Prob(F-statistic) 0.000055

Source: Results of eviews application data processing 12, 2022

As the results of data analysis in the table above, it is known that the Prob. (F-statistics) is 0.000055 <0.05, which can be concluded that the Inflation Variables (X1), Interest Rates (X2), Exchange Rates (X3) and CPO Prices (Y) jointly affect ROA (Z). In addition, it is known that the R-squared value is 0.208805. This shows that the variables Inflation (X1), Interest Rates (X2), Exchange Rates (X3) and CPO Prices (Y) can explain/influence ROA (Y) by 20%, while other variables explain the remaining 80%.

Path Analysis Results

Table 10. Path Analysis

Variable	X to Y		Y to Z		ab	S_{ab}
	a	Se	b	Se		
X1	186.3065	122.1258	0.0000120	0.0000042	0.002235678	0.0016587
X2	-1628,868	229.8511	0.0000120	0.0000042	-0.019546416	0.007331
X3	-0.077976	0.134091	0.0000120	0.0000042	-0.000000935712	0.000001642

Source: Results of data processing, 2022

The results of calculating the t statistic are as follows:

- CPO Prices Mediate the Effect of Inflation on Company Performance

$$t_1 = \frac{ab}{S_{ab}} = \frac{0.002235678}{0.0016587} = \mathbf{1.347848}$$

As the calculation results above, it can be seen that the calculated t1 value is 1.347848 <t table 1.98 with a significance level of 5%, and the mediation coefficient of 1.347848 is not significant. It shows that the CPO price variable cannot mediate the effect of Inflation on company performance.

- CPO Prices Mediate the Effect of Interest Rates on Company Performance

$$t_2 = \frac{ab}{S_{ab}} = \frac{-0.019546416}{0.007331} = \mathbf{-2.666253}$$

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As the results of the calculations above, it can be seen that the calculated t2 value is -2.666253 > t table 1.98 with a significance level of 5%. It can be concluded that the mediation coefficient is -2.666253 significant. This shows that the CPO price variable can mediate the effect of interest rates on company performance.

- CPO Prices Mediate the Influence of Exchange Rates on Company Performance

$$t_3 = \frac{ab}{S_{ab}} = \frac{-0.000000935712}{0.000001642} = \mathbf{-0.569994}$$

The calculation results above show that the calculated t3 value is -0.569994 <t table 1.98 with a significance level of 5%. It can be concluded that the mediation coefficient of -0.569994 is not significant. This shows that the CPO price variable cannot mediate the effect of exchange rates on company performance.

DISCUSSION

1) The Effect of Inflation on CPO Prices

   As the hypothesis testing has been done, the inflation variable has a regression coefficient of 186.3065 with a significance level of 0.1301. It shows a significance level greater than required, namely 0.05, so it can be concluded that Inflation has an effect but is not significant on CPO prices. The influence here shows that the higher the Inflation, the higher the CPO price, but the effect is not significant, which means that the inflation variable has no significant effect on CPO prices. The results of this study are inversely proportional to the results of Hasbullah's research (2009), which states that inflationary macroeconomic factors can affect CPO prices. In this finding, it can be seen that the effect of Inflation on CPO prices is not too significant,

2) The Effect of Interest Rates on CPO Prices

   As the hypothesis testing has been done, the interest rate variable has a regression coefficient of -1628,868 with a significance level of 0.0000. It shows a significance level smaller than required, namely 0.05, so it can be concluded that interest rates negatively and significantly affect CPO prices. The negative effect here shows that the higher the interest rate, the lower the CPO price. The effect is significant, meaning that the interest rate variable significantly affects CPO prices. The increase in interest rates, followed by a decrease in CPO prices, was caused when interest rates rose. The demand for CPO fell, resulting in an increase in CPO supply, which decreased CPO prices.

3) The Effect of Exchange Rates on CPO Prices

   As the hypothesis test has been done, the regression coefficient on the Exchange Rate variable is -0.077976 with a significance level of 0.5621. This shows a significance level greater than required, namely 0.05, so it can be concluded that the exchange rate has a negative but insignificant effect on CPO prices. The negative effect here shows that the higher the Exchange Rate, the lower the CPO Price, but the effect is not significant, which means that the Exchange Rate variable has no significant effect on CPO Prices. The results of this study are inversely proportional to Prahastuti's research (2000) which states that fluctuations influence the formation of domestic CPO prices in the rupiah exchange rate against the US dollar.

4) The Simultaneous Effect of Inflation, Interest Rates and Exchange Rates on CPO Prices

   Based on the hypothesis testing that has been done, the results show that simultaneously the variables Inflation, Interest Rates and Exchange Rates affect the price of CPO. This result is proven by the results of the F test, where the probability value (F-Statistics) is 0.00000, which is smaller than the significance level of 0.05. This means that the independent variables simultaneously affect the dependent variable. The

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results of this study are in line with Hasbullah's research (2009) which states that macroeconomic variables consisting of Inflation, interest rates and exchange rates can affect CPO prices.

5) Effect of Inflation on Company Performance

As the hypothesis testing has been done, the inflation variable has a regression coefficient of -0.000647 with a significance level of 0.8987. This shows a significance level greater than required, namely 0.05, so it can be concluded that Inflation has a negative but insignificant effect on company performance. The negative effect here shows that the higher the Inflation, the lower the company's performance, but the effect is not significant, which means that the inflation variable has no significant effect on company performance. This study's results align with the research of Nugraha & Manda (2021), which states that the inflation variable has no significant effect on company performance indicated by the ROA value. Another study by Supriyatna (2020) also shows that the inflation rate does not affect the ROA value, which describes company performance. In addition, Nurhamdi (2020) states that Inflation has no significant effect on ROA.

6) The Effect of Interest Rates on Company Performance

As the hypothesis testing has been done, the interest rate variable has a regression coefficient of 0.007596 with a significance level of 0.5146. This shows a significance level greater than required, namely 0.05, so interest rates have a positive but insignificant effect on company performance. The influence here shows that the higher the interest rate, the higher the company's performance, but the effect is not significant, which means that the inflation variable has no significant effect on company performance. This is in line with the research of Nugraha & Manda (2021), which states that interest rates have no significant effect on company performance as indicated by the ROA value. Another study by Supriyatna (2020) also shows that the interest rate does not affect the ROA value, which describes the company's performance. In addition, Nurhamdi (2020) stated that interest rates have no significant effect on ROA.

7) The Effect of Exchange Rates on Company Performance

According to the hypothesis testing, the Exchange Rate variable obtained a regression coefficient of -0.0000226 with a significance level of 0.0001. This shows a significance level smaller than required, namely 0.05, so it can be concluded that the Exchange Rate has a negative and significant effect on Company Performance. It shows that the higher the Exchange Rate, the lower the Company's Performance and the influence are significant, which means that the Exchange Rate variable has a negative and significant effect on Company Performance. This study's results align with the research of Manda & Nugraha (2021), which shows that the exchange rate has a negative but significant effect on the ROA of conventional commercial banks. Research conducted by Safrudin (2019) also shows that exchange rates significantly adversely affect company performance in consumer goods industry issuers on the Indonesia Stock Exchange. These two studies show that if the exchange rate rises, the company's performance, which is indicated by the profitability ratio, will decrease.

8) Effect of CPO Prices on Company Performance

As the hypothesis testing has been done, the CPO price variable has a regression coefficient of 0.000012 with a significance level of 0.0048. This shows a significance level smaller than required, namely 0.05, so it can be concluded that CPO prices positively and significantly affect company performance. It shows that the higher the CPO price, the higher the company's performance and the influence is significant, which means that the CPO price variable significantly affects company performance. The price of CPO as the main product of palm oil companies influences the performance of palm oil companies when viewed from profitability. The selling price of a product is one of the determinants of a company's success because the price determines how much profit the company will get from selling its products. It is also in line with research

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conducted by Riany (2016), which shows that domestic CPO prices affect the financial performance of the palm oil industry.

9) The Simultaneous Effect of Inflation, Interest Rates and Exchange Rates on Company Performance

Based on the hypothesis testing that has been done, the results show that simultaneously the variables Inflation, Interest Rates, Exchange Rates and CPO Prices affect Company Performance. This result is proven by the results of the F test, where the probability value (F-Statistics) is 0.000055, which is smaller than the significance level of 0.05. This means that the independent variables simultaneously affect the dependent variable. From the R-squared value, which shows a value of 0.208805, it can be concluded that the variables of Inflation, interest rates, exchange rates and CPO prices can explain/influence ROA by 20%. In comparison, the remaining 80% is explained by other variables.

10) CPO Prices Mediate the Effect of Inflation on Company Performance

As the results of the Sobel test have been carried out, the t count value is 1.34784, which is smaller than the t table, which is 1.98. This shows that CPO prices cannot mediate the effect of Inflation on company performance. It is because the inflation variable cannot directly affect the company's performance; likewise, the inflation variable cannot affect the price of CPO. So CPO prices cannot mediate the effect of Inflation on company performance.

11) CPO Prices Mediate the Effect of Interest Rates on Company Performance

As the results of the Sobel test have been carried out, the t count value is -2.666253, which is greater than the t table, which is 1.98. This shows that CPO prices can mediate the effect of interest rates on company performance. The price of CPO, as the selling price of the main product of a palm oil company, certainly influences the company's performance. CPO prices which are influenced by interest rates can impact company performance. So the price of CPO can mediate the effect of the interest rate variable on company performance.

12) CPO Prices Mediate the Influence of Exchange Rates on Company Performance

As the results of the Sobel test have been carried out, the t count value is -0.56999, which is smaller than the t table, which is 1.98. This shows that CPO prices cannot mediate the effect of exchange rates on company performance. This is because the exchange rate does not significantly influence CPO prices, so even though CPO prices impact company performance, CPO prices cannot mediate the effect of the exchange rate variable on company performance.

E. CONCLUSIONS AND SUGGESTIONS

CONCLUSIONS

The results of this study include: (1) Inflation has a positive but not significant effect on CPO prices, (2) Interest rates have a negative and significant effect on CPO prices, (3) The rupiah exchange rate has a negative but not significant effect on CPO prices, (4) Inflation, interest rates and the rupiah exchange rate simultaneously have a significant effect on CPO prices, (5) Inflation has a negative but not significant effect on the performance of palm oil companies, (6) Interest rates have a positive but not significant effect on the performance of palm oil companies, (7) The exchange rate has a negative and significant effect on the performance of palm oil companies, (8) CPO prices have a positive and significant effect on the performance of palm oil companies, (9) Inflation, interest rates,the rupiah exchange rate and CPO prices simultaneously affect the performance of palm oil companies, (10) CPO prices cannot mediate the effect of Inflation on the performance of palm oil companies, (11) CPO prices can edition of the effect of interest rates on the performance of palm oil companies, and (12) CPO prices cannot mediate the effect of the exchange rate on the performance of palm oil companies.

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SUGGESTIONS

For the companies under study, it is advisable to anticipate an increase in interest rates which can reduce CPO prices that impact company performance. In addition, it is also necessary to anticipate an increase in the exchange rate because it has a negative effect on company performance. Efforts that can be made are by hedging transactions in order to minimize foreign exchange exposure.

For future researchers, given the rarity of research on CPO prices and the performance of palm oil companies, it is necessary to carry out further research related to this using other variables such as GDP, export volume or total CPO production so that it can enrich the body of knowledge, especially in the agriculture sector.

The results of this study are expected to provide information to investors regarding the effect of interest rates on CPO prices and their impact on the performance of oil palm companies so that they can be used as material for consideration in investing in the agricultural sector, especially oil palm companies.

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