

STOCK INVESTMENT ANALYSIS ON SAVINGS LEVEL AMONG MEDAN CITY STUDENTS

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Abstract: There is instability in the development of LQ45 and KOMPAS100 shares in 2018 – 2022. There are factors that influence the sale of LQ45 index shares. Lack of student interest in investing in ordinary shares (common stock). The aim of this research is to carry out a descriptive economic analysis of the development of LQ45 and KOMPAS100 shares in 2018 - 2022. To estimate the factors that influence sales of LQ45 index shares. Analyze the determining factors of student interest in investing in common stocks in the KOMPAS100 index. The research method used is using multiple OLS via the E-Views 12 application and carrying out factor analysis using the Smart PLS application. The data used is a time series, namely monthly data from 2018-2022. The results of this research are that loan interest rates, inflation and GDP have a significant influence on LQ45 at $\alpha 15\%$. And the results of factor analysis show that cultural factors do not have a significant influence on students' interest in investing in shares in the city of Medan.

Keywords: LQ45 Shares, Inflation, GDP, Loan Interest Rates.

Introduction

Global developments lead to the use of technology in all fields, including the economic sector, which must utilize digital technology in all aspects and business activities. This era demands digitalization in all fields. Digitalization is one of the characteristics of environmental change in the era of globalization which is characterized by advances in technology and information, dependency and blurring of national boundaries.

The digital economy is business carried out through virtual media, the creation and exchange of value, transactions and relationships between mature economic actors with the internet as a medium of exchange. (Hinzing, 2018). The digital economy is an economic aspect that is based on the use and empowerment of digital information and communication technology. In Southeast Asia, the digital economy is developing rapidly along with the large market potential. There are five technologies that have the greatest potential to trigger digital economic growth in the Southeast Asia region, these five things are mobile internet , big data, internet of things, automation of knowledge, and cloud technology.

The digital economy is a form of socio-political change in the intelligence space economic system. Changes in the form of digitalization, including in the economy, of course also change business transactions that were previously manual and now use the internet. The global economy has adapted and digitized. The growth of various digital platforms makes business transactions easier, such as buying and selling transactions via e-commerce and

investing via application platforms that are available today. With the rapid growth of technology today, it has become easier for investors to invest using available applications.

Technological developments and changes to the digital era, apart from making it easier for investors to obtain information about an issuer in the capital market, also influence investors' decisions to invest their shares in an issuer. The rapid progress of technology has an impact on investor sentiment in choosing shares operating in the digital technology sector. Kioson is a company operating in the online trading (e-commerce) and technology sectors which lists its shares on the Indonesia Stock Exchange (BEI). The large number of investors investing in KIOSON shares is reflected in the surge in share price movements. The digital economy is a new opportunity and strength for the world economy, including Indonesia. Digital economic opportunities will be greater if we are able to utilize Artificial Intelligence (AI). AI is artificial intelligence which is expected to be able to synergize various information and situations from all stakeholders in a collaborative team between the Government, business actors and other stakeholders . Digital economic opportunities in Indonesia are supported by several factors: first, the large population, the number of people of productive age reaching more than 191 million or 70.7% and the majority of them are Generation Z and Millennial Generation. Second, the number of mobile phone users (digital users) reached 345.3 million with internet usage of 73.7% and internet traffic increasing by 20% in 2020. The digital economy is an economic activity based on the internet and also artificial intelligence. The digital economy was first coined by a businessman from Canada named Don Tapscott in 1997. The three components of the digital economy that were first identified were the Information and Communication Technology (ICT) industry, e-commerce activities, and digital distribution of goods and services.

In the current era of digitalization, shares are one of the most well-known investment instruments, publishing shares is a company's choice to obtain company funding. Shares are an investment instrument that is popular with many people because they can provide attractive profits. The ongoing development of telecommunications technology and globalization requires efforts from all capital markets around the world to enable investors to participate and invest in the capital markets. Shares can be defined as participation or ownership by a person or company in a company or limited liability company. With participation in ownership, the party has the right to the association's income, the right to the association's assets and the right to participate in the general meeting of shareholders (GMS). Stock prices are formed by supply and demand. Indicators are needed to monitor price movements of securities on state stock exchanges. It takes efforts from all capital markets around the world to enable investors to participate and invest in capital markets. There are two types of shares: common shares and preferred shares . The difference between the two types of shares lies in the rights and powers of the owners. This difference is also the main attraction that determines investors' choice of shares to buy. Common stocks are shares that students usually buy. The stock price index is an indicator that shows stock price movements. The index functions as a market trend indicator, meaning that index movements describe market conditions at any given time, whether the market is active or sluggish. With an index, investors can find out the current trend of stock price movements; whether it is rising, stable or falling. For example, if at the beginning of the month the index value is 300 and at the end of the month it is 360, then we can say that on average share prices have increased by 20%.

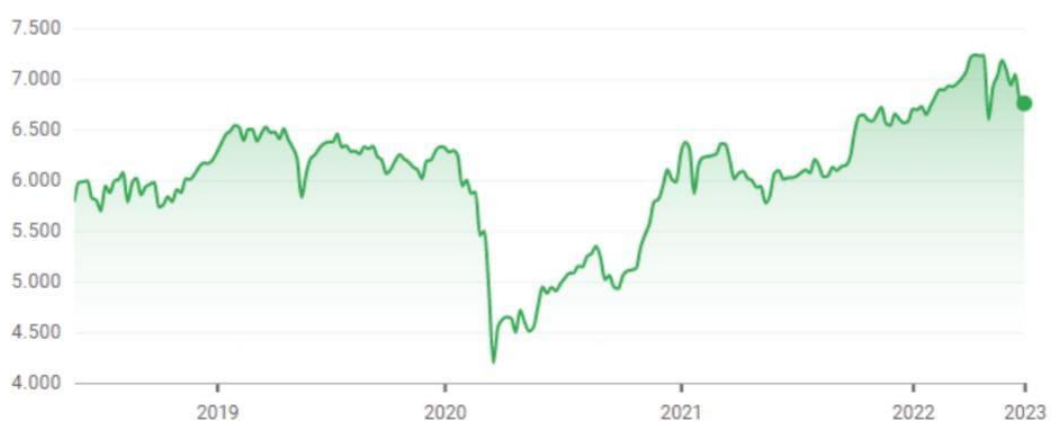
The Indonesian Stock Exchange or BEI was formed through the merger of the Jakarta Stock Exchange (BEJ) and the Surabaya Stock Exchange. BEI began operations on December 1 2007 and continues to grow. BEI is a vehicle for the general public to invest in shares in the form of securities. The Indonesian Stock Exchange also offers various

investment products such as shares, bonds, derivatives, mutual funds, sharia-related investment products and Exchange Trade Funds (ETF). Currently the Indonesian Stock Exchange has 34 representative offices, one of which is in Medan. The Indonesian Stock Exchange Medan representative office (BEI KP Medan) was inaugurated on November 30 2011 at Jl. Asia No. 182.

The capital market is a meeting place for various companies that will sell shares and bonds, where the company has the aim that later the proceeds from the sale of shares can be used to strengthen company funds. With the capital market, the community can mobilize funds sourced from the community to various sectors that carry out investment. The level of demand and supply for shares influences share price fluctuations in the capital market.

The capital market in Indonesia is still classified as a capital market with thin transactions (thin market), namely a capital market where most of the securities are less actively traded. The JCI, which includes all listed shares (most of which are less actively traded), is considered inappropriate as an indicator of capital market activity. Therefore, on July 13 1994, another alternative index was introduced, namely the LQ45 index. The LQ45 index is one of the stock index indicators on the IDX. can be used as a reference for assessing stock trading performance. This index is formed from 45 selected shares that are most actively traded. The aim of holding the LQ45 index is not only to complement the IHSG, but also to provide an objective and reliable tool for financial analysts, investment managers, investors and other capital market observers in monitoring price movements of actively traded shares.

Share prices show investors' perceptions of the company's level of success. So investors will compete to entrust their capital to invest in companies whose share prices continue to increase. It is the character of investors to always be interested in shares that tend to be safe and continuously experience price increases. Share prices will move up if the majority of share purchase transactions are greater than share sales. Stock prices are called unpredictable because the random movements and price fluctuations that occur are caused by new information, where the information is not known when it will be received.



**Figure 1. Composite Stock Price Index
on Indonesian Stock Exchange 2018 – May 2023**

Source: www.pusatdata.kontan.co.id

Based on Figure above, it shows that share prices in the Composite Stock Price Index experienced fluctuations, namely in May 2019 it was 5,826.87, in March 2020 it decreased by

4,194, in 2021 it experienced an increase of 6,373.41, then in April 2022 it experienced an increase which was quite significant to 7,228.91, but in May 2022 it decreased to 6,597.99, in June 2022 it increased again to 7,182.96 and on May 15 2023 it decreased to 6,711.94.

Table 1. Shares in the LQ45 index with the highest PER

Code	Previous	Close	Total Frequency	Total Volume	Total Value	PBV	PER	Update
ARTO	2.510	2.340	4.969	22.336.000	54.0 B	3.91	468.00	26/05/2023
CPIN	5.100	5.175	6.072	13.275.700	68.7 B	3.20	87.71	26/05/2023
MDKA	2.970	2.970	4.871	31.261.100	92.5 B	4.58	78.16	26/05/2023
ESSA	515	520	2.776	20.465.200	10.5 B	1.29	47.27	26/05/2023
AMRT	2.720	2.740	9.176	25.131.600	68.7 B	9.61	36.53	26/05/2023
TBIG	2.050	2.120	2.765	25.674.500	53.8 B	4.08	35.93	26/05/2023
SCMA	144	142	7.510	109.353.900	15.7 B	1.38	35.50	26/05/2023
TINS	880	880	1.745	5.900.400	5.2 B	0.93	32.59	26/05/2023
EXCL	1.965	1.940	3.153	14.067.100	27.6 B	0.99	31.80	26/05/2023
UNVR	4.410	4.380	4.654	8.749.200	38.5 B	31.29	29.80	26/05/2023

Source: www.pusatdata.kontan.co.id

Based on the table above, it can be seen that a high PER (Price Earning Ratio) is attractive to stock investors because PER is the company's ability to generate net profits. Like the stock code ARTO which has sold 22,336,000 shares, it is the top stock in the LQ45 index with the highest PER. Investment in this era of globalization has become an important activity in the economy and business to become a driver of a country's economy. Many people have decided to invest their money in the form of investments. As technology advances, developers create investment applications to make the investment process easier. Investment is a commitment to use some funds in the hope of earning income in the future. Investment can also be defined as buying a commodity with the hope that the asset will generate profits in the future. However, the profits obtained are of course commensurate with the risks faced by investors, because high profits are of course accompanied by high risks. Investment is also referred to as postponing current consumption which is processed productively and leads to future consumption.

There are various types of investment, including: debt securities (bonds), equity (shares), mutual funds, gold, property, apartments or other types of investment. This stock investment has a place among the public, even among young people. Many of them benefit from their investment results. Several factors in the capital market will be taken into consideration by investors in making international investment decisions, including: capitalization value of securities listed on an exchange, liquidity of securities listed on an exchange, regulations that protect investors from fraud, and the quality and dissemination of information.

Literature Review

Savings Theory

Classical Theory

According to classical theory, savings is a function of the interest rate, where movements in interest rates in the economy will affect savings. Mathematically it can be written $S = f(i)$. In its development, this theory was developed by Wicklesell, who stated that

people's high interest in saving was influenced by high interest rates. This means that when the interest rate is high, people will have a greater desire to save or there will be encouragement from people to sacrifice and reduce their consumption expenditure to increase the amount of their savings. So, according to classical theory, the existence of this interest rate has created reciprocal activities between banking institutions and the public, where the interest rate is a reward for the public for saving and keeping their money in financial institutions, as well as a reward for holding back or postponing consumption. As an illustration of classical theory, it can be seen in the picture below:

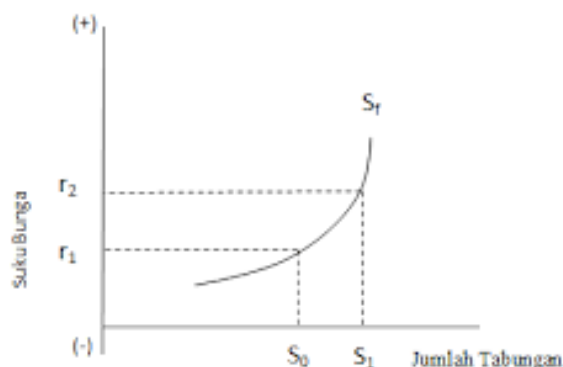


Figure 2. Savings Function Based on Classical Theory

Source: Sukirno, 2004

Figure above explains the function of savings according to the classical view which shows the interest rate is r , the amount of savings is S . If the interest rate increases from r_1 to r_2 , this will cause a shift in the amount of savings from S_0 to S_1 . Thus, the Classic curve shows the Classic view which states that if interest rates are high, the more savings people will make.

Keynesian theory

The savings theory was also put forward by Keynes. This is different from what has been explained in classical theory, where the interest rate is a determinant of the savings rate. However, Keynes in Sukirno (2000) does not agree with what has been put forward by Classical theory. Keynes argued that what determines savings is not the interest rate, but rather the size of the income earned by the household itself. Keynes, in his theory regarding the propensity to consume, explicitly linked savings and people's income. From the description above in Keynes's theory, it can be simply formulated that savings is a function of income (Y). Keynes formulated that savings is income that is not consumed, the remaining income is used for saving, this can be explained in the following equation:

$$S \equiv Y - C \dots \dots \dots (1)$$

$$C = \hat{C} + cY, \hat{C} > 0 ; 0 < c < 1 \dots \dots \dots (2)$$

If the two equations (1) and (2) or also called budget constraints are combined, they will explain the function of the savings equation. The savings equation function itself explains the relationship between savings levels and income levels. By substituting the consumption equation (1) with the budget constraint equation (2), we will get the savings equation function:

$$S = Y - C = Y - \hat{C} - cY$$

$$S = -\hat{C} + (1-c)Y \dots \dots \dots (3)$$

From equation (3) we can see that savings have a positive relationship with income because the marginal propensity to save, $s = 1 - c$ is positive. In other words, savings increase as income increases. Income is the most important factor in determining consumption and savings. People who cannot afford it will spend most or even all of their income on their living needs. Individuals with high income will save more than individuals with low income.

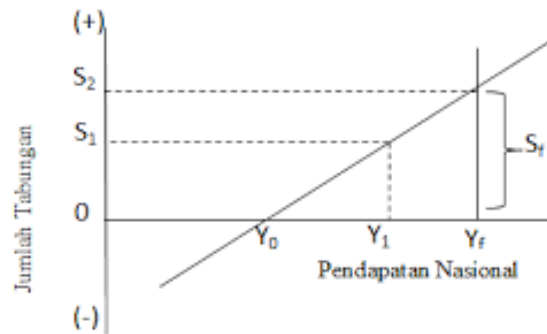


Figure 3. Savings According to Keynes

Source: Sukirno, 2004

Figure above explains the function of savings according to Keynes's view regarding the factors that determine the level of savings. The S curve is a savings function that explains the relationship between the amount of savings and income. The shape of the S curve describes the nature of people's savings. The curve above explains that when income increases or shifts to the right, namely from Y_1 to Y_f , the amount of savings will increase from S_1 to S_2 . And conversely, if income levels are low, savings can reach negative numbers. This is based on Keynes's view of savings, that the interest rate is a monetary phenomenon so that savings are not determined by the interest rate but rather are caused by the level of income. The higher the income, the higher the savings made by the Household Sector.

Investment

Experts in the investment field have different views regarding the theoretical concept of investment. According to Harrod-Domar, he sees the importance of investment in economic growth, because investment will increase the stock of capital goods, which allows for increased output. The source of domestic funds for investment purposes comes from the production portion (national income) that is saved. Where if at a certain period a certain amount of capital formation is carried out, then in the following period the capital stock will increase in the future. Meanwhile, according to Keynes, he stated that the amount of savings made by households does not depend on the high and low interest rates. Mainly depending on the size of the household income level. The greater the amount of income a household receives, the greater the amount of savings it will make. And if the amount of household income does not change, a fairly large change in the interest rate will not have a significant effect on the amount of savings that the household will make. Investment is one of the driving factors in increasing the rate of economic growth of a country. Investments are made to stock capital or funds for the future. Investment sources can come from various sources. The source of investment can come from national income, the interest rate and not from the interest rate but from the income earned, because the greater the income, the greater the savings. In reality, the role of investment is not fully considered as a contributor to increasing the rate of economic growth in developing countries, especially among the lower middle class. Because the income they generate is still very small, it is not enough to meet their daily needs.

Capital Market

The definition of the capital market according to Mohamad Samsul (2015: 57) is "The capital market consists of the words market and capital, so the capital market can be defined as a place where demand and supply for capital meet; both equity and long-term forms." According to Law no. 8 of 1995 concerning capital markets, defines the meaning of capital markets as follows: "Capital markets are activities related to public offerings and securities trading, public companies related to the securities they issue, as well as institutions and professions related to securities. Securities are securities, namely debt securities, commercial securities, shares, bonds, debt certificates, collective investment participation units, futures contracts on securities, and any derivatives from securities." According to Law Number 21 of 2011 concerning the Financial Services Authority, defines the meaning of capital markets as follows: "Capital markets are activities related to Public Offerings and Securities Trading, Public Companies related to the Securities they issue, as well as institutions and professions related to Securities as intended in the law regarding capital markets." Darmadji & Fakhruddin (2011:1) also stated from an economic perspective as follows: "The capital market is a place for buying and selling long-term financial instruments such as debt, equity (shares), derivative instruments and other instruments. The capital market is a means of funding for companies and other institutions (for example the government), and as a means of investment activities."

Shares

Shares are one of the securities traded on the capital market. Issuing shares is one of the company's choices when deciding to fund the company. The definition of shares according to Darmadji and Fakhruddin (2011:6) is a sign of participation or ownership of a person or entity in a company or limited liability company. Shares are in the form of a piece of paper which states that the owner of the paper is the owner of the company that issued the securities. Tandelilin (2010:81) defines that shares are proof of ownership of the assets of the company that issues shares. By owning shares in a company, investors will have the right to the company's income and assets, after deducting the payment of all company obligations. From several definitions of shares according to experts, it can be concluded that shares are proof of ownership of a company which includes the nominal value, company name and the rights and obligations explained to each holder.

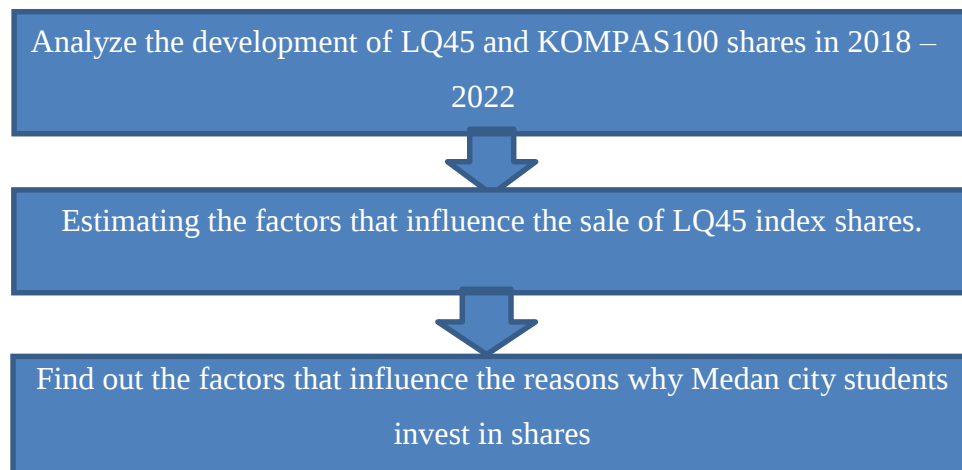


Figure 4. Conceptual Framework

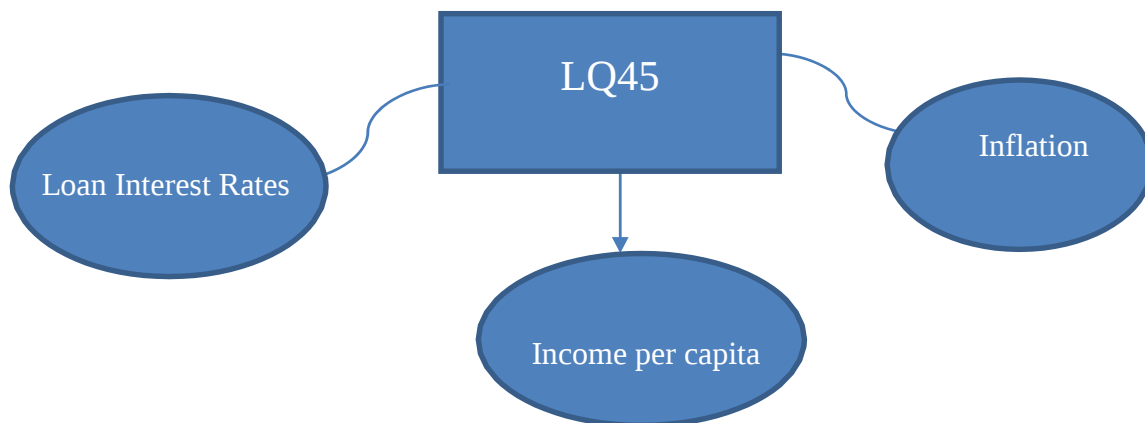


Figure 5. Conceptual Framework of Estimation Models

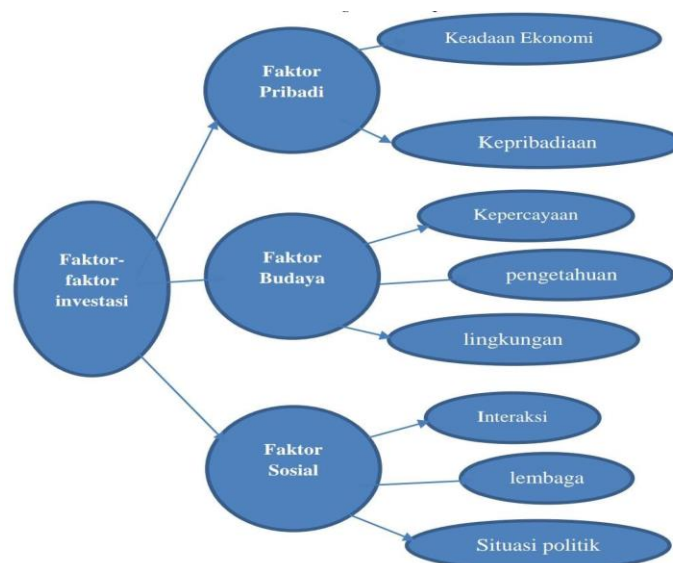


Figure 6. Conceptual Framework of Factor Analysis Models

Method

Study This is A mini research quantitative, Which Where aim For estimate And analyze connection between variable Which hasdetermined to answer the problem formulation using an approach qualitative, namely data Which shaped verbal sentence. This research was conducted in the city of Medan. Implementation of this research began on May 2023 until completion. The type of data used by the author in this research is premier data And data secondary. Data primary is data Which obtained from observation document and library results. Secondary data is data obtained from publications originating from official websites , such as the Financial Services Authority website ,BEI in book form as well as journals.

Result and Discussion

Development of LQ45 and KOMPAS100 Shares 2018 – 2022

LQ45 shares are a stock index used as a performance benchmark stock market in Indonesia. This index is created by the Indonesian Stock Exchange (BEI) and includes 45 of the largest and most liquid companies listed on the stock exchange Indonesia. LQ45 is an abbreviation of "L" which means Liquidity and "Q" which is means Quality, which refers to the two main criteria used for choose company Which included in this index. Stock Composition: The LQ45 Index consists of 45 selected companies has high liquidity and good quality in terms of financial performance and market. The list of companies in this index may change from time to time depends on change condition market And criteria Which used by BEI.

Objective: The LQ45 index is used as an indicator of stock market performance Indonesia. This give description about How shares companyIndonesia's largest performer and how the stock market as a whole develop. Calculation: Index LQ45 is calculated based on capitalization value market (market capitalization) of the shares in the index. Capitalization value market is the number of outstanding shares of a company multiplied by price the shares. Company with mark capitalization market highest will own weight Which larger in index.

Change Composition: Composition index LQ45 can changed every a number of month, depends on change condition market And criteria Which used by BEI. Company new Can added to index This if it meets the specified requirements, while the company's performance decrease Can removed from index.

Investment: Lots investors, Good individual nor institution, follow LQ45 index performance as a market indicator and as a guide in making decision investment. There is Also product investment like exchange-traded funds (ETFs)Which track index This, possible investors For invest in a number large stock LQ45 with one investment.

Risk: Although the shares in the LQ45 index are usually more stable and more liquid than stocks outside the index, investing in the stock market always involves risk. The value of shares can fluctuate significantly, and investors must do research And consideration Which carefully before make decisioninvestment.

The LQ45 index is an important tool in the analysis of the Indonesian stock market and used by Lots investors For measure performance market And makeInvestation decision. The following is data related to 5 companies that have a free ratio highest float on LQ45 shares. The free float ratio is a measure which is used in stock market analysis to identify how bigthe percentage of a company's shares that can be traded freely in market. Ratio This measure part from share something company Which available Fortraded in market open, without locked or owned by holder sharelarge or institutional shareholders who are not active in trading share.

Results of the regression analysis of factors that influence LQ45 share sales

Based on the results of the t test and F test for loan interest rates, inflation has significant relationship to the Stock Index at ($\alpha = 10\%$). It means From the regression results it can be seen loan interest rates and inflation own connection Which tight and significant to index share.

Analysis of Factors that Influence Students' Interest in Investing in Common Stocks .

Description of Respondent Characteristics Characteristics of the sample in the study These are students in Medan City who are studying or working part-time studying. Sample collection was carried out using non-probability sampling techniques And method Snowball sampling. Amount sample study as much 100 student Which spread in City Medan. Taking sample done with share online questionnaire via Google Form which was distributed to students in Medan City. The general characteristics of the sample in this study include: age, gender, stock index .

Results Study Analysis SM-PLS

Convergent Validity

Convergent validity is Wrong One from measurement model on indicator which is reflective. Where it is seen from the score of the question items with the score the construct or through loading factors on each construct indicator. As for parameter in set that mark convergent validity

feasible/fulfilled can be done by looking at the rule of thumb value, where the value loading factor is greater than 0.60 – 0.70, but is also an acceptable range loading factor greater than 0.50 – 0.60 (Ghozali and Latan, Ali and Latan, 2012:74). Based on the results of data analysis on convergent validity on the indicators indicator on each variables, can be put forward as follows:

Convergent Validity On Interest Student

In terms of construct indicators, student interest in Medan City is related with the stock investments they make totaling 4 construct indicators. Based on the results of data analysis, convergent validity values were obtained through loading factors on table below:

Table 2. Convergent Validity Perpetrator MSMEs in City Medan

Indicator	Loading Factor	Rules of thumb	information
MM.1	0.690	0.60	Fulfil
MM.2	0.819	0.60	Fulfil
MM.3	0.490	0.60	No Fulfil
MM.4	0.817	0.60	fulfil

Source: SM-PLS And processed

Based on from data table above on showing that interest student in City Medan with 4 indicator question MM.1: Dodirect/indirect investment, MM.2: Attend related seminars and

workshops share, MM.4 Feel Like moment do investment, there is 1 indicator statements that do not meet the criteria are in the statement (MM3: Following finance and investment courses). From this statement after it was carried out processing data use application Smart-PLS statement the obtain mark loading factors 0.490 Which means < from mark Rules of Thumb 0.60. It means There is One question Which not enough in good response by respondent.

Convergent Validity On Factor Economy

In indicator construct on factor economy amount 4 indicator construct. Based on results analysis data obtained mark convergent validity throughloading factors on table below this.

Table 3. Convergent Validity Factor Economy

Indicator	Loading Factor	Rules of thumb	information
FE.1	0.769	0.60	Fulfil
FE.2	0.813	0.60	Fulfil
FE.3	0.713	0.60	Fulfil
FE.4	0.578	0.60	No fulfil

Source: SM-PLS And processed

Based on from data table above on showing that factor economy with 4 indicator statement there is 1 indicator statement Which No meets the criteria, namely in the statement (FE4: Common stocks) can increase income). From this statement after it was carried out processing data use application Smart-PLS statement the obtain mark loading factor 0.578 Which means < of value Rules of Thumb 0.60.

Convergent Validity On Factor Culture

In terms of construct indicators for cultural factors, there are 4 construct indicators. Based on the results of data analysis, convergent validity values were obtained through loadingfactors on table below

Table 4. Convergent Validity Fator Culture

Indicator	Loading Factor	Rules of thumb	information
FB.1	0.702	0.60	Fulfil
FB.2	0.706	0.60	Fulfil
FB.3	0.809	0.60	Fulfil
FB.4	0.716	0.60	Fulfil

Source: SM-PLS And processed

Based on the data in table 4. above, it shows that cultural factors with 4 statement

indicators. From this statement after it was carried out processing data use application Smart-PLS statement the obtainall loading value factors > from the Rule of Thumb value of 0.60, meaning fulfil.

Convergent Validity On Factor Social

In terms of construct indicators for social factors, there are 4 construct indicators. Based on the results of data analysis, convergent validity values were obtained through loading factors on table below.

Table 5. Convergent Validity Factor Social

Indicator	Loading Factor	Rules of thumb	information
FS.1	0.794	0.60	Fulfil
FS.2	0.837	0.60	Fulfil
FS.3	0.808	0.60	Fulfil
FS.4	0.757	0.60	Fulfil

Source: SM-PLS And processed

Based on from data table 5. on showing that factor social with4 indicator statement. From statement the after did it processing data use application Smart-PLS statement the obtain allmark loading factors > from Rule of value Thumb 0.60 means fulfil.

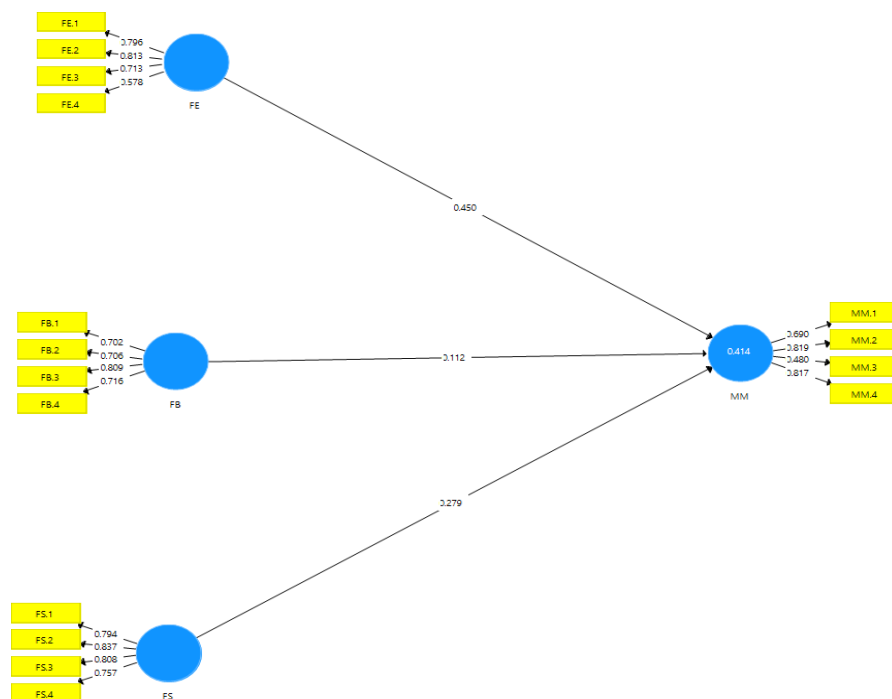
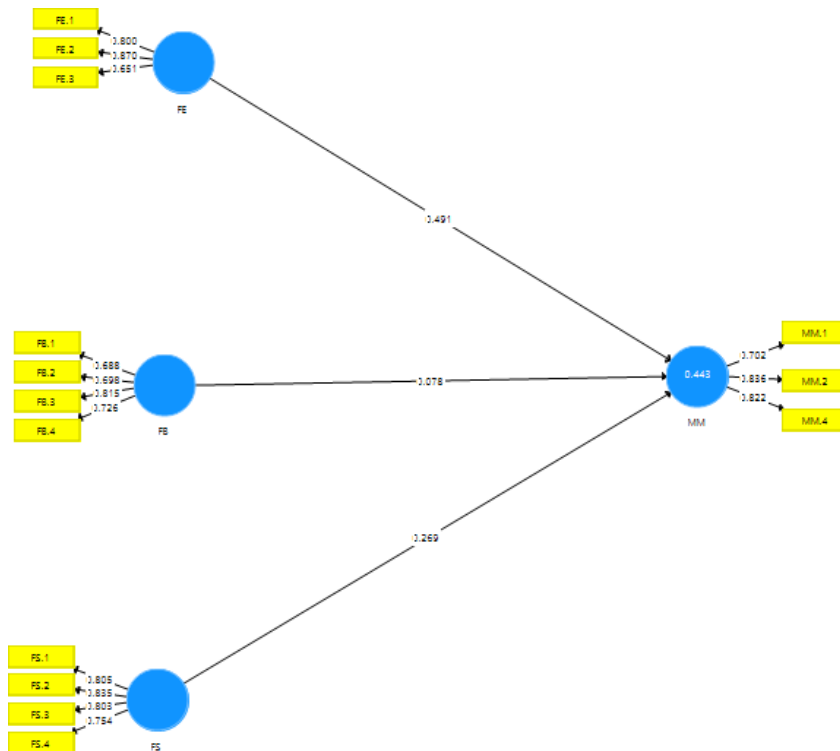


Figure 7. Evaluation Model Measurement

Based on the Convergent Validity table of construct indicators for each each variable, it can be stated that for the construct indicators of interest students (MM) who do not meet the Loading Factor value in MM.3. On variables Factor Economy Which No fulfil mark Loading Factor FE.4. Provision in analysis convergent validity, If mark loading factors No fulfilled so indicator construct thrown away and done convergent analysis



Convergent Validity on Student Interest in the city of Medan after done Second Outer Loading

In indicator construct on interest student in the city Medan amount 3construct. Based on results analysis data obtained mark convergent validity through loading factor on table below.

Table 6. Convergent Validity Interest Student

Indicator	Loading Factor	Rules of thumb	information
MM.1	0.702	0.60	Fulfil
MM.2	0.836	0.60	Fulfil
MM.4	0.822	0.60	Fulfil

Source: SM-PLS And processed

Based on from data table 6 on showing that in in Student interest variable in Medan City with 3 indicators of no statement there is indicator statement Which No fulfil criteria or all has in accordance with the loading value of each factor being above the Rule of Thumb value(> 0.60) Which means all statement can responded with Good by respondents.

Convergent Validity on Economic Factors after Second Outer Loading

In indicator construct on factor economy amount 3 indicator construct. Based on results analysis data obtained mark convergent validity through loading factor on table below.

Table 7. Convergent Validity Interest Student

Indicator	Loading Factor	Rules of thumb	information
FE.1	0.800	0.60	Fulfil
FE.2	0.870	0.60	Fulfil
FE.3	0.651	0.60	Fulfil

Source: SM-PLS And processed

Based on from data table 7. on showing that in in economic factor variable with 3 indicators, statement that there are no indicators statements that do not meet the criteria or all are in accordance with the values Each factor loading is above the Rule of Thumb value (> 0.60) Which means all statement can be responded well by respondents.

Discriminante Validity

In analysis discriminant validity Where model measurement on each construct indicator is reflective, done by looking cross loading value for each variable. In discriminant testing validity use Average Variance Extracted (AVE). As for parameter cross loading in assessing the average variance extracted value to determine the level validity from each indicator construct on every variables recommended to be greater than 0.50 (> 0.50) (Ghozali and Latan, 2012). Results analysis discriminant validity can be stated on table in below.

Table 8. Discriminante Validity On Avarage Extracted (AVE)

Variable	Mark AVE
Interest Student	0.623
Factor Economy	0.606
Factor Culture	0.538
Factor Social	0.640

Source: SM-PLS And processed

Based on the results of running data, Table 4.3.7 shows the average value variance extracted (AVE) on each interest student, factoeer economy, cultural factors, social factors have met the criteria in discriminant validity, matter This assessed from average variance extracted (AVE) Which more big from on 0.50 (> 0.50). The average extract variance with a

value < 0.50 is used as the determinant convergent validity. So, if the average value is < 0.50 it can be declared invalid in a way convergent.

Composite Reliability

In do test reliability Which aim For prove how accurate, consistent and precise the instrument is in measuring something construct. The use of composite reliability aims to test reliability a construct (Ghozali and Latan, 2012). Apart from that, to carry out an assessment to composite reliability through rules of thumbs, Where mark composite reliability must more big from 0.70 (> 0.70). Results from analysis data show as following.

Table 9. Composite Reliability

Variable	Mark Composite Reliability	Information
Interest Student	0.831	Reliable
Factor Economy	0.820	Reliable
Factor Culture	0.823	Reliable
Factor Social	0.877	Reliable

Source: SM-PLS And processed

Based on the data in table 9 above, it can be seen that the composite value reliability on student interest variables, economic factors, cultural factors, factors social put it all down value has met the value reliability > 0.70 .

Evaluation Model Structural (Inner Model)

In testing the structural model (inner model) the aim is to see the relationship between variables. Measurements are made by looking at the R-value Square Which later can is known level variance to change independent variable to variables dependent. Results analysis R-Square showed ontable below this.

Table 10. R-Squared

Variable	R-Squared
Interest Student	0.443

Source: SM-PLS And processed

Based on Table 10 above which shows the R-Square value in The student interest variable in Medan City is 0.443. So it can be explained that the variants in the variables of economic factors, cultural factors, social factors are capable explains that the student interest variable in Medan City is 0.443 or equal to 44.3%.

Testing Hypothesis Results Study

Based on the results of data analysis using SM-PLS in hypothesis testing, so can be seen at table as follows.

Table 11. Test Hypothesis

Original sample		T-Statistics	P-Values	Decision
FE-MM	0.4 91	4,624	0,000	H_0 -rejected
FS-MM	0.2 69	2,321	0.021	H_0 -rejected
FB-MM	0.0 78	0.867	0.386	H_0 -accepted

Source: SM-PLS And processed

On Table 11 can explained that provision in testing hypothesis on study This done with see mark original samples as mark coefficient or called Also mark beta. In set reception or rejection of H_0 in hypothesis testing, can be seen from the value in the column T Statistics and values in the P Values column. The condition is that if the value of t statistics more big from mark t table ($t_{\text{statistics}} > t_{\text{table}}$) on level significance 5 % (t_{table} is seen from the number of samples, where the samples in this study are 100 respondents) or use the P value provided that it is < 0.05 Where the conclusion reject H_0 , with thereby can stated that there is significant influence, as well on the contrary.

Results Analysis Data

The Influence of Economic Factors on students' interest in investing share in the city Terrain (FE $\rightarrow$ MM)

Based on table 4.3.10, it shows that the t statistic value is obtained amounted to 4.624, while the t table value at the 5% significance level was obtained at 1,660 based on amount sample as big as 100 respondents. So can concluded that $t_{\text{statistics}} > t_{\text{table}}$ ($4,624 > 1,660$), For strengthen results analysis This can also uses P Value, with the condition $p < 0.05$, based on the analysis results data show mark $0,000 < 0.05$. The conditions rejected H_0 , so it was concluded that Economic Factors had a significant influence on interest student to invest in shares in the city Medan.

Influence Factor Social to interest student invest share in Medan City (FS $\rightarrow$ MM)

Based on table 4.3.10, it shows that the t statistic value is obtained amounted to 2.321, while the t table value at the 5% significance level was obtained at 1,660 based on amount sample as big as 100 respondents. So can concluded that $t_{\text{statistics}} > t_{\text{table}}$ ($2,321 > 1,660$), For strengthen results analysis This You can also use P Value, provided that $p < 0.05$, based on the analysis results data show mark $0.021 < 0.05$. The conditions rejected H_0 , so concluded that Factor Social own influence And significant to interest student to invest in shares in the city of Medan.

Influence Factor Culture to interest student invest share in the city Terrain (FB $\rightarrow$ MM)

The t statistic value is obtained amounted to 0.867, while the t table value at the 5% significance level was obtained at 1,660 based on amount sample as big as 100 respondents. So can concluded that the t statistic $< t_{\text{table}}$ ($0.867 < 1.660$), can strengthen the results of this analysis also uses P Value, with the condition $p < 0.05$, based on the analysis results data

show mark $0.386 > 0.05$. The conditions accepted H_0 , so it was concluded that cultural factors did not have a significant influence to student interests to invest shares in the city Medan.

Conclusion and Recommendation

Conclusion

From data in on can We Look 5 share biggest LQ45 Which own ratio free float The highest among them is GOTO shares 70.71% (PT Goto Gojek Tokopedia Tbk (GOTO, ESSA shares 62.61% (PT. Adi Sarana Armada Tbk (ASSA), BUKA shares 50.44% (PT. Bukalapak), share INDF 49.57% (PT. Indofood Success Prosperous), share SMGR 48.77% (PT. Cement Indonesia). Share LQ45, 5 Lowest share BRIS (PT. Bank Syariah Indonesia) free float ratio of 9.88%, SRTG shares(PT. Saratoga Investama Sedaya Tbk (SRTG) as an investment company its shares amount to 12.06%, shares of UNVR (PT. Unilever Indonesia), shares TPIA (PT. Chandra Asri Petrochemical Tbk (TPIA) shares TBIG (Tower Together). 5 highest stocks in Kompas 100 From the picture above we can Look at the 5 highest shares in Kompas100 shares, namely BMTR shares (PT. Global Mediakom) 57.49%, MNCN shares (PT. Media Nusantara Citra) 54.98%. HEAL shares (PT. Medikaloka Hermina) 53.01%. WIFI Stock (PT. Solusi Sinergi Digital) 49.60%. ELSA (PT. Elnusa) shares 48.82%. 5 The lowest Kompas 100 shares include AGII (PT. Samator Indo Gas) a company operating in the gas industry in Indonesia, share BDMN (PT. Bank Danamon Indonesia), share BSSR (PT. Baramulti Successsarana) company Which move in field mining, trading, transformation land, industrial And construction. Shares of MTMH (PT. Murni Sadar) a company operating in the field service health And supervise a number of House sick in Medan,

1. Based on the results of the t test and F test for loan interest rates, inflation has significant relationship to the Stock Index at ($\alpha = 10\%$). It means From the regression results it can be seen loan interest rates and inflation own connection Which tight and significant to index share.
2. The results of factor analysis can be seen as economic factors and social factors own influence Which significant to interest student For invest whereas factor culture No influential significant to interest student For invest

Suggestion

In this case, before students invest in shares Both LQ45 and KOMPAS100 shares must look at several factors his: Do In-depth Research: Before you invest in stocks, study the companies you want to invest in. Review financial reports, business prospects, and their historical performance. Understand their business models and trends industry. Diversification Portfolio: Don't invest all Money You in one stock or one industry sector. Diversify your portfolio with owns a number of different stocks from various industry sectors. This can helps reduce the risk associated with underperformance of one stock or another One sector. Determine Objective Investment: Determine objective investment You And periodtime investment. is You invest For pension period length, education children, or objective other? Objective investment You will helpdetermine investment strategy Which appropriate. Use Analysis Fundamentals: Use analysis fundamentals For assess the intrinsic value of the stocks you are considering. It's involving inspection report finance, growth income, margins profit, Andother fundamental factors. Pay Attention to Market Sentiment: Market sentiment can affect share prices. Follow the economic and political news you can influence the stock market. Apart from that, also pay attention to investor sentiment towards

share or a particular sector.

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