

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

Based on the result discussion in the previous chapter, the researcher concluded several things as follow:

1. The price of CPO had positive and significant effect on underpricing level at IPOs on the Indonesia Stock Exchange.
2. The inflation rate had positive and significant effect on underpricing level at IPOs on the Indonesia Stock Exchange.
3. The GDP had positive and significant effect on underpricing level at IPOs on the Indonesia Stock Exchange
4. The exchange rate positive and had no significant effect on underpricing level at IPOs on the Indonesia Stock Exchange.
5. Covid-19 had no significant effect on underpricing level at IPOs on the Indonesia Stock Exchange because

B. Implication

Based on the result discussion in the previous chapter about macroeconomic variable such as price of CPO, inflation rate, GDP, exchange rate and covid-19 toward underpricing, so the researcher summarized several implications as follows:

1. In making decisions, investors can use the prospectus as one of the references to learn more about the company. Because several issuers lack a history of past revenues or earnings, information in the prospectus will provide a signal for an investor to decide on investment.
2. An examination of macroeconomic variables revealed in the previous chapter that macroeconomic variables have slight influence on underpricing. On the one hand, this shows that the

exchange rate and covid-19 had no effect on uncertainty about underpricing.

3. The data of macroeconomic variables can be found on the websites of the BPS and the World Data Bank. The data displayed is from the company's external sources. Where are the external data, such as the CPO price, inflation, GDP, exchange rate, and covid-19. As a result, as external data, these variables can reveal phenomena that are not directly related to company information.
4. The phenomenon cannot be predicted as external information in terms of when it will appear and when it will end. As in the case of CPO, which saw a price increase at the start of 2022. The Covid-19 phenomenon, which began in early 2020 and continues to this day, has had a profound impact on all sectors, including the stock market.

C. Research Limitation

Although this study only examines underpricing using macroeconomic variables, the findings are more focused on the influence of macroeconomic information. Future studies may incorporate the model and investigate a broader range of variables. Such as financial information i.e., firm size, current ratio, financial leverage, institutional ownership, or non-financial variables such as underwriter reputation, firm age, percentage of share, auditor reputation, or other macroeconomic variables such as money supply, bank interest rate, JCI return that affect stock market conditions at the time of the IPO. This study only looks at data from 2018 to 2021. It is suggested that future studies use a longer time period because many data points could not be obtained. Data from multiple countries can be used to provide more powerful insights into the variables that affect underpricing.

We conclude the review by outlining the scope of future research needed to explain the extent of underpricing. The research limitation of

this study, on the other hand, is the lack of plantation-based companies or those using CPO as a production material that are also listed on the Indonesia Stock Exchange; thus, additional studies are needed to identify companies broadly, and the scope of coverage covers various sectors different to study.

