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## FINANCE | RESEARCH ARTICLE

## Combination of Fundamental and Technical Analysis of Shares: Revealing the Profit Potential in the Stock Market of PT. United Tractors, Tbk

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**Abstract:** This research aims to conduct a comprehensive analysis of PT. United Tractors, Tbk shares using a top-down approach, which includes macroeconomic analysis, industry analysis, and company analysis. Additionally, the study aims to determine the intrinsic value of the shares through the Relative Valuation Techniques method and provide suitable recommendations for investors regarding whether to buy, hold, or sell the company's shares. The macroeconomic analysis revealed fluctuations in indicators such as Gross Domestic Product (GDP), inflation, interest rates, money supply, and exchange rate growth. Meanwhile, the industry analysis identified strong competition among similar companies as the dominant force in the market. The threat of new entrants also poses a challenge, especially when competitors target the same market segment. Additionally, the power of suppliers is higher when the number of suppliers is limited compared to the proportion of buyers. Barriers arise when consumers encounter cheaper substitute products. Moreover, the company analysis showcased varying trends in financial ratios such as RTR, FAT, TATO, CR, QR, DER, DAR, GPM, OPM, NPM, ROA, ROS, ROI, EPS, PSR, PER, and PBVR during the period from 2016 to 2021. Furthermore, it was observed that PT. United Tractors, Tbk tends to undervalue its shares by selling them at prices below the intrinsic value. To this end, the study suggests that when the stock market price is lower than the intrinsic value, the shares are undervalued, prompting investors to consider buying. If the stock market price is equal to the intrinsic value, it is fair-valued, and investors are advised to hold. On the other hand, when the stock market price exceeds the intrinsic value, it is overvalued, and investors should consider selling.

**Keywords:** Fundamental Analysis, Intrinsic Value Valuation, Top-Down Approach, Relative Valuation Techniques, Macroeconomic Analysis, Industry Analysis, Company Analysis, Undervalued, Fair-valued, Overvalued.

JEL Classification Code: D53, F36, F38

### 1. Introduction

The stock market is an investment arena that offers lucrative potential returns for investors (Bae et al., 2021; Khaksar et al., 2022). However, behind these great opportunities, there are risks that need to be addressed wisely. For investors who want to achieve success in the world of stocks, conducting in-depth analysis before investing is a must. To make more informed decisions, the two main approaches often used are fundamental analysis and technical analysis (Evans et al., 2021; Fernandez et al., 2021). One of the companies that attract the attention of investors is PT United Tractors, Tbk. As one of the leading companies in the mining, construction, and heavy equipment industries in Indonesia, United Tractors has proven its success in achieving solid growth over the years. However, before deciding to invest in United Tractors shares, a thorough understanding of the company's performance, its growth potential, as well as external factors that may affect its share value is required.



In fundamental analysis, investors will explore data and information related to the company's performance. Key indicators such as revenue, net profit, and business growth are the focus of attention (Zhou et al., 2021). In addition, economic factors that impact on the company's industry sector, such as construction and mining market conditions, will also be evaluated. The use of fundamental analysis helps investors gain an in-depth understanding of a company's fundamentals and gauge the extent to which its performance supports potential returns in the stock market (Zhou et al., 2021). However, fundamental analysis is incomplete without involving technical analysis. This approach uses historical data on PT United Tractors' stock price movements and trading volume to identify trends and patterns that may occur in the future. By combining fundamental and technical analysis, investors can gain a more comprehensive picture of the potential gains and risks associated with PT. United Tractors stock.

In this narrative, we will delve deeper into the fundamental analysis of PT. United Tractors, Tbk, covering the company's financial performance, future projections, and external factors that may affect its stock value. In addition, technical analysis will also be the focus to understand PT United Tractors' past stock price movements and look for patterns that may provide clues for investors. This combination of fundamental and technical analysis is expected to provide valuable insights for potential investors interested in participating in the stock market, particularly in the shares of PT. United Tractors, Tbk. During this narrative, the financial performance of PT. United Tractors, Tbk over the past few years will be explained in detail. Financial data, such as income statement and balance sheet, will be analyzed to see the company's revenue and profit growth over time. In addition, financial indicators such as Return on Equity (ROE) and Earnings per Share (EPS) will be evaluated to assess the company's management efficiency and profitability. The results of this fundamental analysis will provide a strong view of the company's performance, which can assist investors in gauging the value of PT United Tractors' shares.

Next, the future projections of PT. United Tractors. Tbk will be discussed, including the expansion plans and projects planned by the company. The company's growth potential in a growing industry will be the focus of attention, as well as the challenges and risks it may face in the future. In this analysis, investors will be able to assess whether PT. United Tractors has attractive projections and whether the company is in a good position to face competition in the market. In addition, fundamental analysis will involve an assessment of external factors that may affect the share price of PT. United Tractors, Tbk. Macroeconomic factors, such as the condition of the mining and construction markets in Indonesia, will be studied to understand how the company can operate in the wider environment (Huang & Wang, 2021). In addition, government policies related to the company's industry sector, such as environmental regulations and policies, will also be considered in the fundamental analysis. As an important part of this narrative, technical analysis will also be highlighted. Historical data on the stock price movement of PT. United Tractors will be analyzed using technical tools such as price charts, moving averages, and other indicators. By identifying chart patterns and price trends, investors can understand the market dynamics underlying the share price movement of PT. United Tractors. The results of this technical analysis will provide insight into the level of risk and potential profit for investors interested in participating in the shares of PT. United Tractors, Tbk.

The combination of fundamental and technical analysis is expected to provide a holistic view of PT. United Tractors, Tbk as a company and its shares as an investment instrument. By understanding the company's financial performance, future projections, as well as external factors affecting the company, and complementing it with technical analysis to understand its share price movements, investors will be able to make more informed investment decisions and increase their profit potential in the stock market.

## 2. Literature Review

Ahmed et al. (2020) argues that the capital market is one of the types of financial markets. Investors meet with parties who need capital to work together. Currently, financial markets are an important function in the global economic system. According to (Brito, 2020; Grundke & Kühn, 2020) the capital market is a meeting place between buyers and sellers with the risk of profit and

loss. The capital market is a means for companies to increase their long-term funding needs by selling shares or issuing bonds. Meanwhile, according to (Ahmed et al., 2020), the capital market is defined as a market for trading securities that generally have a lifespan of more than one year, such as stocks and bonds. The capital market has an important role for a country's economy because the capital market is a means for business funding or as a means for companies to obtain funds from the investor community. The capital market is expected to be an alternative funding for Indonesian companies and can also be seen as an alternative in investing. There are three parties involved in securities trading on the Indonesian capital market, namely companies, stock exchanges and investors, so it is important for companies to always pay attention to the interests of capital owners by maximizing company value because company value is a measure of success for the implementation of its financial functions (Zhu et al., 2021). To invest in the capital market, investors need sufficient knowledge, experience, and business sense to analyze which securities to buy, which ones to sell, and which ones to keep.

Stock price is a factor that makes investors invest their funds in the capital market because it can reflect the rate of return on capital. In principle, investors buy shares to get dividends and sell shares at a higher price (capital gain) (Lim et al., 2021). Dividends are benefits given by the issuing company for the profits generated. Dividends are given after approval from shareholders at the General Meeting of Shareholders (GMS), while capital gains are the difference between the purchase price and the selling price (Jakub et al., 2015). Issuers that generate higher profits will increase the rate of return earned by investors which is reflected in the company's share price. Broadly speaking, the information needed by investors in making decisions consists of fundamental and technical information. Fundamental analysis is used to identify the company's prospects through analyzing factors that can affect it so that the share price can be estimated in the future (Tang et al., 2020). Fundamental analysis considers that the stock price reflects the value of the company concerned. Fundamental analysis with financial ratios is one way to select the type of stock that is suitable for investment. Technical analysis is a method of forecasting the price movements of stocks, indices or other instruments using charts based on historical data. Technical analysis functions to forecast stock prices and future market trends by studying stock price charts, trading volume, and the Composite Stock Price Index (CSPI). With a variety of existing charts and chart patterns formed, technical analysis tries to predict the direction of future stock price movements (Trifonov, 2021). In making decisions, investors consider the value that reflects the actual value of the stock. Fundamental and technical analysis is an analysis that is often used in determining investment.

Fundamental analysis can be done using various financial ratio measures such as EPS, ROE, ROA, ROI, NPM, DER, PBV, PER, CAR, CR, and other financial ratio analysis. Chartists (technical analysts), on the other hand, believe that they can determine patterns of future stock price movements based on observations of past rate movements, so the analytical tools commonly used in technical analysis are past stock prices (Tran et al., 2019). Many traders classify themselves as technicians or fundamentalists. In fact, there is a lot of overlap. Many fundamentalists have a strong base in chart analysis. On the other hand, many technicians are also concerned about fundamental aspects. The fundamental and technical approaches are both trying to solve the same problem of determining which way the stock price is likely to move, it's just the approach that differs. Fundamentalists study the causes of price movements, while technicians observe the effects or consequences. Technicians think only the effect is necessary, while fundamentalists must know why it happened. Neither analysis is better than the other, but they should be combined to make up for each other's weaknesses. In stock valuation, there are three investor decisions: buy, hold, or sell. Buy, Hold, sell decisions are actions taken by investors to either buy, sell or hold shares that have been analyzed both fundamentally and technically. Investors need to analyze stock prices so that later they can make the right decision. The guidelines used for making buy, hold, sell decisions are: If the intrinsic value (NI) is greater than the current stock price, then the stock is undervalued and the decision that investors should make is to buy the stock. If the intrinsic value (NI) is less than the current stock price, the stock is overvalued and the decision that investors should make is to sell the company's shares. If the intrinsic value (NI) is equal to the current share price, it can be assessed

that the share price is reasonable or fair and the recommendation for the shares is to hold the company's shares.

Stock valuation is the process of assessing the price of a company's shares to determine whether the share price is in accordance with its intrinsic value. The value of a stock determined in valuation is different from the stock price. Price is what you pay, value is what you get. The price of a share is the amount purchased, while the intrinsic value is the amount obtained if the company is sold. In valuing stock prices, there are several methods or approaches that can be taken. As for this research, the method used is the relative valuation technique which consists of three approaches, namely the Price Earning Ratio (PER), Price Book Value Ratio (PBVR) and Price Sales Ratio (PSR). Each approach, both PER, PBVR and PSR has a different valuation basis so that investors can choose the desired method based on certain considerations. PER is the relationship between the stock market and current earnings per share (EPS) and is widely used by investors as a general guide to measure stock value (Hazudin et al., 2015). PER shows how many times investors in the market are willing to pay for each dollar of earnings per share generated by the company, so PER reflects the attractiveness of a stock. The usefulness of the price earning ratio is to see how the market values the company's performance as reflected by Earning Per Share. Companies with high growth rate opportunities usually have a high price earning ratio as well, and this indicates that the market expects future earnings growth. Conversely, companies with low growth rates tend to have a low-price earning ratio as well. PBVR is a stock valuation method based on book value (Friederich & Payne, 2015). Book value is the value of equity divided by the number of shares outstanding or the value of equity per share (Al Qudah & Malkawi, 2014). A high PBVR reflects a high stock price compared to the book value per share. The higher the share price, the more successful the company is in creating value for shareholders. The PBVR approach is popular among investors because book value is considered more appropriate in valuing a stock. PSR shows the company's market value compared to sales performance (Bae et al., 2021). PSR is obtained from the stock price divided by sales per share. The reason for using this ratio is the strength and consistency of sales growth is a requirement in the growth of a company and the data presented in the financial statements where sales information is data that is rarely manipulated compared to other data. In the preparation of this thesis, a valuation will be carried out on the share price of PT. United Tractors, Tbk, which is a company engaged in the domestic industrial sector, through five business pillars, namely Construction Machinery, Mining Contractors, Mining, Construction Industry, and Energy, which aims to determine whether the share price on the stock exchange is undervalued or overvalued against the intrinsic value of the company and will also use technical analysis to determine when the right time for investors to buy and sell UNTR shares.

### 3. Research Method and Materials

#### 3.1. Research Approach

Descriptive research method according to (Sugiyono, 2017) is a study conducted to determine the value of independent variables, either one or more (independent) variables without making comparisons or connecting with other variables. This means that this research only wants to know how the variable itself is without any influence or relationship to other variables. This research is using a Descriptive Quantitative approach research method, which is Descriptive quantitative is a type of research used to analyze data by describing or describing the data that has been collected as it is. The selection of descriptive quantitative in this study is based on research that wants to examine the value of shares based on variables on fundamental factors and technical factor variables.

#### 3.2. Data Type and Source

The types and sources of data taken by researchers are: Quantitative Data, namely data that is in the form of numbers and can be calculated, including data on the number of employees, as well as other data that supports the discussion. Qualitative Data, namely data that is not in the form of numbers, but only in the form of information in the form of both oral and written as support in

writing. Sources of data needed in this study, sourced from: Secondary data from PT. United Tractors, Tbk, which includes:

1. Primary data, Primary data is data obtained through direct observation of the object of research such as chart data on Mandiri Online Securitas Trading (MOST) on stock movements that must be processed and analyzed again by researchers, for example with fibonacci retracement. Then the data contained in RTI Business is also data that still needs to be analyzed again.
2. Secondary Data, Secondary Data is data obtained from: Financial Report; Quarterly and Annual Reports (2020); Financial Overview; Company Overview; Organizational Structure, and Corporate Governance.

### 3.3. Population and Sample

Population in a study is a collection of individuals or objects that are common properties. (Yanti, 2019) explains that "population is the entire research subject." Meanwhile, according to (Sugiyono, 2017). The sample is part of the number and characteristics possessed by the population. If the population is large and it is not possible for researchers to study everything in the population, for example due to limited funds, energy, and time, then researchers can use samples taken from that population (Sugiyono, 2017). Based on the explanation of these experts, the authors determine the population and samples in this study are the Indonesian Composite Stock Price Index 2016-2021 and the share price index of similar companies. The sample in question is the UNTR financial report data listed on the Indonesia Stock Exchange (<https://www.idx.co.id/>) for the period 2016 to 2021.

### 3.4. Data Collection Technique

Data collection techniques are techniques or methods used by researchers to collect data. Data collection is carried out to obtain the information needed to achieve research objectives. To obtain the data needed when conducting fundamental and technical analysis, researchers on this occasion use data collection techniques with several data collection methods, among others:

#### 1. Observation

Observation is a complex data collection method because it involves various factors in its implementation. The observation data collection method can also be used to record various phenomena that occur. The observation data collection technique used by researchers is observation of stock prices and stock price movements from time to time when making observations to collect technical data.

#### 2. Document Study

Document study is a data collection method that is not aimed directly at the research subject. Document study is a type of data collection that examines various kinds of documents that are useful for analysis. The documents that researchers will use are types of secondary documents such as Company financial statements, annual report (Annual Report). Includes balance sheet, income statement, statement of changes in capital (equity), and cash flow statement. RTI Business documents, including Overview document data, Analytic data, Financials, News, Profile, Key Statisticscorp Action. MOST Application documents, for retrieving technical data on the movement of UNTR shares and shares of similar companies as well as analyzing charts and trends and used to analyze charts with fibonacci retracement.

### 3.5. Data Analysis Method

The data analysis method used in this research is the Quantitative Descriptive data analysis method.

### 1. Descriptive Analysis

Descriptive analysis, which is an analysis that can present the results that can be used to provide an overview of the results of calculations based on fundamental and technical analysis of PT. United Tractors, Tbk shares, whether Undervalued or overvalued so that it can be a reference to investor decisions whether to buy, hold, or sell on the conclusion of the results of the descriptive analysis.

### 2. Quantitative analysis

In this study, in addition to descriptive, it also includes using quantitative analysis methods, where testing of the evidence carried out uses calculation data in the form of numbers obtained from company data (secondary data) which are then processed or calculated using calculation formulas, and in the end, numbers will be obtained that prove the test results.

## 4. Results and Discussion

### 4.1. Fundamental Analysis

Fundamental aspects are used by investors to determine which stocks have market prices lower than their intrinsic value (undervalued) so they are worth buying and which stocks have market prices higher than their intrinsic value (overvalued) so they are profitable to sell. Changes in stock prices from fundamental analysis are strongly influenced by macroeconomic analysis, industry analysis, and company analysis. In conducting macroeconomic analysis for stock investment, there are several important indicators to consider, namely Gross Domestic Product (GDP), inflation, interest rates, money supply, and foreign exchange rates. These indicators provide a snapshot of a country's macroeconomic conditions and their potential influence on the stock market. One of the key indicators in macroeconomic analysis is the Gross Domestic Product (GDP). GDP reflects the total value of all goods and services produced within a country's borders in each period. High GDP growth signals a strong economy and has the potential to increase people's purchasing power. This can have a positive impact on the performance of industries and companies and be a positive signal for investors. Increased economic growth also means an increase in people's income per capita, which can boost demand for products and services produced by companies. This increase in demand can contribute to an increase in the company's profitability, which in turn has a positive impact on the stock price in the market.

Besides GDP, inflation is also an important indicator in macroeconomic analysis. Inflation reflects the general rate of increase in the prices of goods and services over a period. High inflation can lead to a decrease in people's purchasing power, as the prices of goods and services become more expensive. This can have a negative impact on company performance, especially if production costs increase due to rising raw material prices or labor costs. If the company cannot absorb the increase in costs by raising the selling price, then the profitability of the company may decrease, which may affect the stock price in the market. Interest rates are another factor that affects stock investments. High interest rates can reduce the attractiveness of investment as they reduce the present value of future cash flows. To encourage investment, the central bank may lower interest rates. Low interest rate policy can encourage people to invest and consume more than saving. A high level of public consumption can have a positive impact on a company's sales and profitability, which in turn can affect stock prices.

Furthermore, money supply is also an important factor in macroeconomic analysis. Money supply reflects the total amount of money circulating in society, which is influenced by factors such as real income, interest rates, general price levels, and consumer spending. A high money supply can increase people's purchasing power for products or services, which in turn can affect the sales and profits of companies. Profits earned by companies can contribute to an increase in stock prices in the market. Foreign exchange rates also need to be considered in macroeconomic analysis. The rise and fall of currency exchange rates can be influenced by supply and demand forces in the market, as well as factors such as inflation rates, interest rates, money supply, and national income. Changes in foreign exchange rates can impact on companies involved in international trade, as they can affect production costs or revenues from exports and imports. Fluctuations in foreign exchange rates can also affect a company's share price in the stock market.

To make wise investment decisions, macroeconomic analysis is important for investors. By understanding macroeconomic indicators and their potential impact on the stock market, investors can make more informed decisions and increase their profit potential in stock investments. However, keep in mind that the stock market always involves risk, and macroeconomic analysis is just one aspect of investing that needs to be considered thoroughly. Rising exchange rates will weaken people's purchasing power for a product or service offered by a company, thus affecting profits and stock prices. The rise and fall of currency exchange rates or foreign exchange rates can occur in various ways, which can be done officially by the government of a country that adheres to a managed floating exchange rate system, or it can also be due to the attraction of supply and demand forces in the market (market mechanism) and usually changes in currency exchange rates can occur due to the level of inflation, interest rates, money supply (JUB) and national income. The increase in exchange rates will weaken the purchasing power of the public for a product or service offered by the company, thus affecting profits and stock prices.

### 1. *Successful Strategies of PT. United Tractors, Tbk in Facing Competition and Market Threats*

Industry analysis is key in reading the dynamics of competition and threats in the market. PT United Tractors Tbk has successfully faced challenges by using smart strategies and focusing on competitive advantages to maintain its position in the industry. Competition among similar companies is often the biggest force in industry analysis. To win this competition, PT United Tractors Tbk succeeds through superior marketing strategies. The company always prioritizes value for customers, such as long unit life so that maintenance costs are efficient. They also approach customers with products that suit their business characteristics. Penetrating new markets is also one of the company's strategic steps. In addition, PT United Tractors Tbk has successfully fostered partnerships with customers. Through strong collaboration, the company achieves an efficient cost structure and optimized production. They provide an integrated after-sales support program, so that customers can achieve operational excellence in their business. However, PT United Tractors Tbk must also be wary of the threat of new entrants in the industry. Sudden competition can threaten the company's market share and profits. In the face of this, companies need to conduct careful competitor analysis and understand how much capacity new competitors have. Factors such as low capital requirements, affordable prices, and better customer experience can increase the threat of new entrants.

In addition, the strength of suppliers and the level of buyer power should also be considered properly. Suppliers who have strong bargaining power can increase product prices without losing market share. On the other hand, buyers who have high price sensitivity and many product choices can affect the company's pricing strategy. In this case, PT United Tractors Tbk has used a pricing strategy that considers product value. Threats from substitute products also need to be watched out for. When consumers are faced with cheaper or better-quality substitute products, companies must deal with them cleverly. Considering factors such as switching costs, economies of scale, and access to distribution channels can help companies minimize the impact of the threat of substitute products. In the overall industry analysis, PT United Tractors Tbk has shown success through adaptive and smart strategies. They continue to innovate and understand all market dynamics to maintain their leading position. By focusing on competitive advantages and a deep understanding of competition and threats in the market, PT. United Tractors Tbk is ready to face future challenges and provide the best value for its customers. Company analysis is built on indicators of RTR (X), FAT (X), TATO (X), CR (%), QR (%), DER (%), DAR (%), GPM (%), OPM (%), NPM (%), ROA (%), ROS (%), ROI (%), EPS (Rp), PSR, PER, and PBVR (Rp). The results showed that the RTR for 2016 to 2021 tended to fluctuate. However, the RTR in 2021 decreased by 0.04 times compared to 2020. This indicates that the bill turnover is slower than in 2020. Slower receivable turnover will lead to a higher risk of uncollectible receivables, resulting in small cash flow availability. Small cash flow will make it difficult for the company to finance its operations. FAT for 2016 to 2021 tends to fluctuate. However, FAT in 2021 has increased by 1.01 times compared to 2020. This indicates that the company is more efficient by 1.01 times in utilizing its fixed assets in generating sales.

The results showed that TATO for 2016 to 2021 tended to fluctuate. However, TATO in 2021 decreased by 0.58 times compared to 2020. This indicates that the company is more inefficient by 0.58 times in utilizing its total assets in generating sales, thus affecting profits and stock prices. CR for 2016 to 2021 tends to fluctuate. However, for 2021 a lower CR was obtained by 10% compared to 2020. This indicates that the company's ability to pay off its short-term liabilities is lower than in 2020. However, the company is still able to pay off its short-term obligations in 2021 because the CR value > 100%. The results showed that the QR in 2021 obtained a QR which was 5% higher than in 2020. This indicates that the company's ability to pay off its short-term obligations is 5% higher than in 2020. But the company is still able to pay off its short-term obligations in 2021 because the QR value > 100%. DER in general from 2016 to 2021 tends to fluctuate. However, for 2021 a lower DER of 7% was obtained compared to 2020. This indicates that the company's capital financed by debt is 7% lower than in 2020. The risk of debt repayment on the capital owned by the company is lower than in 2020.

## 2. *Exploring Opportunities and Challenges: Performance Analysis of PT United Tractors Tbk*

In looking for promising investment potential, analyzing the company's performance is a crucial step to get an accurate picture. PT United Tractors Tbk has gone through various fluctuations in its financial performance from 2016 to 2021. The results show a changing trend in various indicators that provide an overview of the company's success. In financial analysis, Debt to Asset Ratio (DAR) is the first indicator that attracts attention. The results show a 5% decrease in DAR in 2021 compared to the previous year. This means that the company succeeded in reducing assets financed by debt, indicating a lower risk of debt repayment compared to the previous year. Another notable change is the Gross Profit Margin (GPM) which increased by 3.2% in 2021 compared to the previous year. This indicates the company's ability to generate higher gross profit, supported by increased sales. Operating Profit Margin (OPM) and Net Profit Margin (NPM) also showed an increase of 6% and 3% in 2021 compared to the previous year. These changes indicate the company's ability to generate higher operating profit and net profit, based on increased sales. Return on Assets (ROA) and Return on Sales (ROS) also show a positive trend with an increase of 4% and 6% in 2021 compared to the previous year. This signifies the company's ability to generate net profits with more efficient capital and based on higher sales. In addition, Earnings per Share (EPS) in 2021 showed an increase of IDR 1,147 per share compared to the previous year. This creates a positive outlook for the company's share price, as investors are attracted by the prospect of greater real profits. However, there are some indicators that show fluctuations and need further attention. The Price to Sales Ratio (PSR) decreased by 0.6 times in 2021 compared to the previous year. This shows that the share price of PT. United Tractors Tbk is lower than the sales generated by the company. Although this can attract investors who are looking for buying opportunities at low prices, it can also signal low investor confidence in the company's future or unsatisfactory revenue projections. Another change is seen in the Price to Earnings Ratio (PER) which tends to increase from year to year. This indicates potential investors' predictions of the company's stock value being quite favorable in the future. It is also worth noting the Price to Book Value Ratio (PBV) which fluctuates but shows a decrease in 2021. This may provide an opportunity for potential investors who want to buy shares with a PBV lower than the industry PBV. In the face of these various changes, PT United Tractors Tbk must continue to conduct in-depth analysis to explore future opportunities and challenges. The company's success in improving financial performance and capitalizing on existing potential will be the key to success and growth in an increasingly competitive market. By continuing to rely on innovation and adaptive strategies, PT. United Tractors Tbk can pave the way to a bright and profitable future for the industry.

## 3. *The Importance of Fundamental and Technical Analysis in Stock Investment*

Stock investment is one form of investment that is quite attractive to many people. For investors, stock investment offers the potential for high returns, but also carries risks that cannot be ignored. Therefore, in buying or selling stocks, it is important for investors to analyze before deciding. In stock analysis, there are two main approaches that are often used, namely fundamental

analysis and technical analysis. Fundamental analysis is an approach to analyzing stocks based on data and information about the company's performance and the economic factors that affect it. In this analysis, investors will examine the company's financial performance, such as net income, revenue, and assets. In addition, it will also look at the company's future business prospects, government policies that impact the company, and the country's financial condition. Company performance factors play an important role in assessing stock prices. Some of the main indicators used in fundamental analysis are Earnings per Share (EPS), Price to Earnings Ratio (PER), Price to Book Value Ratio (PBVR), and Price to Sales Ratio (PSR). If the company's performance shows a strong performance, the company's stock can be considered undervalued, or the stock price is low compared to its intrinsic value. Conversely, if the company's performance declines, its stock may be overvalued, or its stock price is high compared to its intrinsic value. In addition to internal company factors, external factors such as government policies can also affect stock prices. Government policies related to debt, export-import, and foreign investment can affect a company's performance and directly impact its stock price. Therefore, investors should pay close attention to government policies that have the potential to affect the sector or industry of the company they are investing in. In addition to fundamental analysis, technical analysis is also a useful tool for investors in understanding stock price movements and identifying opportunities to achieve abnormal returns. Technical analysis uses historical data on stock price movements and trading volume to help predict future price movements. By identifying chart patterns and using technical indicators, investors can understand market trends and make more informed decisions. However, it is important to remember that technical analysis is not entirely reliable as the only tool for making investment decisions. A combination of fundamental analysis and technical analysis will provide a more comprehensive understanding of the stock investors are targeting.

Empirical studies show that there are three possible outcomes of fundamental analysis on stock prices. First, if the stock's market price is lower than its intrinsic value, then the stock is considered undervalued and should be purchased. Second, if the stock market price is comparable to its intrinsic value, then the stock is considered fairvalued and investors are advised to hold on to the stock. Finally, if the stock's market price is higher than its intrinsic value, then the stock is considered overvalued and should be sold. In understanding stock price movements, investors also need to pay attention to other factors that affect the stock market. External factors such as the dynamics of the rupiah exchange rate against foreign currencies can have a significant impact on companies involved in export and import activities. A decline in the rupiah exchange rate may lead to a decrease in revenue for export-dependent companies, while import-dependent companies may experience an increase in production costs. These changes can affect the stock price and investors' perception of the company. In addition, a company's reputation can also affect its share price. If a company engages in questionable business practices or is involved in a scandal, then the company's image will be affected, and investors may lose confidence in the company. As a result, the number of investors interested in buying the company's shares will decrease, which may have a negative impact on its share price. In making investment decisions, investors should also consider macroeconomic and geopolitical aspects that may affect the overall stock market. Global economic instability, trade wars, financial crises, and political issues can cause high market volatility and impact the overall stock price. Therefore, in conducting stock analysis, investors should always consider the macroeconomic context and prevailing political conditions. In conclusion, stock investment is an activity that requires in-depth and comprehensive analysis before deciding. Through fundamental analysis, investors can assess the company's performance and understand the internal factors that affect the stock price. On the other hand, technical analysis helps investors understand stock price movements and identify opportunities to earn abnormal returns. However, in addition to fundamental and technical analysis, external factors such as government policies, the country's financial condition, and the dynamics of the rupiah exchange rate should also be considered in making investment decisions. By considering all these factors holistically, investors can increase their chances of succeeding in their stock investments.

## 5. Conclusion

In analyzing stocks, there are several indicators that need to be considered as part of fundamental analysis, namely interest, money supply, and exchange rates. These indicators are important because they provide an overview of macroeconomic conditions and their potential influence on the stock market. Also, keep in mind that stock prices tend to reflect the intrinsic value of the company. If the stock price in the market is lower than its intrinsic value, it is undervalued, and this can be considered as an opportunity for investors to buy because the stock price is perceived to be low compared to what it is. Conversely, if the stock price is comparable to its intrinsic value, it is called fairvalued, and investors are advised to hold on to the stock. If the stock market price exceeds its intrinsic value, it is called overvalued, and investors should sell because the stock price is considered high compared to its true value. Changes in stock prices are not only influenced by internal company factors, such as company performance that can be measured through indicators such as EPS, PER, PBVR, and PSR, but also by external factors. These external factors include the influence of government policies and state financial conditions, as well as the dynamics of the rupiah exchange rate against foreign currencies. Government policies relating to debt, export-import, and foreign investment can have a significant impact on a company's share price. In addition, fluctuations in the exchange rate of the rupiah against foreign currencies can also affect the performance of companies involved in export and import activities. To make more informed investment decisions, a combination of fundamental and technical analysis becomes invaluable to investors. Fundamental analysis helps in understanding a company's performance and intrinsic value, while technical analysis helps in identifying patterns in stock price movements based on historical data. Both complement each other and provide a holistic view of the stock being targeted for investment.

By paying attention to the internal and external factors that affect stock prices, and using the right analytical approach, investors can increase their profit potential in the stock market. It is important for investors to always dig for more information and maintain a deep understanding of the company and the market before making smart and potentially profitable investment decisions. In the dynamic world of stocks, knowledge and use of proper analysis will be the key to long-term investment success. From the results of the fundamental and technical analysis of the shares of PT United Tractors, Tbk, there are several important implications for company managers and investors. First, company managers need to understand the importance of maintaining the company's financial and operational performance so that its shares are not undervalued or overvalued. By ensuring strong performance, managers can increase investor confidence and increase the company's potential share price.

Second, company managers should keep an eye on external factors that may affect the value of the stock, such as government policies and fluctuations in the rupiah exchange rate. By anticipating possible economic and policy changes, managers can design adaptive strategies to deal with challenges that may arise. In addition, technical analysis can help company managers understand market behavior and trends in stock price movements. By recognizing technical patterns and signals, managers can make more informed decisions, for example about the right time to buy back shares or take other corporate actions. *Theoretical Implication:* The theoretical implication of combining fundamental and technical analysis is that these two approaches complement each other and provide valuable information in understanding the stock market. Fundamental analysis provides an in-depth understanding of the intrinsic value of the company and the economic factors that affect the company. Meanwhile, technical analysis helps in identifying patterns and trends in stock price movements based on historical data. The combination of these two approaches can help overcome some of the limitations of each approach. For example, fundamental analysis may not be able to provide clear clues as to when is the right time to buy or sell a stock. However, by combining it with technical analysis, investors can identify possible buy or sell signals based on the stock's price movement patterns. In addition, using a combination of fundamental and technical analysis can provide a more comprehensive picture of a company's stock and the stock market. Investors and analysts can look at stocks from multiple perspectives, both in terms of company fundamentals and the dynamics of stock prices in the market.

Theoretically, fundamental, and technical analysis contribute to the understanding of market efficiency and investor behavior. Fundamental analysis attempts to assess the intrinsic value of a company and whether its share price reflects its true value. Meanwhile, technical analysis tries to understand the behavior of masses of investors and how price movement patterns can form certain trends and signals. However, it is important to remember that investing in stocks comes with risks, and a combination of fundamental and technical analysis does not guarantee a definitive outcome. The stock market can be affected by various external factors that are difficult to fully predict. Therefore, investors need to remain cautious and keep their knowledge and analysis updated regularly to deal with market changes wisely.

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