

BUSINESS INVESTMENT: Market Response to Changes in Company Profits

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Abstract

Investment decisions are not only fixated on company profit information, but also consider other information related to the company, the following is related to stock price inconsistencies when earnings information is announced on several manufacturing companies listed on the Indonesian stock exchange. This phenomenon indicates that in manufacturing sector companies there is still inconsistency between the company's stock price and net profit information when it is announced. This means that in reality the company's net profit that has increased is not always accompanied by an increase in share price, and vice versa, a company's net profit that has decreased is not always accompanied by a decrease in share price.

Keywords: Market trust, Investment response, Profit information, Stock prices, Stock exchanges

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