

ABSTRACT

Boycotts of products affiliated with Israel are on the rise in Indonesia as a form of solidarity with the geopolitical conflict. This phenomenon shows that socio-political issues can influence consumer behavior. In this context, it is important to evaluate the extent to which the financial performance of affected companies affects stock prices as an indicator of investor confidence.

This study aims to determine the effect of financial performance on the stock prices of companies affiliated with Israel during the fourth quarter of 2023 to the third quarter of 2024. Financial performance is measured through three ratios, namely Current Ratio (liquidity), Debt to equity ratio (solvency), and Return on Assets (profitability), while stock price is used as the dependent variable.

The method used is a quantitative approach with panel data regression analysis. Data is obtained from the company's financial statements and investing.com site for stock price data. Statistical tests were conducted to determine the most appropriate and valid analysis model.

The results showed that of the three financial ratios, only Return on Assets has a significant effect on stock prices. Current Ratio and Debt to equity ratio have no significant effect. This finding emphasizes that investors pay more attention to the company's ability to generate profits, especially in conditions of uncertainty such as the boycott period.

This study contributes to providing an understanding of the influence of fundamental factors on stock prices amid socio-political issues. Companies are advised to improve efficiency and profitability to maintain investor confidence. Meanwhile, investors need to be more careful in analyzing relevant financial indicators before making investment decisions.

Keywords: *stock price, financial performance, boycotts*