

The Effect of Economic Value Added, Financial Value Added, and Market Value Added on Stock Returns (Case Study of the Technology Sector Listed on the IDX for the 2021-2024 Period)

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Abstract

This study examines the effect of value-based performance measures, namely Economic Value Added (EVA), Financial Value Added (FVA), and Market Value Added (MVA), on stock returns of technology sector firms listed on the Indonesia Stock Exchange over the 2021–2024 period. The motivation of this study arises from the growing dominance of technology firms in capital markets, where traditional accounting-based performance indicators are increasingly questioned due to high innovation intensity, reliance on intangible assets, and volatile valuation dynamics. Using a quantitative explanatory approach, this study analyzes panel data comprising 17 technology firms, yielding 68 firm-year observations. The empirical analysis employs Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate the relationships between value-based performance indicators and stock returns. EVA, FVA, and MVA are used as proxies for firm-level value creation, while stock return represents market-based performance. The empirical results reveal that none of the proposed hypotheses is statistically supported. EVA shows a positive but insignificant association with stock returns, whereas FVA and MVA exhibit negative, insignificant effects. Furthermore, the model demonstrates extremely low explanatory and predictive power, indicating that value-based performance measures explain only a negligible portion of stock return variation in the technology sector. These findings suggest that stock returns of technology firms are largely driven by factors beyond accounting- and value-based performance indicators, such as investor sentiment, growth expectations, and market narratives. The study contributes to the literature by highlighting the limited ability of traditional value-based metrics to explain short-term stock returns in technology-intensive industries, particularly in emerging markets. Practical implications are provided for managers and investors in aligning performance evaluation and investment decisions with sector-specific characteristics.

Keywords: Value-Based Performance Measures; Stock Returns; Technology Sector; Emerging Market; Indonesia Stock Exchange; Firm Value Creation

1. Introduction

Over the past decade, the technology sector has emerged as one of the main drivers of global capital market growth, characterized by high levels of innovation, the dominance of intangible

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assets, and significant valuation volatility. Technology firms typically operate with unstable cash flow patterns, high research and development investment intensity, and a long-term growth orientation that often suppresses short-term profitability. Under these conditions, performance evaluation based solely on accounting earnings becomes less representative, as it fails to fully capture economic risk and the true value creation process of knowledge-based firms ([Barker, 2022](#); [Penman, 2023](#)).

This phenomenon is particularly pronounced in emerging markets, including Indonesia, alongside the growing participation of retail investors in technology sector stocks. Increasing trading volumes and sharp price fluctuations indicate that stock returns in the technology sector are often driven more by market expectations than by reported earnings performance. Prior studies suggest that in high-uncertainty industries, the relationship between accounting earnings and stock returns tends to weaken, while value-based indicators and long-term expectations become more relevant to investors' decision-making processes ([Suryanto & Hadi, 2021](#); [Chen et al., 2023](#)).

Conceptually, the limitations of accounting earnings in explaining firm value have been widely criticized in modern financial literature. Accounting earnings are inherently historical, influenced by accounting policies, and do not explicitly incorporate the cost of capital ([Nissim & Penman, 2020](#)). These weaknesses are amplified in technology firms, where strategic investments in intangible assets are frequently expensed rather than capitalized, despite their potential to generate long-term value. As a result, a gap often emerges between performance reflected in financial statements and value perceived by the capital market ([Damodaran, 2022](#)).

In response to these limitations, value-based performance measures such as Economic Value Added (EVA), Financial Value Added (FVA), and Market Value Added (MVA) have been developed to provide a more comprehensive assessment of corporate performance. EVA measures economic profit after accounting for the cost of capital; FVA emphasizes the contribution of cash flows to value creation; and MVA represents the difference between market value and book value of equity as a reflection of accumulated market expectations. Within the signaling theory and value-relevance framework, these indicators are considered more informative to investors than traditional accounting-based measures ([Bhattacharya et al., 2021](#); [Aggarwal & Gupta, 2024](#)).

However, empirical evidence regarding the impact of EVA, FVA, and MVA on stock returns remains mixed. Some studies report positive and significant relationships between EVA or MVA and stock returns ([Kumar & Singh, 2021](#)), while others find weak or insignificant effects, particularly in sectors characterized by high growth potential and extreme volatility ([Al-Najjar & Taylor, 2022](#)). These inconsistencies suggest that the relevance of value-based performance measures is highly contingent on industry characteristics and the specific capital market context in which firms operate.

In the Indonesian context, empirical research on value-based performance measures has predominantly focused on manufacturing and financial sectors, while studies on the technology sector remain relatively limited. This gap is notable given that technology firms in the Indonesian capital market are largely in growth stages, highly dependent on external financing, and subject to speculative market expectations. Such conditions may produce patterns of association between value creation indicators and stock returns that differ substantially from those observed in traditional sectors, thereby highlighting a significant research gap in the domestic finance literature ([Putra et al., 2022](#); [Rahmawati & Siregar, 2024](#)).

Based on this gap, the present study aims to examine the effect of Economic Value Added (EVA), Financial Value Added (FVA), and Market Value Added (MVA) on stock returns of technology sector firms listed on the Indonesia Stock Exchange. This study is expected to enrich the literature on value-based performance measurement in technology firms within emerging markets and to provide practical insights for investors and managers in selecting more relevant performance indicators. By focusing on the post-pandemic period, this research also provides empirical evidence on value-creation dynamics in technology firms operating under highly volatile market conditions.

2. Literature Review

2.1 Stock Return and Value Relevance in Technology Firms

Stock returns are a primary indicator of market responses to information about firm performance, risk, and future prospects. In capital market theory, stock returns do not merely reflect historical performance but also incorporate investors' expectations of future value creation. In the technology sector, the process of return formation becomes more complex due to industry characteristics such as rapid innovation, heavy reliance on intangible assets, and short-term cash flow uncertainty.

Prior studies document that stock returns of technology firms tend to be more sensitive to growth expectations and strategic signals than to reported accounting earnings. This occurs because accounting earnings often fail to capture the economic value of long-term investments in research, development, and digital capabilities. As a consequence, the association between accounting earnings and stock returns in the technology sector is relatively weaker than in traditional industries, reinforcing the need for alternative performance indicators that better reflect economic value creation ([Chen et al., 2023](#); [Penman, 2023](#)).

2.2 limitations of accounting-based performance measures

Accounting-based performance measures, such as net income and profitability ratios, have long been used as benchmarks for evaluating firm performance. However, modern financial literature widely acknowledges their conceptual limitations. These measures are historical in nature, influenced by accounting policies, and do not explicitly incorporate the cost of capital. Such limitations may lead to biased assessments of firm performance and value, particularly when capital structure and business risk become increasingly complex.

In technology firms, these weaknesses are even more pronounced. Strategic investments in intangible assets, including software, data, and intellectual capital, are typically expensed rather than capitalized, suppressing short-term earnings despite their potential to generate long-term value. As a result, accounting earnings often fail to reflect true economic performance and lose relevance in explaining stock returns of technology firms ([Nissim & Penman, 2020](#); [Damodaran, 2022](#)).

2.3 Economic Value Added (EVA) and Stock Returns

Economic Value Added (EVA) was developed as a value-based performance measure that captures a firm's economic profit after accounting for the full cost of capital. Unlike accounting earnings, EVA emphasizes capital efficiency and the firm's ability to generate returns exceeding the required rate of return for investors. Accordingly, EVA is intended to reflect genuine economic value creation for shareholders.

From a signaling theory perspective, a positive EVA signals that management is allocating

resources efficiently and creating value above the cost of capital, which may enhance investor confidence and lead to higher stock returns. Empirical studies suggest that EVA often exhibits stronger explanatory power for stock returns than traditional earnings measures, particularly in firms with complex asset structures and long-term growth orientation ([Kumar & Singh, 2021](#); [Bhattacharya et al., 2021](#)).

Nevertheless, in the technology sector characterized by high volatility and uncertain cash flows, the relationship between EVA and stock returns remains inconclusive. These mixed findings indicate the need for further empirical testing, especially in emerging-market contexts such as Indonesia.

H1: Economic Value Added (EVA) has a positive effect on stock returns of technology sector firms.

2.4 Financial Value Added (FVA) and Stock Returns

Financial Value Added (FVA) is a value-based performance indicator that focuses on cash flows generated while incorporating the cost of capital. Unlike EVA, which is profit-based, FVA emphasizes the firm's ability to generate actual cash available to shareholders after meeting capital obligations. This approach is considered more relevant for firms operating in growth stages and facing high earnings volatility.

In technology firms, cash flow is often a critical indicator of business sustainability and the capacity to finance future expansion. Consequently, FVA is viewed as a more sensitive measure of value creation than traditional accounting indicators. Empirical evidence suggests that cash flow-based measures are more strongly associated with stock returns in firms characterized by high uncertainty and intensive investment activities ([Al-Najjar & Taylor, 2022](#); [Aggarwal & Gupta, 2024](#)).

Based on this reasoning, FVA is expected to provide a positive signal to investors regarding the quality of value creation in technology firms, which should be reflected in stock returns.

H2: Financial Value Added (FVA) has a positive effect on stock returns of technology sector firms.

2.5 Market Value Added (MVA) and Stock Returns

Market Value Added (MVA) measures the difference between a firm's market value of equity and its book value, thereby capturing accumulated investor perceptions of firm performance and future prospects. MVA represents value added by management from the market's perspective and directly reflects investor expectations embedded in stock prices.

Within the efficient market framework, MVA is considered highly relevant because it integrates all publicly available information processed by the market. As such, MVA is closely related to stock price movements and realized stock returns. Prior studies report a positive and significant relationship between MVA and stock returns, particularly in sectors heavily driven by growth expectations and innovation, such as the technology sector ([Putra et al., 2022](#); [Rahmawati & Siregar, 2024](#)).

Accordingly, MVA is expected to be the strongest value creation indicator in explaining stock returns of technology firms.

H3: Market Value Added (MVA) has a positive effect on stock returns of technology sector firms.

2.6 Conceptual Framework

Based on theoretical arguments and prior empirical findings, this study develops a conceptual framework that positions Economic Value Added (EVA), Financial Value Added (FVA), and Market Value Added (MVA) as firm-level value-creation indicators that influence stock returns. The framework assumes that investors respond differently to signals of economic value creation and market expectations than to traditional accounting-based indicators, particularly in the technology sector, which is characterized by high volatility and business uncertainty.

The proposed relationships among these variables are empirically tested using data from technology sector firms listed on the Indonesia Stock Exchange. The conceptual framework of this study is illustrated in Figure 1.

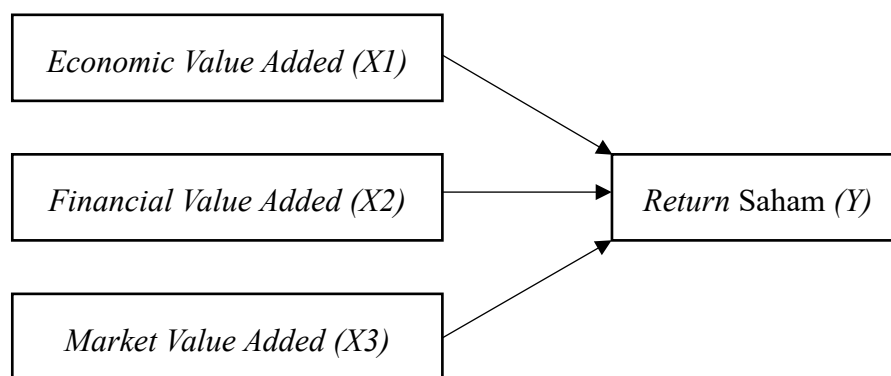


Figure 1. Conceptual Framework of the Study

3. Research Method

3.1 Research Design

This study adopts a quantitative explanatory research design to examine the relationship between value-based performance measures and stock returns in technology sector firms. Given the exploratory nature of the model, the relatively small sample size, and the presence of non-normal and highly dispersed financial data, the study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) as the primary analytical technique.

PLS-SEM is particularly suitable for this study because it emphasizes prediction-oriented analysis, accommodates complex relationships with limited observations, and imposes no strict distributional assumptions on the data. This method is widely used in financial and accounting research to explore structural relationships under conditions of uncertainty and data heterogeneity.

3.2 Sample and Data Sources

The research sample consists of 17 technology sector firms listed on the Indonesia Stock Exchange (IDX) over the period 2021–2024, resulting in 68 firm-year observations. The technology sector was selected due to its high growth orientation, intensive investment in intangible assets, and strong dependence on market expectations, which may affect the relevance of value-based performance measures.

Secondary data were obtained from audited annual reports, published financial statements, and

official stock price data provided by the Indonesia Stock Exchange. All financial data were processed consistently to ensure comparability across firms and observation periods.

3.3 Variable Measurement

This study includes one endogenous variable and three exogenous variables, all measured using single-item objective financial indicators, consistent with prior empirical studies in value-based performance measurement.

Stock Return (RET)

Stock returns represent the annual returns received by investors and are calculated from yearly stock price changes. It reflects market-based performance and investor response to firm-specific information.

Economic Value Added (EVA)

EVA was determined as the firm's net operating profit after tax (NOPAT), subtracting the cost of capital (calculated as the firm's total capital multiplied by the weighted average cost of capital, WACC). EVA is a well-established measure of a firm's ability to generate profits in excess of the required return on its capital and reflects value creation from an economic perspective. A positive EVA indicates value creation, while a negative EVA reflects value destruction.

Financial Value Added (FVA)

FVA was determined using a similar approach to EVA but focuses specifically on cash flow generation. It is calculated as the difference between the firm's net operating profit after tax (NOPAT) and its capital charge, which incorporates the cost of both equity and debt capital. FVA emphasizes the importance of cash flow in firm sustainability and value creation. captures the firm's financial contribution generated from operational and investment activities, emphasizing value creation through cash flow after capital costs.

Market Value Added (MVA)

MVA was determined by comparing the market value of the firm's equity (i.e., the stock price multiplied by the number of outstanding shares) to its book value of equity (the value recorded on the firm's balance sheet). MVA captures the cumulative value added by management over time, as perceived by the market, and serves as an indicator of the firm's market performance.

All variables were derived from publicly available financial statements and market data for the selected firms during the study period from 2021 to 2024. These measures are consistent with previous research on value-based performance metrics and have been applied to assess their relationship with stock returns in the technology sector.

3.4 PLS-SEM Model Specification

The structural model specifies stock return as the endogenous variable, while EVA, FVA, and MVA are modeled as exogenous predictors. The model examines the direct effects of value-based performance measures on stock returns.

Given that each construct is measured by a single indicator, the measurement model is a single-item reflective model, and reliability is mechanically ensured. The primary focus of the analysis is therefore placed on the evaluation of the structural model.

3.5 Measurement Model Assessment

Measurement model evaluation includes assessing discriminant validity using the Heterotrait–Monotrait Ratio (HTMT). HTMT values below the recommended threshold of 0.90 indicate satisfactory discriminant validity among constructs. Because each construct is measured by a single indicator, internal consistency reliability is inherently fulfilled, and no composite reliability or Cronbach’s alpha assessment is required.

3.6 Structural Model Evaluation

The structural model is evaluated using the following criteria:

Path coefficients, to assess the direction and magnitude of relationships between constructs. Bootstrapping procedure with resampling to obtain t-values and p-values for hypothesis testing. The coefficient of determination (R^2) is used to evaluate the explanatory power of the model. Predictive relevance (Q^2), to assess the model’s out-of-sample predictive capability. Statistical significance is evaluated at the 5% level.

4. Findings and Discussions

4.1 Descriptive Statistics

This study analyzes 68 firm-year observations obtained from 17 technology sector firms listed on the Indonesia Stock Exchange (IDX) over the period 2021–2024. The variables examined include Economic Value Added (EVA), Financial Value Added (FVA), Market Value Added (MVA), and stock return.

Table 1. Descriptive Statistics of Research Variables (000)

Variable	N	Mean	Std. Deviation	Minimum	Maximum
Economic Value Added (EVA)	68	73,678,832	16,381,209,819,	–261,228,420,	606,150,031
Financial Value Added (FVA)	68	245,214,490	91,967,371,946,	–1,122,465,814	5,381,613,372
Market Value Added (MVA)	68	1,043,930,608,835	417,288,635,575,502	–9,386,308,270	19,988,247,818,174
Stock Return	68	0.71	3.84	–0.86	27.47

As shown in Table 1, EVA exhibits substantial variability, with both positive and negative values, indicating heterogeneous economic value creation across firms and years. Financial Value Added (FVA) shows greater dispersion, reflecting uneven financial performance and scale effects across firms. Market Value Added (MVA) shows the greatest dispersion, driven by extreme positive outliers and persistent negative values across several firms, highlighting the speculative and expectation-driven nature of market valuation in the technology sector.

Stock returns also demonstrate considerable volatility, with a wide range between minimum and maximum values. Although the average return is positive, the distribution suggests that technology stocks exhibit high risk and unstable performance across observation periods.

4.2 Measurement Model Assessment

Prior to testing the structural relationships, the measurement model was evaluated to ensure construct validity. Given that each construct in this study is measured using a single indicator, internal consistency reliability is mechanically satisfied.

Discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT). The HTMT results are reported in Table 2.

Table 2. Discriminant Validity Assessment Using HTMT Criterion

Constructs	EVA	FVA	MVA	Stock Return
EVA	—			
FVA	0.703	—		
MVA	0.044	0.035	—	
Stock Return	0.017	0.041	0.045	—

Notes: HTMT values below 0.90 indicate satisfactory discriminant validity. All constructs meet the recommended threshold, confirming that EVA, FVA, MVA, and stock return represent conceptually distinct variables.

All HTMT values are well below the recommended threshold of 0.90, confirming that EVA, FVA, MVA, and stock return represent conceptually distinct constructs. These results indicate that multicollinearity due to construct overlap is not a concern in the structural model.

4.3 Structural Model Results

The structural model examines the relationships between value-based performance measures and stock return. Specifically, the effects of EVA, FVA, and MVA on stock return were estimated using Partial Least Squares Structural Equation Modeling (PLS-SEM).

Table 3 reports the estimated path coefficients, t-values, p-values, and hypothesis testing decisions.

Table 3. Structural Path Coefficients and Hypothesis Testing Results

Hypothesis	Path	Coefficient	t-value	p-value	Decision
H1	EVA → Stock Return	0.088	0.458	0.647	Not supported
H2	FVA → Stock Return	−0.105	0.587	0.557	Not supported
H3	MVA → Stock Return	−0.045	0.578	0.563	Not supported

Notes: Significance is evaluated at the 5% level ($t \geq 1.96$). None of the proposed hypotheses is statistically supported.

The results indicate that EVA has a positive but statistically insignificant effect on stock return. In contrast, FVA and MVA exhibit negative but statistically insignificant relationships with stock return. None of the proposed hypotheses is supported at the 5% significance level, suggesting that variations in firm-level value-creation metrics do not translate into contemporaneous stock returns in the sampled technology firms.

4.4 Model Explanatory and Predictive Power

The explanatory and predictive capabilities of the structural model were evaluated using the coefficient of determination (R^2) and predictive relevance (Q^2). The results are summarized in Table 4. Model Explanatory and Predictive Power

Model Explanatory Power and Predictive Relevance

Table 4. Model Explanatory Power and Predictive Relevance

Measure	Value
R ² (Stock Return)	0.008
Adjusted R ²	-0.039
Q ² Predictive Relevance	-0.009

Notes: The R² value indicates that EVA, FVA, and MVA jointly explain less than 1% of the variance in stock returns. The negative Q² value suggests that the model lacks predictive power for stock returns.

The R² value for stock return is 0.008, indicating that EVA, FVA, and MVA jointly explain less than 1% of the variation in stock returns. The adjusted R² is negative, further confirming the model's weak explanatory power. In addition, the Q² value is negative, indicating that the model lacks predictive power for stock returns.

4.5 Summary of Results

Overall, the empirical findings demonstrate that Economic Value-Added exhibits a positive but statistically insignificant association with stock returns, whereas Financial Value Added and Market Value Added show negative, statistically insignificant relationships. The extremely low explanatory and predictive power of the model suggests that stock returns in the technology sector are largely driven by factors beyond accounting- and value-based performance measures, such as investor sentiment, growth expectations, and broader market dynamics.

Discussion

The Effect of Economic Value Added (EVA) on Stock Returns

The empirical results indicate that Economic Value Added (EVA) has a positive, but statistically insignificant, effect on the stock returns of technology sector firms. This finding suggests that economic value creation, as measured by excess returns over the cost of capital, is not immediately reflected in stock price movements.

One plausible explanation lies in the temporal mismatch between EVA and stock returns. EVA is inherently backward-looking, relying on historical operating performance and capital cost calculations, whereas stock returns capture forward-looking expectations and rapid changes in investor sentiment. In technology firms, valuation is often driven by anticipated innovation, scalability, and future market dominance rather than realized economic profits. Consequently, improvements in EVA may already be anticipated and incorporated into stock prices before being reflected in financial statements, weakening their contemporaneous association with stock returns.

The Effect of Financial Value Added (FVA) on Stock Returns

The results further show that Financial Value Added (FVA) exhibits a negative and statistically insignificant relationship with stock returns. This finding highlights the limitations of cash flow-based value measures in highly uncertain and innovation-driven environments.

FVA relies on assumptions regarding future profitability, expected equity returns, and the cost of capital. In technology firms, these assumptions are particularly sensitive to rapid technological change, competitive disruption, and regulatory uncertainty. As a result, investors may discount internally generated financial value measures when forecasting future cash flows is difficult. Rather than serving as a positive signal, higher projected financial value may be perceived as overly optimistic or speculative, leading to muted or even negative market

responses.

The Effect of Market Value Added (MVA) on Stock Returns

Market Value Added (MVA) is theoretically aligned with shareholder value creation, as it reflects the cumulative difference between market valuation and invested capital. However, the empirical findings reveal that MVA does not have a significant effect on stock returns in the sampled technology firms.

This result can be explained by the conceptual difference between MVA and stock returns. MVA is a stock-based and cumulative measure, whereas stock returns capture periodic price changes. As such, MVA reflects long-term market assessments rather than short-term return dynamics. In addition, the descriptive statistics indicate substantial skewness and extreme outliers in MVA, suggesting that market valuation in the technology sector is highly concentrated among a small number of dominant firms. This structural imbalance reduces MVA's ability to explain return variation across heterogeneous firms within a given year.

Why Is the Overall Explanatory Power of the Model Low?

The extremely low coefficient of determination (R^2) and negative predictive relevance (Q^2) provide strong evidence that stock returns in the technology sector are largely driven by factors beyond firm-level value creation metrics. Stock prices in this sector are shaped by macroeconomic conditions, market sentiment, speculative behavior, technological trends, and external shocks that are not captured by accounting-based or value-based indicators.

This finding aligns with the notion that technology stocks behave less like traditional value-driven assets and more like expectation-driven instruments. As a result, firm fundamentals may play only a secondary role in explaining short-term return movements, particularly in emerging markets where information asymmetry and investor heterogeneity are more pronounced.

Theoretical Implications

From a theoretical perspective, the findings challenge the universal applicability of value-based performance measures in explaining stock returns, especially within technology-intensive sectors. While EVA, FVA, and MVA remain conceptually valuable for assessing internal performance and long-term value creation, their relevance for explaining short-term market outcomes appears limited.

This study contributes to the literature by reinforcing the view that the relationship between firm value creation and stock returns is context-dependent. In sectors characterized by rapid innovation and high uncertainty, traditional value-based metrics may fail to capture the dominant drivers of investor behavior and market valuation.

Managerial and Investment Implications

For managers, the results imply that improvements in value-based performance measures do not necessarily translate into immediate stock market rewards. Strategic investments in innovation capability, digital platforms, and ecosystem positioning may more strongly influence market perceptions than short-term financial value metrics.

For investors, the findings suggest caution in relying solely on EVA, FVA, or MVA when making short-term investment decisions in technology stocks. Market movements in this sector appear to be driven by broader narratives, growth expectations, and sentiment rather than by realized or projected value creation alone.

Summary of Discussion

Overall, the discussion highlights that the insignificance of EVA, FVA, and MVA in explaining stock returns does not undermine their conceptual relevance; rather, it reflects the complex, expectation-driven nature of technology stock valuation. These results underscore the importance of aligning performance measurement tools with sectoral characteristics and investment horizons when analyzing stock market behavior.

5. Conclusion

This study investigates whether value-based performance measures—Economic Value Added (EVA), Financial Value Added (FVA), and Market Value Added (MVA)—explain stock return behavior in technology sector firms listed on the Indonesia Stock Exchange over the period 2021–2024. Using Partial Least Squares Structural Equation Modeling (PLS-SEM) on firm-year data, the empirical findings reveal that none of the proposed relationships are statistically significant.

The results indicate that EVA exhibits a positive but insignificant association with stock returns, whereas FVA and MVA show negative, insignificant effects. Moreover, the model's extremely low explanatory and predictive power suggests that value-based metrics account for only a negligible portion of stock return variation in the technology sector. These findings imply that short-term stock returns are largely driven by factors beyond accounting- and value-based performance indicators.

From a theoretical perspective, this study contributes to the literature by demonstrating the limited applicability of traditional value-based performance measures in explaining stock returns within technology-intensive industries. While EVA, FVA, and MVA remain conceptually relevant for evaluating internal performance and long-term value creation, their direct linkage to contemporaneous stock returns appears weak in sectors characterized by rapid innovation, high uncertainty, and expectation-driven valuation.

Practically, the findings suggest that managers should not rely solely on improvements in value-based metrics to influence short-term stock performance. Instead, strategic emphasis on innovation capability, growth narratives, and market positioning may play a more decisive role in shaping investor perceptions. For investors, the results highlight the need for caution when using EVA-, FVA-, or MVA-based indicators as standalone tools for short-term investment decisions in technology stocks.

Despite its contributions, this study is subject to limitations. The analysis focuses exclusively on firm-level value creation metrics and does not incorporate behavioral, macroeconomic, or innovation-related variables that may better capture stock return dynamics. Future research is therefore encouraged to integrate growth indicators, market sentiment measures, and alternative modeling approaches to further explain stock return behavior in technology-driven markets.

In conclusion, this study underscores that insignificant empirical results are not merely statistical outcomes but reflect structural characteristics of the technology sector, where market expectations and forward-looking narratives dominate short-term return formation. By acknowledging these dynamics, the study provides a more nuanced understanding of the relationship between value creation and stock market performance.

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