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by Wilhelmus Hary Susilo

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Research Article

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Iswandi, Dermawan Syahrial and Wilhelmus Hary Susilo

University of Persada Indonesia Y.A.I

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ABSTRACT

Recently, the level of competitiveness entire the commercial banks in Asian countries and the many financial institutions within financial industries that conducted within hi-tech, could also made some tight competitions in Asian countries. The purpose of this inquiries were to synthesis of an affect of CAR, LDR, NPL, NIM, BOPO, Rate and Exchange Rate on Returns on Assets and their implications for Commercial Bank Stock Returns in Asian countries. Moreover, the data for the Regression Model as a tool to test data on commercial banks in Indonesia and Malaysia that are listed on the capital market. The commercial banks that will be sampled are ten known banks in Indonesia and ten known banks in Malaysia which have large total assets in Indonesia and Malaysia. The results of research on ROA in Indonesia found that from the results of the Chow Test, Hausman Test and LM test, the model chosen was the Fixed Effect Model and in Malaysia the Fixed Effect Model was selected while the estimation results of the research on Stock Return in Indonesia were found to be the chosen within the Fixed Effect The model and in Malaysia selected was the Common Effect Model.

An affect ROA significantly in Indonesia are NPL, NIM, BOPO, Rate and Exchange rates while in Malaysia are LDR, NIM, Rate and Exchange Rates. Furthermore, the significantly influence the Stock Return in Indonesia are NPL, BOPO, Rate and ROA, and in Malaysia are CAR, LDR, BOPO, Rate and Exchange. Whereas in Indonesia and Malaysia together that the independent variable significantly influences ROA, while for Share Returns in Indonesia and Malaysia together that the independent variable significantly influences the Stock Return, with a confidence level of 95%. It was found that commercial banks had the highest sensitivity to changes in independent and dependent variables (ROA) in Indonesia, namely Bank Pan Indonesia Tbk and in Malaysia were Public Banking Berhad while banks with the lowest sensitivity in Indonesia were Bank Central Asia Tbk and in Malaysia was RHB Bank Berhad. Finally, the commercial bank that has the highest sensitivity to changes in the independent variable and the dependent variable (Share Retrun) in Indonesia is Bank Maybank Indonesia Tbk while the lowest sensitivity is Bank Tabungan Negara Tbk and the results of research on Stock Returns in Malaysia that are selected are the Common Effect Model and are not available bank sensitivity.

INTRODUCTION

The robust tangible assets as like the well knowledge in among the commercial banks in Asian could become important factors for sustainable business for made more competitiveness in sustain- business that conducted within innovatively in business. (Luca, Maia, Cardoso, Vasconcelos, & Cunha, 2014; Winkelbach & Walter, 2015; Zacharias, Nijssen, & Stock, 2016; Zaichkowsky, Parlee, & Hill, 2010) . Furthermore, for increase the commercial banks- value would shows the market positions and it's prospected for the future that could be impact to the stakeholders that conducted measured within Tobins'Q ratio. (Brigham and Houston, 2017) (Bell, Filatotchev, & Aguilera, 2013; L.-L. Chang, Hsiao, & Tsai, 2013) (Bontis, Crossan, & Hulland, 2002; H.-S. Park, Auh, Maher, & Singhapakdi, 2012; Saridakis, Mole, & Hay, 2012). Hence, in a few years ago, the level of profitability in commercials bank has been decreased, cause of the credit ratio and the tight regulations (Guo & Wang, 2016; B.-J. Park, Srivastava, & Gnyawali, 2014; Railienė & Sinevičienė, 2015).

Recently, the level of competitiveness entire the commercial banks in Asian countries and the many financial institutions within financial industries that conducted within hi-tech, could

Corresponding author: **Iswandi,**
University of Persada Indonesia Y.A.I

also made some tight competitions in Asian countries. (Allen Schaefer & Haytko, 2013; González, Rodríguez Gil, Martorell Cunill, & Merigó Lindahl, 2016; Perin, Sampaio, Jiménez-Jiménez, & Cegarra-Navarro, 2016; Scheiner, Baccarella, Bessant, & Voigt, 2017)

Furthermore, the data of firms values gaps in Asian countries and average, as follow figure 1 below:

Figure 1 The gaps of ROA in ASEAN Countries
(Source: Federal Reserve Ecnomic Data, 2017)

The reveals gaps in this inquires have how increased the leads to attempt the stock returns that conducted to full fill this gaps with the research model for an among commercial banks in Asian that listed. Furthermore, the scholars indicated the research gaps that conducted within inconsistency result to improve the stock returns within ROA in the process for the sustainability in business in commercial banks industries (Basuil & Datta, 2017; Carlucci & Schiuma, 2018; Hankammer & Kleer, 2017; Lages, 2016; O'Cass & Sok, 2013; Yan & Wagner, 2017; Zacharias *et al.*, 2016). The scholars were focus of the research model that conducted within to offering the predicted variables pertains; CAR, LDR, NPL, NIM, BOPO, RATE, EXCHANGE RATE, ROA and the stock return for achieved the market positions and financial performance within the competitiveness advantage entire the commercial banks in Asian countries. (L.-L. Chang *et al.*, 2013; Douglas, 2013; Faroughian, Kalafatis, Ledden, Samouel, & Tsogas, 2012; González *et al.*, 2016; Herrera & Sanchez-Gonzalez, 2012; Lim & Yong, 2016; Martins & Lopes, 2016; Oh, Peters, & Johnston, 2014; Shelby, 2012; Tan, Smyrnios, & Xiong, 2014; Yu, Li, Tian, & Zhang, 2013)

Literature review and hypothesis development

The positive accounting should own some the truth that the social – movement reality to the human essentials within independently behavior that could increase the firms value also for trust and control that push and policy pull.(Catchpowle & Smyth, 2016; ter Bogt & Tillema, 2016; Vardon, Burnett, & Dovers, 2016; Winkelbach & Walter, 2015). Hence, despite the scholarly, the trade of theories could be equilibrium for the benefit and cost cause of the liability utility in business the commercial banks for long run, if the benefit more bigger than the liability portions that could be more added till the maximized to attempt the firms value in business in many industries to the value creation.(Anokhin, Peck, & Wincent, 2016; Blanchard, Gaigné, & Mathieu, 2012; Chan & Park, 2013; Ciravegna & Brenes, 2016; Geigenmüller, 2010; Heirati, O'Cass, Schoefer, & Siahtiri, 2016; La Rocca, La Rocca, & Cariola, 2010; Shelby, 2007)

The Signaling theory supports within this study within among the commercial banks that should an involved that could conveying the great information's products and the services in emerging markets to another party and the stakeholder and also the principals to pursue the future prospects for the investors and the stake holders. Furthermore, the executives in the enterprise should state the best information's in their corporate to entire the prospects investors to pursues and increase the stocks- price and the market- orientations for the sustainable business. (Duffy & Muñoz-garcía, 2015; Mackelprang, Habermann, & Swink, 2015; Mavlanova, Benbunan-Fich, & Koufaris, 2012)(Ross, 1977), (Josh, Jeff, Eric, & Phillip, 2016; Song, Wang, & Cavusgil, 2015) (Krafft, Albers, & Lal, 2004) (Claro & Bortoluzzo, 2015; Kloviene, Gimzauskiene, & Misiunas, 2015; Thomas, 2015; Wiersma, 2017; Zhang, 1998)

Actually, the signaling model development have an explaining the firm- investment structure base on the asymmetric information's- base, that conducted between the managers with well informed and the outsider within poorly informed and also indicated a view the prospects within the commercial banks across the countries in Asian. Hence, the model should be develop conducted idea- based that the mangers of the commercial banks belong the best information's within the firms and would be deliver to new- investors and the stake holders to increase the stocks- price. Furthermore, the asymmetric information's within entire the commercial banks could the managers not be able only provide the entire well information but among managers from other firms that could deliver an other information and make the investor not in believe. Moreover, the signaling have an indicated for the commercial banks managers in Asian to take an actions within banks- management that delivered on an investors how the counting and rating some prospects for the future opportunities.(Hingley, Lindgreen, & Grant, 2015; Wallnöfer & Hacklin, 2013) (Duffy & Muñoz-garcía, 2015; Mavlanova *et al.*, 2012).(Ellili, 2011) Brigham and Houston (2017) (Krause, Whitler, & Semadeni, 2013) (Dutta, 2012; Palmatier, Houston, Dant, & Grewal, 2013)

Proposed the frame work and hypothesis development

The scholars have develop for the research framework to fulfill the research gaps for inquiries the knowledge that could make the contributions of knowledge of the management and business theories and its could to improved to firm value within entire companies in Indonesia. (L.-L. Chang *et al.*, 2013; W. Chang, Ellinger, Kim, & Franke, 2016; Martins & Lopes, 2016; Perin *et al.*, 2016; Pradhan, 2016; Taghieh, Taghieh, & Poorzamani, 2013). Furthermore, within the emerging- market, competitive advantage and performance should be based for making the action plan for run the business.(Castaño, Méndez, & Galindo, 2016; Demirkan & Spohrer, 2014; Kapferer, 2012; Torun & Çicekci, 2007)
As follow in figure 2. below:

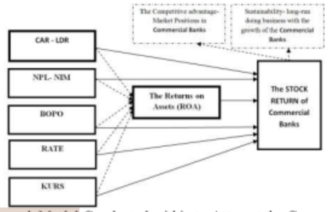

Figure 2 The Research Model Conducted within to Attempt the Commercial Banks on the Stock Returns (Sources: Develop by authors)

The hypotheses in these investigate while base on the empirical evidence above, therefore:

Ha: The CAR, LDR, NPL, NIM, BOPO, RATE, EXCHANGE RATE, ROA were positively related partially and simultaneously to the Stock- Returns in Commercial Banks.

Research method

The analysis was improved some objective conducted within the quantitative- based business research in management science within the positivist approach thought the deductive reasoning and to gain the result to confirmed entire hypothesis also could predicted to the entire commercial banks to pursue the stock returns that listed on the Stock Exchange in 2013-2017. (Christopher, 2010; Kloviene *et al*., 2015; Matei & Drumasu, 2015; Peter, Tamyko, & Daniel, 2017)

Sample and data collection

The data source from the commercial banks within the Indonesian and Malaysian for this empirical study that publications intensified, an entire of the 53 firms based within explore and investigated for 5th years and also from website of the IDX in period of 2013- 2017. Hence, in this inquiries conducted within twenty the commercial- banks, that listed in stock- market in their countries.

Measurement variables

In this investigated were have some the observation forms to achieved the secondary data that finding from the report of economic statistically that listing on the range of 2013- 2017.

Data analysis and findings

Data analysis

The data analysis ware conducted within five years to publications entire variable cause the important thing in this investigation to pursues the commercial banks returns of stock that measure conducted, that the one of alternatively for measure the ROA and the implications to returns of stock in commercial banks (L.-L. Chang *et al*., 2013; Guo, Wang, & Zhu, 2016; Hjort & Lantz, 2016; Martins & Lopes, 2016), as follow table 1 below:

Table 1 The Descriptive data statistics

	RS	ROA	RATE	NPL	NIM	LDR	KURS	CAR	BOPO
Mean	0.241584	2.462733	6.376503	2.321482	5.929478	90.85490	13031.61	18.25009	76.84937
Median	0.099293	2.365000	6.479167	2.190000	5.510000	90.49375	13319.00	18.25000	78.74500
Maximum	3.487770	5.030000	7.541667	4.050000	9.600000	108.8600	13795.00	23.06000	97.75000
Minimum	-1.468148	0.210000	4.562500	0.440000	3.060000	75.35000	12189.00	12.72000	58.65000
Std. Dev.	0.779962	1.091134	1.092081	0.955594	1.561991	7.457060	605.3439	2.453965	9.499274
Skewness	2.625681	0.372828	-0.514212	0.203035	0.864214	0.229273	-0.273471	0.219824	-0.168214
Kurtosis	11.77868	2.415849	2.057144	2.355771	3.058339	3.247565	1.478697	2.415085	2.246572
Jarque-Bera	218.0041	1.869238	4.055486	1.208176	6.230973	0.565734	5.444813	1.115450	1.418412
Probability	0.000000	0.392735	0.131632	0.546573	0.044357	0.753620	0.065716	0.572510	0.492035
Sum	12.07920	123.1367	318.8251	116.0741	296.4739	4542.745	651580.6	912.5044	3842.468
Sum Sq. Dev.	29.80867	58.33808	58.43941	44.74487	119.5510	2724.779	17955622	295.0752	4421.574
Observations	50	50	50	50	50	50	50	50	50

	RS	ROA	RATE	NPL	NIM	LDR	KURS	CAR	BOPO
Mean	-0.049555	1.133329	3.100000	1.536200	2.205187	87.68240	3.623952	15.35920	48.08100
Median	-0.005362	1.040000	3.000000	1.490000	2.230000	87.75000	3.545213	15.00500	48.05000
Maximum	0.249852	2.300000	3.250000	3.400000	2.850000	96.40000	4.301853	19.30000	63.30000
Minimum	-1.494172	0.550000	3.000000	0.400000	1.640000	71.03000	2.982037	12.80000	30.00000
Std. Dev.	0.298547	0.350442	0.123718	0.806719	0.279996	5.391119	0.528925	1.762178	8.261394
Skewness	-3.026746	1.379392	0.408248	0.658974	-0.088997	-0.584832	0.108830	0.510455	-0.353991
Kurtosis	14.17276	4.998165	1.166667	2.719298	3.021640	3.187809	1.339550	2.518145	2.839125
Jarque-Bera	336.4068	24.17406	8.391204	3.782875	0.066979	2.923723	5.842645	2.655083	1.098166
Probability	0.000000	0.000006	0.015062	0.150855	0.967065	0.231804	0.053862	0.265128	0.577479
Sum	-2.477734	56.66645	155.0000	76.81000	110.2594	4384.120	181.1976	767.9600	2404.050
Sum Sq. Dev.	4.367383	6.017682	0.750000	31.88898	3.841498	1424.144	13.70832	152.1584	3344.281
Observations	50	50	50	50	50	50	50	50	50

(Source: prime data by authors, 2020)

Moreover, in this study the researcher have evaluated that the fixed effect model and the Common Effect Model has the right- way to conducted within this investigated to pursue the stock returns an among the commercial banks in Asian, as follow table 2 below:

Table 2 Output Eviews Ver.10 of the Model- Estimate Model- Fixed Effect (Indonesian) and Common Effect Model (Malaysia)

Dependent Variable: ROA?		
Method: Pooled EGLS (Cross-section weights)		
Date: 02/17/20 Time: 18:56		
Sample: 1 5		
Included observations: 5		
Cross-sections included: 10		
Total pool (balanced) observations: 50		
Linear estimation after one-step weighting matrix		
Variable	Coefficient	Std. Error
C	5.274040	0.710271
CAR?	0.060538	0.045696
LDR?	0.126184	0.421153
NPL?	-0.066511	0.017757
NIM?	0.776955	0.046374
BOPO?	-3.751886	0.475971
RATE?	0.054797	0.020836
KURS?	0.286604	0.068178
Fixed Effects (Cross)		
BBCA--C	-0.156375	BMRI--C
BBNI--C	0.037277	BNGA--C
BBRI--C	-0.051030	BNII--C
BBTN--C	0.091053	NISP--C
BDMN--C	-0.123553	PNBN--C
	Effects Specification	
Cross-section fixed (dummy variables)		
	Weighted Statistics	
R-squared	0.951525	Mean dependent var
Adjusted R-squared	0.928022	S.D. dependent var
S.E. of regression	0.088505	Sum squared resid
F-statistic	40.48503	Durbin-Watson stat
Prob(F-statistic)	0.000000	

ROA = 5.274040 – 0.060538 CAR +0.126184 LDR – 0.066511 NPL + 0.776955 NIM – 3.751886 BOPO + 0.054797 *Rate* + 0.286604 *Kurs*.(1)

Dependent Variable: RS?
Method: Pooled EGLS (Cross-section weights)
Date: 02/17/20 Time: 16:30
Sample: 1 5
Included observations: 5
Cross-sections included: 10
Total pool (balanced) observations: 50
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-11.29566	4.799622	-2.353447	0.0249
CAR?	0.031418	0.036932	0.850705	0.4013
LDR?	-0.004465	0.019395	-0.230221	0.8194
NPL?	-0.891422	0.151921	-5.867649	0.0000
NIM?	-0.139211	0.135417	-1.028017	0.3117
BOPO?	**0.162695**	**0.055646**	**2.923745**	**0.0063**
RATE?	**-0.444636**	**0.070857**	**-6.275069**	**0.0000**
KURS?	0.000139	0.000105	1.318476	0.1967
ROA?	1.132464	0.509188	2.224058	0.0333
Fixed Effects (Cross)				
BBCA--C	-0.370936	BMRI--C	0.475066	
BBNI--C	0.876185	BNGA--C	0.851682	
BBRI--C	-0.584053	BNII--C	-1.035953	
BBTN--C	1.254558	NISP--C	-0.743509	
BDMN--C	-0.281069	PNBN--C	-0.441970	

Effects Specification

Cross-section fixed (dummy variables)

Weighted Statistics

R-squared	**0.703929**	Mean dependent var	0.245352
Adjusted R-squared	**0.546641**	S.D. dependent var	0.700168
S.E. of regression	0.483139	Sum squared resid	7.469557
F-statistic	**4.475424**	Durbin-Watson stat	2.294545
Prob(F-statistic)	**0.000131**		

RS= -11.29566 + 0.03141 CAR – 0.004465LDR – 0.891422 NPL – 0.139211 NIM + 0.162695 BOPO – 0.444636 *Rate* + 0.000139 *Kurs* + 0.281069 *ROA*… (2).

Dependent Variable: ROA?
Method: Pooled EGLS (Cross-section weights)
Date: 02/11/20 Time: 09:42
Sample: 1 5
Included observations: 5
Cross-sections included: 10
Total pool (balanced) observations: 50
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.558345	0.819720	4.340925	0.0001
CAR?	-0.061644	0.013450	-4.583084	0.0000
LDR?	-0.002754	0.004986	-0.552291	0.5837
NPL?	-0.148165	0.037096	-3.994071	0.0003
NIM?	0.196797	0.093872	2.096447	0.0421
BOPO?	-0.011029	0.003580	-3.080660	0.0036
RATE	-0.297516	0.193261	-1.539454	0.1312
KURS	0.000657	0.056832	0.011562	0.9908

Weighted Statistics

R-squared	0.673852	Mean dependent var	1.830479
Adjusted R-squared	0.619494	S.D. dependent var	0.910473
S.E. of regression	0.253903	Sum squared resid	2.707610
F-statistic	12.39655	Durbin-Watson stat	1.397139
Prob(F-statistic)	0.000000		

ROA = 3.558345–0.061644CAR – 0.002754LDR – 0.148165NPL + 0.196797NIM – 0.011029BOPO + 0.297516*Rate* + 0.000657Kurs...(3).

Dependent Variable: RS?
Method: Pooled EGLS (Cross-section weights)
Date: 02/08/20 Time: 23:56
Sample: 1 5
Included observations: 5
Cross-sections included: 10
Total pool (balanced) observations: 50
Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.510942	0.658150	3.815151	0.0005
ROA?	0.091114	0.070879	1.285481	0.2058
CAR?	0.026557	0.011648	2.279984	0.0279
LDR?	-0.008843	0.003814	-2.318460	0.0255
NPL?	0.006684	0.037757	0.177030	0.8604
NIM?	0.050110	0.085453	0.586411	0.5608
BOPO?	-0.005978	0.002273	-2.630246	0.0120
RATE	-0.531318	0.143084	-3.713316	0.0006
KURS	-0.118037	0.036125	-3.267464	0.0022

Weighted Statistics

R-squared	0.554995	Mean dependent var	0.030425
Adjusted R-squared	0.468165	S.D. dependent var	0.293340
S.E. of regression	0.202339	Sum squared resid	1.678580
F-statistic	6.391722	Durbin-Watson stat	2.335220
Prob(F-statistic)	0.000022		

RS = 2.510942 + 0.026557 CAR – 0.008843 LDR + 0.006684 NPL + 0.050110 NIM – 0.005978 BOPO – 0.531318 *Rate* – 0.118037 *Kurs* + 0.091114 *ROA*.........................(4).

(source: prime data 2020)

The hypothesis testing

The important results with the robust methodical in business and this investigates to attempted the commercial banks in Asian of the stock returns were to delineate of the research hypothesis as follow in table 3 as below (Guo & Wang, 2016; Limakrisna & Yoserizal, 2016; Skvarciany & Iljins, 2015):

Table 3 The delineated of research hypothesis INA/MLY

No	Hypothesis descriptions	Coefficient	t/F- value	Remark
H_1	CAR to ROA	.06/-.001	1.3/-.11	NS
H_2	LDR to ROA	.12/ -.02	.29/ -2.46	NS/SS
H_3	NPL to ROA	-.06/ -.05	-3.74/ -.70	S/NSS
H_4	NIM to ROA	.77/ .20	16.75/ 2.05	S
H_5	BOPO to ROA	-3.75/ -.002	-7.88/ -.58	S/NS
H_6	RATE to ROA	.05/ -.28	2.62/ -2.39	S
H_7	KURS to ROA	.28/ -.10	4.20/ -2.06	S
H_8	CAR, LDR, NPL, BOPO, RATE, KURS to ROA	R^2= .95/ .92	40.48/ 24.23	S
H_9	CAR to RS	.03/ .09	.85/ 2.27	NS/S
H_{10}	LDR to RS	-.004/ .02	-.23/ -2.31	NS/S
H_{11}	NPL to RS	-.89/ -.008	-5.86/ .17	S/NS
H_{12}	NIM to RS	-.13/ .006	-1.02/ .58	NS
H_{13}	BOPO to RS	.16/ .05	2.93/ -2.63	S
H_{14}	RATE to RS	-.44/-.005	-6.27/ -2.63	S
H_{15}	KURS to RS	.0001/ -.005	1.31/ -3.26	NS/S
H_{16}	ROA to RS	1.13/ -.11	2.22/ 1.28	S/NS
H_{17}	CAR, LDR, NPL, BOPO, RATE, KURS and ROA to RS	R^2= .70/ .55	4.47/ 6.39	S

(source: prime data- output- *Eviews 10).*

Conclusions, research contribution and directions for future research

CONCLUSIONS

The results of entire hypothesis testing indicated the proved empirically (NIM, RATE, KURS) the determinants of ROA, and their implications for the stock returns (BOPO, RATE) of companies- the commercials banks listed on the Indonesia Stock Exchange (IDX) during the period 2013- 2017. Hence, the higher impact has ROA to pursue firm value (TOBIN). Finally, the simultaneously has Statistically Significant with the contribution value 70.39% and 55.49%. Furthermore, the results for Indonesia's commercial banks, the ROA that could affected the stock of returns supported the Signaling theory within the well information's the best prospected to the communities and the stakeholders at all.(Mavlanova *et al.*, 2012)

Research contributions

The empirically from this study could be delivering some contributions to develop and to body of knowledge the Signaling theory that conducted to the investments for the future.(Kazlauskienė, 2015; Mavlanova *et al.*, 2012). Moreover, the result of this study will be providing the many financial- information's to leads some positively- investor perceptions, the level of high gain cause its have doing investments with big money. (Nix & Zacharia, 2014; Perin *et al.*, 2016) (Bell *et al.*, 2013; Bhootra & Hur, 2012; L.-L. Chang *et al.*, 2013). Hence, the practical implications from this inquiry could have for guidance entire the managers of the commercials banks to conducted and manage the financial performance more focus within service- dominant focus strategy.(Cohen, 2015; Dibrell & Moeller, 2011)

Limitations and future research

Actually, the data has not enough robust for only at range five years (2013- 2017) to conducted within regression analysis and the outcome would is accurate and power for doing predictions. (Cheng & Coyte, 2014; Iwai & Azevedo, 2016). Furthermore, an investigation was could improve for the future research in across many- countries in Asian that conducted within some other among variables pertains; Firms- value, EPS, CSR, and firm- cash flow and also corporate reputations on competitive advantage, the financial structure, the incentive and also developing relational capital. (Šontaitė-Petkevičienė, 2015; Wei, Kim, Miao, Behnke, & Almanza, 2018) (Adeosun & Ganiyu, 2013; Jiang, Issa, & Malek, 2011; Šontaitė-Petkevičienė, 2015; Tang & Tang, 2012; Wang, 2014) (Gregorio Martín de, Pedro López, & José Emilio Navas, 2004; Pradhan, 2016)

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