ANALYSIS OF INFLUENCE USING LIQUIDITY RATIOS, PROFITABILITY RATIOS, DEBT RATIOS, AND MARKET RATIOS ON STOCK RETURN IN MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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Abstract

This study aims to examine the influence of financial ratios on explaining stock returns in listed manufacturing companies in Indonesia Stock Exchange. Independent variables used in this research is current ratio, debt to equity ratio, return on assets, net profit margin, price earning ratio, return on equity, and earning per share.

Samples from this study using the 144 manufacturing companies listed on the Indonesia Stock Exchange in the period 2012-2016. This research used panel regression analysis. Fixed effect model is the model chosen in the analysis.

The results of this study indicate that there is significantly influence between independent current ratio, return on assets and earning per share on the stock return, while debt to equity ratio, net profit margin, price earnings ratio, and return on equity shows insignificantly influence on the stock return.

Keywords: stock return, current ratio, debt to equity ratio, return on assets, net profit margin, price earning ratio, return on equity, earning per share