MULTIFINANCE
Jurnal Ekonomi, Manajemen Dan Perbankan

Altin Riset Publishing
http://altinriset.com/journal/index.php/multifinance
E-ISSN: 3024-8175
Vol. 2, No. 2 November 2024

INTERNAL AND EXTERNAL FACTORS ON STOCK RETURNS: EVIDENCE FROM THE INDONESIA STOCK EXCHANGE

***[1]Tahmat, [2]Imelda Melindyana**
*[1,2]Universitas Sangga Buana YPKP
Email: *[1]tahmat.ypkp@usbypkp.ac.id, [2]imelindyana@gmail.com

Abstract
This study aims to determine the macroeconomic effect as measured by inflation, interest rates, world oil, exchange rate, and company financial performance as measured by the debt-to-equity ratio, debt-to-asset ratio, return on equity, and earnings per share on return in the LQ45 stock group on the Indonesia Stock Exchange for the period 2011–2022. The population in this study was 45; based on the purposive sampling technique, we obtained a sample of 15 companies. This type of research is quantitative with secondary data; the method used is panel data regression analysis using the Common Effect Model approach. The results of the F test found that inflation, interest rates, world oil, exchange rate, debt-to-equity ratio, debt-to-asset ratio, return on equity, and earnings per share simultaneously have a significant effect on stock returns. Based on the t-test, it was found in the study that inflation has a negative and significant effect on stock returns, the exchange rate has a negative and significant effect on stock returns, the debt-to ratio has a positive and significant effect on stock returns, and interest rates, such as world oil, debt-to-asset ratio, return on equity, and earnings per share, do not affect stock returns.

Keywords: Inflation, Interest Rates, World Oil, Exchange Rate

Abstrak
Penelitian ini bertujuan untuk mengetahui pengaruh ekonomi makro yang diukur dengan inflasi, suku bunga, minyak dunia, nilai tukar, dan kinerja keuangan perusahaan yang diukur dengan debt to equity ratio, debt to asset ratio, return on equity, dan earning per share terhadap return pada kelompok saham LQ45 di Bursa Efek Indonesia periode 2011 - 2012. Populasi dalam penelitian ini sebanyak 45, berdasarkan teknik purposive sampling diperoleh sampel sebanyak 15 perusahaan. Jenis penelitian ini adalah kuantitatif dengan data sekunder, metode yang digunakan adalah analisis regresi data panel dengan pendekatan Common Effect Model. Hasil uji F menemukan bahwa inflasi, suku bunga, minyak dunia, nilai tukar, rasio utang terhadap ekuitas, rasio utang terhadap aset, return on equity, dan laba per saham secara simultan berpengaruh signifikan terhadap return saham. Berdasarkan uji t, ditemukan dalam penelitian bahwa inflasi berpengaruh negatif dan signifikan terhadap return saham, nilai tukar berpengaruh negatif dan signifikan terhadap return saham, rasio hutang terhadap ekuitas berpengaruh positif dan signifikan terhadap return saham, dan suku bunga, seperti minyak dunia, rasio hutang terhadap aset, return on equity, dan earning per share, tidak berpengaruh terhadap return saham.

***Kata kunci**: Inflasi, Suku Bunga, Minyak Dunia, Nilai Tukar*

Introduction

The stock market is a market that provides a means of selling and buying shares. This activity involves sellers, buyers, and workers who have an interest in the shares to be traded. This research uses the LQ45 stock index, consisting of 45 shares that have high liquidity and large market capitalization

and are also accommodated by good company performance. Usually, the LQ45 stock index is used as the choice of investors to invest their funds because the LQ45 stock index is considered the right choice to make. In investment, investors, of course, pay attention to stock returns. A stock return is the return of funds given by the company to investors who have invested their funds. A high stock return will increase investors' interest in investing their funds in these shares. Investors can analyze stock price movements to maximize profits from stock returns. The movement of highly fluctuating stock returns can also be influenced by macroeconomic factors. Several macroeconomic factors can affect stock returns, such as inflation, interest rates, world oil prices, and the rupiah exchange rate.

Table 1: Macroeconomic

Variabel	TAHUN											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Inflation (%)	3.79	4.3	8.38	8.36	3.35	3.02	3.61	3.13	2.72	1.68	1.87	5.51
Interest Rates (%)	6	5.75	7.5	7.75	7.5	4.75	4.25	6	5	3.75	3.5	5.5
World Oil (%)	-0.00761	0.011128	-0.00484	-0.00204	0.008424	0.000557	0.007022	-0.0075	-0.00762	0.001037	-0.01279	0.023897
Rupiah Exchange Rate (Rp)	8779.49	9380.39	10451.37	11878.3	13391.97	13307.38	13384.13	14246.43	14146.33	14572.26	14328.92	15615
Return (Rp)	0.01834	0.091357	-0.03252	0.263577	-0.11858	0.116902	0.220174	-0.08955	0.032298	-0.07844	-0.00372	0.006195

From Table 1 above, Macroeconomic increases are not always inversely proportional to decreases in stock returns; for example, in 2020, when inflation weakened, stock returns also declined sharply. Apart from macroeconomics, the company's financial performance factors are considered to be able to influence stock returns, such as profitability ratios to assess a company's ability to generate profits, namely return on equity (ROE) and earnings per share (EPS). Then the leverage ratio is used to calculate how much of the company's assets are financed with debt, namely the debt-to-asset ratio (DAR) and the debt-to-equity ratio (DER).

Table 2: company's financial performance

Variabel	TAHUN											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
DER (%)	2.59	2.45	2.41	2.30	2.20	2.04	2.04	2.03	2.06	2.29	2.19	2.15
DAR (%)	0.54	0.52	0.52	0.52	0.53	0.51	0.52	0.52	0.53	0.54	0.53	0.56
ROE (%)	8.38	7.92	6.92	8.08	5.41	6.33	6.01	5.28	5.46	4.07	6.55	5.51
EPS (RP)	225.53	172.24	163.59	154.76	110.54	184.38	138.69	154.87	162.48	84.03	163.85	224.00
Return (%)	0.0183	0.0914	-0.0325	0.2636	-0.1186	0.1169	0.2202	-0.08955	0.0323	-0.07844	-0.00372	0.00619

From Table 2 above that An increase in ratios to financial performance is not always in line with stock returns; for example, in 2016, when the return on equity decreased but stock returns increased, This research can be used as an illustration of how macroeconomic variables and company financial performance affect stock returns, so it can be an illustration of how investment decisions are made by investors and can also be used as a reference in making investment decisions. This research is important as a guideline and reference for future research on the effect of macroeconomics and company financial performance on returns in the LQ45 stock group. In macroeconomic research carried out by Sebrina et al., (2023), it is explained that interest rates have a positive influence on stock returns, while inflation and the rupiah exchange rate have a negative influence on stock returns. Meanwhile, Fuad & Yuliadi, (2021) Stated that inflation and interest rates have a significant positive influence, the rupiah exchange rate has a significant positive influence, and the rupiah exchange rate has a significant negative influence.

Research on the influence of company financial performance on stock returns has been a key topic in financial literature. Two studies providing differing insights on this subject are those conducted by (Rheynaldi et al., 2023). Both examined financial performance variables such as the debt-to-equity ratio (DER), return on equity (ROE), and earnings per share (EPS), but they produced

inconsistent findings.

In the study by Nur Utomo et al., (2020), it was found that the debt-to-equity ratio (DER) negatively affects stock returns. DER reflects a company's capital structure, specifically the extent to which it relies on debt compared to equity. A high dependence on debt often increases the company's financial risk, which in turn can reduce investors' interest in purchasing its shares. This is because investors tend to avoid companies with high-risk levels, especially if the company struggles to generate sufficient cash flow to meet its debt obligations. Conversely, return on equity (ROE) and earnings per share (EPS) were found to have a positive influence on stock returns. ROE reflects a company's ability to generate profit from its equity, an important indicator for investors assessing profitability. EPS, which indicates net earnings per share, is also a key metric considered by investors when making investment decisions. Increases in ROE and EPS indicate good financial performance, typically boosting investor interest and driving stock prices higher.

Contrary to Wahjudi, (2020) Reported that ROE and EPS do not significantly influence stock returns. This suggests that, in certain conditions, stock returns are not fully driven by profitability indicators such as ROE and EPS. External factors, such as macroeconomic conditions, market sentiment, or other corporate policies, may play a more dominant role in determining stock returns. The lack of significant influence could also stem from differences in the research sample, industry sectors, or periods. For instance, if the study focused on companies heavily influenced by global economic fluctuations, indicators such as ROE and EPS might be less relevant than other factors, such as export levels or exchange rate movements. The differences in findings between these two studies highlight the importance of considering specific contexts when analyzing the impact of financial performance on stock returns. The findings of Intan et al., (2024) Support traditional theories that suggest a company's financial performance, as measured by indicators like ROE and EPS, directly influences investor perceptions of its stock. When companies demonstrate strong profitability and effective debt management, investors tend to view them as safer and more profitable investment options. However, Widagdo et al., (2020) Showed that this relationship is not always linear or significant. This may be due to other factors, such as systemic risk, regulatory changes, or even market psychology, that influence investor decisions. For example, during periods of economic uncertainty, investors might focus more on cash flow stability than traditional profitability indicators.

According Endri et al., (2020) Several factors may explain the differences in findings between the two studies:

1. Differences in Industry and Research Samples Andyani & Mustanda might have used samples from industries where capital structure plays a significant role, such as manufacturing or construction. In contrast, Aryaningsih et al. might have focused on industries with different characteristics, such as technology, where company growth often takes precedence over current profitability.
2. Differences in Research Periods Global or domestic economic conditions during the research period can affect the relationship between financial performance and stock returns. For instance, during a recession, investors may prioritize companies with low debt ratios over those with high EPS.
3. Differences in Analytical Methods The statistical techniques used, such as linear regression or panel data analysis, can influence research outcomes. Variations in how variables are calculated may also lead to different results.
4. Influence of External Factors Factors like monetary policy, interest rates, and exchange rate changes can moderate the relationship between financial performance variables and

stock returns. Aryaningsih et al.'s study may reflect conditions where these external factors were more dominant.

The differing findings provide important insights for both investors and corporate managers. For investors, it is crucial not to rely solely on traditional indicators such as ROE and EPS when making investment decisions. They should also consider industry context, economic conditions, and other external factors. A more comprehensive analysis can help investors avoid mistakes in assessing stock potential. For corporate managers, these findings underscore the importance of effective communication with investors. If a company operates in an industry heavily reliant on debt, managers should explain their strategies for managing financial risks. Additionally, companies should aim to improve ROE and EPS while addressing other factors of investor interest, such as product innovation and sustainability.

Research Methods

The research uses secondary data taken from data that has been published by related institutions. Rupiah exchange rate data was obtained from the official website of Bank Indonesia, namely www.bi.go.id/, then inflation and interest rate data were obtained from the official website of the Central Statistic Agency, bps.go.id/, while data on world oil prices were obtained from the website www.investing.com/. Stock return data was obtained from the site https://www.idnfinancials.com/, and company financial report data was obtained from the site https://www.idnfinancials.com/. This study uses a purposive sampling method by determining several criteria that must be met by the sample so that a sample of 15 companies that meet the criteria is obtained. The sample criteria include (1) companies listed on the LQ45 stock index that are still actively traded on the Indonesia Stock Exchange during the 2011–2022 period; (2) companies listed on the LQ45 stock index on the Indonesia Stock Exchange during the 2011–2022 period; and (3) companies listed on the LQ45 stock index that were not delisted from the Indonesia Stock Exchange during the 2011–22 period. The analytical method used in this research is the panel data regression method. There are three models in panel data regression, namely the Common Effect Model, the Fixed Effect Model, and the Random Effect Model. Model selection is carried out using several tests, namely (1) Chow to find out which model is better when testing panel data between the Common Effect Model and the Fixed Effect Model and (2) Hausman to choose whether the Fixed Effect Model and the Random Effect Model method are better compared with the Common Effect Model. (3) Lagrange multiplier to find out whether the random effect model is better than the common effect model.

Results and Discussion

The sample in this study is made up of 15 companies that were consistently listed in the LQ45 index during the 2011–2022 period. Namely ADRO, ASII, BBCA, BBNI, BBRI, BMRI, INDF, INTP, KLBF, PGAS, PTBA, SMGR, TLKM, UNTR AND UNVR. Where the 15 companies are a list of companies that are consistently listed on the LQ45 during the 2011-2022 period.

Discussion

Numerical Results

The object of this research is LQ45 stock returns. The research sample was taken based on the purposive sampling method, consisting of companies listed on the LQ45 index. The independent variables used in this study are external and internal factors that affect stock returns, namely inflation, interest rates, world oil, and the rupiah exchange rate. Debt to Equity Ratio, Debt to Asset Ratio, Return on Equity, and Earning Per Share While the dependent variable used in this study is LQ45 stock returns, The following is descriptive statistical data for the research sample.

Table 4: Descriptive Statistic

VARIABLE	MINIMUM	MAXIMUM	MEAN
(DEPENDENT VARIABLE)			
RETURN STOCK LQ45	129% (BBNI 2013 Q3)	-64.3% (PGAS 2020 Q1)	0.02%
(INDEPENDENT VARIABLE)			
INFLATION	1.33% (2021 Q2)	8.4% (2013 Q3)	4.24%
INTEREST RATES	3.5% (2021 Q1)	7.75% (2014 Q4)	5.58%
WORLD OIL	0.0821% (2012 Q2)	-0.0137% (2022 Q1)	-0.00112%
RUPIAH EXCHANGE RATE	Rp. 8.532 (2011 Q2)	Rp. 15.615 (2022 Q4)	Rp. 12 793
DEBT TO EQUITY RATIO	9.8% (INTP 2016 Q3)	843.2% (BBRI 2011 Q4)	222.52%
DEBT TO ASSET RATIO	9% (INTP 2016 Q3)	89.4% (2011 Q3)	52.48%
RETURN ON EQUITY	-10.9% (TLKM 2014 Q3)	42.1% (UNVR 2018 Q3)	6.2%
EARNING PER SHARE	Rp. 1.618 (UNVR 2022 Q2)	Rp. -460 (UNTR 2015 Q4	Rp. 1.66

Graphical Results

The stationarity test is an important step in the analysis of data that has time series data. The stationarity test aims to see the existence of unit roots between research variables so that the relationship in each variable is valid and does not produce regression results that indicate a significant value of the coefficient of determination. Non-stationary data can hurt the estimated model due to autocorrelation and heteroscedasticity.

Table 5: Stationarity

VARIABEL	T-STATISTIC	CRITICAL VALUES (5%)	PROB.	DERAJAT INTEGRITAS	KESIMPULAN
INFLASI	-12.90519	-2.865452	0.0000	L (0) *Level*	Stationarity
SUKU BUNGA	-15.60937	-2.865452	0.0000	L (0) *Level*	Stationarity
MINYAK DUNIA	-8.199117	-2.865452	0.0000	L (0) *Level*	Stationarity
KURS RUPIAH	-7.419476	-2.865344	0.0000	L (0) *Level*	Stationarity
DEBT TO EQUITY RATIO	-13.21473	-2.865372	0.0000	L (1) *First Difference*	Stationarity
DEBT TO ASSET RATIO	-13.39023	-2.865366	0.0000	L (1) *First Difference*	Stationarity
RETURN ON EQUITY	-14.17196	-2.865366	0.0000	L (1) *First Difference*	Stationarity
EARNING PER SHARE	-10.11705	-2.865412	0.0000	L (1) *First Difference*	Stationarity
RETURN SAHAM	-17.40002	-2.865349	0.0000	L (0) *Level*	Stationarity

Based on Table 5, it can be concluded that the variables of inflation, interest rates, world oil, rupiah exchange rate, and stock returns have been stationary at the degree of integration L(0), or level, while the variables Debt to Equity Ratio, Debt to Asset Ratio, Return on Equity, and Earning Per Share are stationary at the level of first difference or degree of integration L(1).

Proposed Improvements

After determining the appropriate model, proceed with analyzing multiple linear regression. Multiple linear regression analysis is needed to find the influence of two or more independent variables on the dependent variable. There are six regression models, first creating a model involving eight variables and then continuing by eliminating the variables that are not significant one by one. Table 6 shows the result of the regression model, where the dependent variable is stock returns. The first is the estimated value, while the second row (number in brackets) is the standard error value.

Table 6: Regression

VARIABLE	(1)	(2)	(3)	(4)	(5)	(6)
	Y	Y	Y	Y	Y	Y
C	0.158772**	0.161814**	0.162498**	0.169087**	0.153982**	0.150197**
	(0.053556)	(0.045574)	(0.045459)	(0.045058)	(0.042947)	(0.042873)
X1	-0.010551**	-0.010243**	-0.010216**	-0.010121**	-0.010062**	-0.010061**
	(0.00408)	(0.002923)	(0.002919)	(2.92E-03)	(2.92E-03)	(2.92E-03)
X2	0.000627					
	(0.005786)					
X3	-0.288696	-0.288542	-0.289015	-3.02E-01	-0.303302	
	(0.231043)	(0.230876)	(0.230713)	(2.30E-01)	(2.30E-01)	
X4	-7.34E-06**	-7.41E-06**	-7.52E-06**	-7.67E-06**	-8.01E-06**	-7.69E-06**
	(2.90E-06)	(2.83E-06)	(2.80E-06)	(2.79E-06)	(2.78E-06)	(2.77E-06)
X5	0.000103**	0.000103**	9.91E-05**	9.81E-05**	4.83E-05**	4.81E-05**
	(5.27E-05)	(5.26E-05)	(4.97E-05)	(4.97E-05)	(2.11E-05)	(2.11E-05)
X6	-0.000634	-0.000633	-0.000583	-5.79E-04		
	(0.000562)	(5.61E-04)	(5.24E-04)	(5.24E-04)		
X7	0.000206	0.000203				
	(0.000822)	(0.000821)				
X8	2.95E-05	2.93E-05	3.01E-05			
	(2.80E-05)	(2.79E-05)	(2.77E-05)			
OBSERVARIONS	709	709	709	709	709	709
ADUJUST R-SQUARED	0.021399	0.022778	0.24085	0.023838	0.023527	0.022513

Standard errors in parentheses

***p<0.01, **p<0.05, *p<0.1

Table 6: The first regression test shows a significant result only on the variables X1, X4, and X5. Then it is run by eliminating the variables one at a time. Then, in the final result, only X1

The results of the hypothesis or t-test for this study are:

1. The constant value C is 150197 with a positive sign, indicating that the variables inflation, the rupiah exchange rate, and the debt-to-equity ratio are considered constants so that the Y value is 0.150197.
2. The inflation regression coefficient (X1) value is -0.010061, with a negative sign indicating that if inflation increases by one unit, assuming the other independent variables are constant, then the LQ45 stock return will experience a decrease of -0.010061.
3. The rupiah exchange rate regression coefficient (X4) value is -0.00000769, with a negative sign indicating that if the rupiah exchange rate increases by one unit, assuming the other

independent variables are constant, then the LQ45 stock return will experience a decrease of -0.00000769.

4. The debt-to-equity ratio regression coefficient (X5) value is 0.0000481, with a positive sign indicating that if the debt-to-equity ratio increases by one unit, assuming the other independent variables are constant, then the LQ45 stock return will experience an increase of 0.0000481.

The F Significance Test, or F test, is carried out to determine the influence of all independent variables on the dependent variable simultaneously.

Table 7: F Test

R-SQUARED	**0.026655**	**MEAN DEPENDENT VAR**	**0.019740**
ADJUSTED R-SQUARED	0.022513	S.D. dependent var	0.136225
S.E. OF REGRESSION	0.134683	Akaike info criterion	-1.166156
SUM SQUARED RESID	12.78841	Schwarz criterion	-1.140408
LOG-LIKELIHOOD	417.4022	Hannan-Quinn critter.	-1.156208
F-STATISTIC	6.435439	Durbin-Watson stat	2.163421
PROB(F-STATISTIC)	0.000266		

$\alpha = 0{,}05$; $n = 388$; $k = 8$

$df_1 = k - 1 = 7$

$df_2 = n - k = 379$

$f_{tabel} = 2.050$

Based on the table of F test results above, an F-statistical or F-count value of 6.435439 > an F table and a probability value of 0.000266 < 0.05 were obtained. So it can be concluded that independent variables affect the dependent variables simultaneously, which means that Ho is rejected and Ha is accepted.

Validation

Based on the T-test result table, inflation has a regression coefficient value with a negative sign of -0.010061 and a T-count value > T-table with a negative sign, meaning it has a negative effect, and the probability is < significant so that Ho is rejected and Ha is accepted, so it can be concluded that partially inflation has a negative and significant influence on return in the LQ45 stock group. The results of this research are in line with research conducted by (Fikasari & Bernawati, 2021). Inflation has an influence on the LQ45 index for the 2011–2022 period. Suteja et al., (2023) States that an increase in inflation can reduce capital gains, resulting in reduced profits obtained by investors. On the company side, an increase in inflation, where the increase cannot be passed on to consumers, can reduce the company's income level. This means that the risk that the company will face will be greater if it continues to invest in shares so that demand for shares will decrease. Inflation can reduce a company's profits and cause stock returns earned by investors to decrease.

Interest rates do not affect returns in the LQ45 stock group. The results of this study are in line with the results of research conducted by (Iqmal & Putra, 2020). Interest rates have no effect on the LQ45 index for the 2011–2022 period. Endri et al., (2021) stated that the increase in interest rates imposed by Bank Indonesia had no significant impact because the increase in interest rates had a positive effect on stock. Then, high interest rates will not necessarily reduce stock prices; in fact, an increase in interest rates can potentially increase investment returns, such as, for example, in the banking sector, which is closely related to interest rates and can reduce people's buying interest in property. High and low interest rates cannot be used as a benchmark for investors investing in LQ45 stock because, for investors investing for the long term, rising interest rates can be used as an

opportunity to accumulate high-quality asset purchases at lower prices.

World oil does not influence return in the LQ45 stock group, the results of this research are in line with the results of research conducted by (Sutomo et al., 2020). World oil does not influence LQ45 stock returns for the 2011-2022 period. (Desitania, 2021) States that for sectors that use fuel oil, of course, an increase in world oil prices will increase production costs and reduce stock returns, while for sectors consisting of companies that produce materials related to world oil such as coal, mining goods, and copper, an increase in world oil prices will increase the price of produced goods and result in an increase in stock returns in the mining sector. An increase in fuel prices will have the effect of increasing prices for both goods and consumer goods companies so that demand for goods will fall. This decrease in demand for goods and services will lead to a decrease in investor income. Indonesia is a country that produces petroleum, but because Indonesia only explores petroleum from the bowels of the earth without managing the petroleum, the increase in world oil does not have a positive influence on the Indonesian economy.

Based on the T-test result table, the rupiah exchange rate has a regression coefficient value with a negative sign of -0.000000769 with a T-count value > T-table with a negative sign, meaning it has a negative effect and the probability is < significant so that Ho is rejected and Ha is accepted, so it can be concluded that partially the exchange rate rupiah has a negative and significant influence on return in the LQ45 stock group. The results of this research are in line with research conducted by (Desitania, 2021). The rupiah exchange rate has an influence on the LQ45 index for the 2011–2022 period. Fluctuations in the rupiah exchange rate have the potential to affect the company's internal conditions, which will ultimately result in losses for the company. An increase in the rupiah exchange rate can cause the company's debt to increase when valued in rupiah and will ultimately affect the company's performance in financial terms. The weakening of the rupiah exchange rate can affect share prices, and this condition will of course affect the returns given by (Istan & Fahlevi, 2020).

Based on the T-test result table, the debt-to-equity ratio has a regression coefficient value with a positive sign of 0.0000481 and a T-count value > T-table with a positive sign, meaning it has a positive effect and the probability is < significant, so Ho is rejected and Ha is accepted, so it can be concluded that partially the debt-to-equity ratio has a positive and significant influence on return in the LQ45 stock group. The results of this research are in line with research conducted by (Iwayan & Anom, 2020). The debt-to-equity ratio has an influence on the LQ45 index for the 2011–2022 period. (Nadyayani & Suarjaya, 2021) Stated that based on the results of this analysis, showed that the company needed additional capital to increase its business, so the additional capital to increase its business was met by third parties because internal funds were insufficient. As a form of responsibility for the large debt, the company sets a target to obtain greater profits. Conditions like this have an impact on increasing the return value.

The debt-to ratio does not influence return in the LQ45 stock group; the results of this research are in line with the results of research conducted by (Sausan et al., 2020). The debt-to ratio does not influence LQ45 stock returns for the 2011–2022 period. Because investors are not too focused on large debt investment decisions, Generally, when the debt-to-asset ratio value is high, it means that the company's assets are mostly financed by debt, but this cannot always affect stock returns because many other factors are considered to influence stock returns. Return on equity does not influence return in the LQ45 stock group. The results of this research are in line with the results of research conducted by (Andania & Yadnya, 2020). Return on equity does not influence LQ45 stock returns for the 2011–2022 period. Return on equity only describes the amount of stock return that investors can obtain but does not describe a company's prospects. Return on Equity only emphasizes the

company's internal financial performance assessment elements but not the company's external elements, so Return on Equity does not show actual conditions when conditions occur outside the company because when the economy is unstable, the amount of equity has no effect, so it cannot be used as a comparison (Marito & Sjarif, 2020).

Earnings per share do not influence return in the LQ45 stock group. The results of this research are in line with the results of research conducted by (Pangestuti & Tindangen, 2020). Earnings per share do not influence LQ45 stock returns for the 2011–2022 period. Fikasari & Bernawati, (2021) States that high earnings per share value are expected to provide large profits for investors in the form of capital gains and dividends, but the results of this research are contradictory because when the earnings per share value increases, the company cannot increase or maintain share prices, which of course can have an impact on earnings per share (Desitania, 2021). Judging from Table 7, the coefficient of determination shows that F-count > F-table and the probability value < significant, so it can be concluded that the independent variable influences the dependent variable simultaneously. So Ho is rejected and Ha is accepted, meaning that there is an influence of inflation, the rupah exchange rate, and the debt-to ratio simultaneously on returns on the LQ45 group of shares on the Indonesia Stock Exchange for the 2011–2022 period.

Conclusion

Based on the results of the analysis and discussion that have been described, several conclusions were drawn that, partially inflation has a negative and significant effect on returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. Interest rates do not affect returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. World oil does not affect returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. The rupiah exchange has a negative and significant effect on returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. The debt-to-equity ratio has a positive and significant effect on returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. The debt-to-asset ratio does not affect returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. Return on equity does not affect returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. Earning Per Share does not affect returns in the LQ45 stock group on the Indonesia Stock Exchange for the 2011–2022 period. Simultaneously, inflation, the rupiah exchange rate, and the debt-to ratio have a significant effect. The influence of inflation, the rupiah exchange rate, and the debt-to-ratio on the dependent variable, namely stock returns, is 0.022513, or 2%, while the remaining 98% variance of stock returns is explained by other variables not examined in this study.

References

Andania, N. P., & Yadnya, I. P. (2020). The Effect of Sustainability Report Disclosure on Banking Company Financial Performance in Indonesia Stock Exchange.

Desitania, R. (2021). Pengaruh Variabel Makro Ekonomi Terhadap Return Saham Kelompok Sektoral yang Terdaftar di Bursa Efek Indonesia. Jurnal Ilmu Manajemen Dan Bisnis, 12(2), 201–214.

Endri, E., Marlina, A., & Hurriyaturrohman. (2020). Impact of internal and external factors on the net interest margin of banks in Indonesia. Banks and Bank Systems, 15(4), 99–107. https://doi.org/10.21511/bbs.15(4).2020.09

Endri, E., Rinaldi, M., Arifian, D., Saing, B., & Aminudin, A. (2021). OIL PRICE AND STOCK RETURN: EVIDENCE OF MINING COMPANIES IN INDONESIA. International Journal

of Energy Economics and Policy, 11(2), 110–114. https://doi.org/10.32479/ijeep.10608

Fikasari, R., & Bernawati, Y. (2021). Internal or External Financing: New Evidence on Investor Reaction in Indonesian Manufacturing Firms. Journal of Accounting and Investment, 22(2). https://doi.org/10.18196/jai.v22i2.10711

Fuad, F., & Yuliadi, I. (2021). Determinants of the Composite Stock Price Index (IHSG) on the Indonesia Stock Exchange. Journal of Economics Research and Social Sciences, 5(1), Article 1. https://doi.org/10.18196/jerss.v5i1.11002

Intan, D. R., Malau, L. R. E., Rambe, K. R., & Damanik, M. (2024). FACTORS AFFECTING THE FINANCIAL PERFOMANCE OF AGRICULTURAL COMPANY'S: EVIDENCE FROM THE INDONESIA STOCK EXCHANGE. Agrisocionomics: Jurnal Sosial Ekonomi Pertanian, 8(2), 457–470. https://doi.org/10.14710/agrisocionomics.v8i2.18578

Iqmal, F. M., & Putra, I. G. S. (2020). Macroeconomic Factors and Influence on Stock Return That Impact the Corporate Values. International Journal of Finance & Banking Studies (2147-4486), 9(1), Article 1. https://doi.org/10.20525/ijfbs.v9i1.667

Istan, M., & Fahlevi, M. (2020). The Effect of External and Internal Factors on Financial Performance of Islamic Banking. Jurnal Ekonomi & Studi Pembangunan, 21(1), Article 1. https://doi.org/10.18196/jesp.21.1.5036

Iwayan, J., & Anom, P. I. B. (2020). The effect of financial performance on stock return at manufacturing company of Indonesia stock Exchange. Russian Journal of Agricultural and Socio-Economic Sciences, 97(1), Article 1.

Marito, B. C., & Sjarif, A. D. (2020). The Impact of Current Ratio, Debt to Equity Ratio, Return on Assets, Dividend Yield, and Market Capitalization on Stock Return (Evidence from Listed Manufacturing Companies in Indonesia Stock Exchange). 7(1).

Nadyayani, D. A. D., & Suarjaya, A. A. G. (2021). THE EFFECT OF PROFITABILITY ON STOCK RETURN.

Nur Utomo, M., Rahayu, S., Kaujan, K., Agus Irwandi, S., 1 Departemen of Management, Faculty of Economic, Borneo Tarakan University, Indonesia, 2 Departemen of Accounting, Faculty of Economics and Business, Budi Luhur University, Indonesia, & 3 STIE, Perbanas Surabaya, Indonesia. (2020). Environmental performance, environmental disclosure, and firm value: Empirical study of non-financial companies at Indonesia Stock Exchange. Green Finance, 2(1), 100–113. https://doi.org/10.3934/GF.2020006

Pangestuti, D. C., & Tindangen, A. M. L. (2020). The Influence of Internal and External Factors on Firm Value. European Journal of Business and Management Research, 5(5), Article 5. https://doi.org/10.24018/ejbmr.2020.5.5.492

Rheynaldi, P. K., Endri, E., Minanari, M., Ferranti, P. A., & Karyatun, S. (2023). Energy Price and Stock Return: Evidence of Energy Sector Companies in Indonesia. International Journal of Energy Economics and Policy, 13(5), Article 5. https://doi.org/10.32479/ijeep.14544

Sausan, F. R., Korawijayanti, L., & Ciptaningtias, A. F. (2020). The Effect of Return on Asset (ROA), Debt to Equity Ratio (DER), Earning per Share (EPS), Total Asset Turnover (TATO) and Exchange Rate on Stock Return of Property and Real Estate Companies at Indonesia Stock Exchange Period 2012-2017. Ilomata International Journal of Tax and Accounting, 1(2), 103–114. https://doi.org/10.52728/ijtc.v1i2.66

Sebrina, N., Taqwa, S., Afriyenti, M., & Septiari, D. (2023). Analysis of sustainability reporting quality and corporate social responsibility on companies listed on the Indonesia stock exchange. Cogent Business & Management, 10(1), 2157975.

https://doi.org/10.1080/23311975.2022.2157975

Suteja, J., Gunardi, A., Alghifari, E. S., Susiadi, A. A., Yulianti, A. S., & Lestari, A. (2023). Investment Decision and Firm Value: Moderating Effects of Corporate Social Responsibility and Profitability of Non-Financial Sector Companies on the Indonesia Stock Exchange. Journal of Risk and Financial Management, 16(1), Article 1. https://doi.org/10.3390/jrfm16010040

Sutomo, S., Wahyudi, S., Rini Demi Pangestuti, I., & Muharam, H. (2020). The determinants of capital structure in coal mining industry on the Indonesia Stock Exchange. Investment Management and Financial Innovations, 17(1), 165–174. https://doi.org/10.21511/imfi.17(1).2020.15

Wahjudi, E. (2020). Factors affecting dividend policy in manufacturing companies in Indonesia Stock Exchange. Journal of Management Development, 39(1), 4–17. https://doi.org/10.1108/JMD-07-2018-0211

Widagdo, B., Jihadi, M., Bachitar, Y., Safitri, O. E., & Singh, S. K. (2020). Financial Ratio, Macro Economy, and Investment Risk on Sharia Stock Return. The Journal of Asian Finance, Economics and Business, 7(12), 919–926. https://doi.org/10.13106/jafeb.2020.vol7.no12.919