

ABSTRACT

The construction building is a company that is growing in Indonesia who continue to experience growth in market value and continues to show an increasing profits in every year. Despite a growth in the market value and net income (net income), the growth was not followed by the growth of ROA and DER enterprise level. ROA in companies sub-sector building construction fluctuated every year. As for the level of DER, the company still has a fairly high level of DER DER with ideal level equal to 2.

This study aims to determine whether there is influence of the inflation, currency exchange rates, return on assets (ROA), and debt to equity ratio (DER) variables simultaneously and partially on stock returns of companies in building construction sub-sector.

This study uses secondary data, the annual financial statements report derived from the Indonesian Stock Exchange (IDX). In addition, the data rate of inflation, interest rates, and currency exchange rate data were obtained from Bank of Indonesia (BI). The study uses five companies in building construction sub-sector as the sample. The method used is the panel data analysis, F test, and t-test.

The results of this study indicate that inflation, currency exchange rates, ROA, and DER has simultaneously significant effect on stock returns. However, only the inflation with partially that have a significant influence on stock returns. As for the currency exchange rates, ROA, and DER variables partially has not significant effect on company stock returns.

Keywords: Inflation, Currency Exchange, Return on Assets (ROA), Debt to Equity Ratio (DER).