

ABSTRACT

Investors are interested in investing in the banking sector because of its strategic and stable performance. There are several factors affecting the stock price, so it is necessary to take a variable reduction without eliminating important information. The purpose of this research is to know what factors affect the share price of the company's shares banking Sub-sector LQ45 listed on the Indonesia Stock Exchange period 2015-2019.

This study uses 17 variables to affect stock prices. The method on this research is Principal Component Analysis (PCA). The data used in this research is the financial performance data of each company's quarterly 2015-2019 period in the LQ45 stock banking sector listed on the Indonesia Stock Exchange. The analytical techniques used in this study are descriptive statistics, test normality, and principal component analysis.

The results of the research show from the five companies that are researched, the most dominant and influential main factors against the share price of component 1 is Return on Equity and Earning per Share. Variables that play an important role for the company's share price with the issuer code BBKA, BBNI, BBRI, and BBTN are Return on Asset. Then the variable that plays the next important role that affects the stocks other than BBKA and Mandiri is Net Profit Margin.

Thus, it can be concluded that with the investor seeing the progress of the profit gained by the five companies, investors can predict its share price, so the profit from investing in the form of stocks will be predicted.

Keywords: Investors, Stock Prices, Principal Components Analysis, Banking Sector.