THE EFFECT OF INFLATION, EXCHANGE RATE, COVID-19, PROFITABILITY, LEVERAGE, AND FIRM SIZE ON STOCK RETURN

UNDERGRADUATE THESIS

Submitted as one of the requirements to obtain

Sarjana Akuntansi

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FACULTY OF BUSINESS

ACCOUNTING STUDY PROGRAM

CIKARANG

SEPTEMBER 2024

PLAGIARISM CHECK RESULT

THE EFFECT OF INFLATION, EXCHANGE RATE, COVID-19, PROFITABILITY, LEVERAGE, AND FIRM SIZE ON STOCK RETURN

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TABLE OF CONTENTS

LIST OF GRAPHS

LIST OF FIGURES

LIST OF TABLES

ABSTRACT

This study examines the impact of inflation, exchange rates, the COVID-19 pandemic, profitability, and leverage on stock returns in the manufacturing sector listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022, with firm size as a control variable. Using the Random Effect Model (REM), the results show that inflation has a significant positive effect on stock returns. This suggests that manufacturing companies were able to pass on increased costs to consumers, maintaining profit margins and boosting investor confidence. However, exchange rates, COVID-19, profitability (measured by Return on Assets), and leverage were found to have no significant effect on stock returns. The insignificance of these variables may be due to companies' effective risk management strategies, adaptability to the pandemic, and investors' focus on broader economic factors rather than internal financial metrics during the study period. These findings emphasize the critical role of external macroeconomic factors, particularly inflation, in determining stock returns in the Indonesian manufacturing sector, while internal metrics such as profitability and leverage play a less significant role. The study provides insights for investors and managers to better understand the key drivers of stock performance and adapt strategies accordingly.

Keywords: inflation, exchange rates, COVID-19, profitability, leverage, stock returns, manufacturing sector, firm size, Indonesia Stock Exchange (IDX)

INTISARI

Penelitian ini meneliti pengaruh inflasi, nilai tukar, pandemi COVID-19, profitabilitas, dan leverage terhadap return saham di sektor manufaktur yang terdaftar di Bursa Efek Indonesia (BEI) pada periode 2019 hingga 2022, dengan ukuran perusahaan sebagai variabel kontrol. Menggunakan Model Random Effect (REM), hasil penelitian menunjukkan bahwa inflasi memiliki pengaruh positif yang signifikan terhadap return saham. Hal ini mengindikasikan bahwa perusahaan manufaktur mampu meneruskan peningkatan biaya kepada konsumen, menjaga margin keuntungan, serta meningkatkan kepercayaan investor. Namun, nilai tukar, COVID-19, profitabilitas (diukur dengan Return on Assets), dan leverage tidak menunjukkan pengaruh signifikan terhadap return saham. Ketidaksignifikanan variabel-variabel ini dapat disebabkan oleh strategi manajemen risiko yang efektif, adaptabilitas terhadap pandemi, dan fokus investor pada faktor-faktor ekonomi makro yang lebih luas daripada metrik keuangan internal selama periode penelitian. Temuan ini menekankan pentingnya faktor-faktor ekonomi makro eksternal, khususnya inflasi, dalam menentukan return saham di sektor manufaktur Indonesia, sementara metrik internal seperti profitabilitas dan leverage memainkan peran yang kurang signifikan. Penelitian ini memberikan wawasan bagi investor dan manajer untuk lebih memahami faktor-faktor utama yang mempengaruhi kinerja saham dan menyesuaikan strategi secara tepat.

Kata Kunci: inflasi, nilai tukar, COVID-19, profitabilitas, leverage, return saham, sektor manufaktur, ukuran perusahaan, Bursa Efek Indonesia (BEI)