Proceedings of the 1st International Conference on Culinary, Fashion, Beauty, and Tourism
Padang, West Sumatera, Indonesia, 11-12 May 2018
ISBN No.978-602-52249-0-4

THE EFFECT OF DEBT TO EQUITY RATIO (DER), RETURN ON ASSET (ROA), INFLATION RATE AND EXCHANGE RATE TOWARD STOCK RETURN OF TEXTILE INDUSTRY

(Textile Industry Listed in Indonesia Stock Exchange for the Period of 2010-2015)

Nidia Wulansari

Universitas Negeri Padang, Department of Hospitality Management
email: nidia_wulansari@yahoo.com

ABSTRACT

Every investor surely wants to gain high return from their investment. For gaining high return, investors need enough information. The Information can be obtained from financial report (internal factors) and macroeconomic (external factors).

In this research, there will be some explanations about the effect of debt to equity ratio (DER), return on asset (ROA), inflation rate and exchange rate toward stock return of textile industry listed in Indonesia Stock Exchange (IDX). The textile industry have been selected because according to the ministry of industry, textiles industry is an investment priority. Sampling method used for this research was purposive sampling. Sample of this research consists of seven textile industries listed in Indonesia Stock Exchange for the period of 2010 – 2015. Data analysis tools was using the classical assumption test and multiple linear regression.

The result of this research show that ROA and exchange rate were positive and significant effect toward stock return of textile industry. DER have positive and no significant effect toward Stock return of textile industry. Inflation rate have negative and no significant effect toward stock return of textile industry. Based on the explanation above, ROA and exchange rate should be considered by the investors who want to invest their money at stocks textile industry.

***Keywords**: stock return, debt to equity ratio (DER), return on asset (ROA), inflation rate, exchange rate*

1. INTRODUCTION

Investment is an activity of placing funds in one or more assets over a certain period in the hope of earning an income or an increase in the value of the initial investment (capital). It aims to maximize expected returns within acceptable risk limits for each investor (Jogiyanto, 2013). However, many things that must be considered in choosing the stock to be invested. Investors use various ways to obtain expected returns, either through their own analysis of stock trading behavior, or by taking advantage from advice provided by capital market analysts such as brokers, dealers, investment managers and others.

According to Ang (1997) there are two factors that affect the return on investment ; internal factors such as management reputation, quality, capital structure, debt structure of the company and others ; and, external factors such as the development of industrial sector, the influence of monetary and fiscal policy. These factors will be used as a reference for investors in making investments.

ISBN No.978-602-52249-0-4

The first factor that influences investment return is internal factors. Internal factors analyzed can be seen from the company's financial ratios. The company's better financial performance is reflected by its ratio. In this study, the financial ratios to be analyzed are solvency ratios and profitability ratios. Debt to equity ratio (DER) is usually used for the solvency ratio. As for profitability ratio used Return on asset (ROA).

The second factor that influences the return on investment is the external factor. According to Ang (1997) external factors that affect the return on investment is similar with the development of the industrial sector, and also the influence of economic condition. Ang (1997) also states that the analysis of economic conditions is the basis of security analysis, where if the economic conditions are bad, then the likely return of shares in circulation will reflect a comparable decline. But if the economy is good, then the stock price reflection will be good too. In theory, there are many indicators that can measure macro variables, including political economic indicators. Indicators that are quite commonly used to predict stock fluctuations are variables that directly controlled through monetary policy with the transmission mechanism through the financial market. These variables include inflation and exchange rates.

The following table is the development of Textile Industry listed in Indonesia Stock Exchange (IDX) period 2010-2015. The average stock return as well as internal and external factors of Textile Industry are as follows

Table 1. The development of Textile Industry stock returns listed on the Indonesia Stock Exchange period 2010 - 2015

	2010	2011	2012	2013	2014	2015
Stock Return	0.205096	0.937677	0.730164	-0.130775	0.153752	-0.087719
DER	4.491275	5.174383	-2.981029	-1.433931	0.752202	0.797107
ROA	-0.061265	0.034692	-0.005050	-0.014746	-0.015680	-0.024166
Inflation rate	0.069600	0.037900	0.043000	0.083800	0.083600	0.033500
Exchange rate	0.000111	0.000110	0.000103	0.000082	0.000080	0.000072

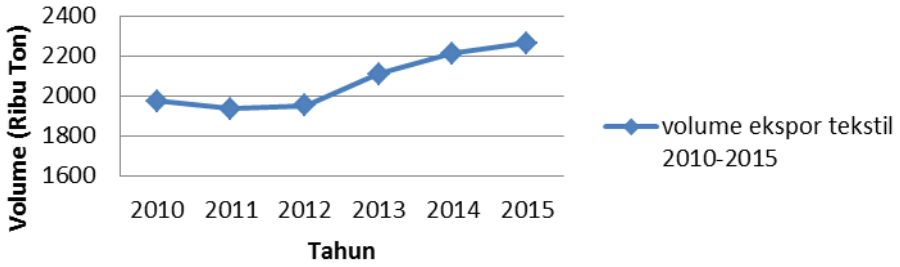
From the table above shows that the development of Textile Industry stock returns listed on the Indonesia Stock Exchange period 2010 - 2015 was fluctuated. The highest stock return occurred in 2011 amounted to 0.938 or 93.8%, while the lowest stock return occurred in the year 2013 amounted to -0.131 or -13.1%. Based on the table above also seen that Debt to Equity Ratio (DER), Return on Assets (ROA), inflation and exchange rate indicates conditions are inconsistent with stock returns on the Textile Industry. According to Ang (1997) the better the company's financial performance is reflected from its ratio-the higher the stock return of the company, so if the economic condition is good, then the stock price reflection will be good too.

The table shows the difference of trend between DER, ROA, Inflation and Exchange Rate with stock return. DER in 2012-2013 increases the stock return declines. However, DER 2010-2011 increases, legal return was also increases. During the period 2010-2011 the DER factor experienced a very volatile fluctuation in the direction of stock return movement. Movement of textile industry ROA in 2010-2015 was in line with stock return movement. The movement of Inflation and Exchange Rate

ISBN No.978-602-52249-0-4

shows the direction that is not always accordance with the movement of stock returns. This development is one of the basis for researchers to examine more about what factors are expected to affect the stock return on the industry.

The object used in this research is the textile industry listed on the Indonesia Stock Exchange 2010-2015. According to the Indonesian Ministry of Industry, the textile industry is one of the industrial sectors that become the investment priority. Textile Industry is one of the industrial sectors that contribute big enough to the national economy. This industry is Indonesia's flagship non-oil export industry.

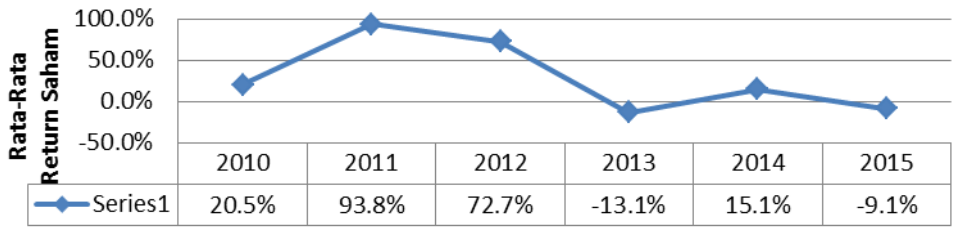


Source: Bank Indonesia (2016)

Figure 1: the volume of Indonesian textile exports

The figure above shows the volume of Indonesian textile exports obtained from the data of Bank Indonesia. In the figure, it is known that the highest export volume occurred in 2015 that is 2,264,000 tons. While the lowest occurred in 2011 that is 1934 thousand tons. Thus it can be concluded that the overall volume of Indonesian textile exports from 2010 to 2015 has increased from year to year.

According to the data that obtained from the Central Bureau of Statistics (BPS), by 2013 the industry is estimated to have absorbed 900,677 workers. The textile industry sector has considerable growth potential, consider the increasing volume of textile exports and the availability of large numbers of workers. From that large potential growth then investors will be interested to invest in this industry. Although the textile industry occupies the top ranks for textile and clothing exports in the world, but the average stock return of the textile industry in 2010 until 2015 tends to fluctuate. The average stock return of the textile industry can be shown in the following figure.



Source: Data processed

Figure 2: The average stock return of the textile industry

Based on the picture above, the average stock return of textile industry tends to fluctuate. The average movement of stock returns in 2010 to 2011 increased by 73.3%. However, from 2011 to 2013 the average stock return was declined. Even in 2013, the stock return generated a negative value of -13.1%. In 2013 was the year that

ISBN No.978-602-52249-0-4

generated the largest negative stock returns during the analysis period. In 2014 stock returns was increased, but in 2015 was decreased again

Investments by the investors are always assumed based on rational considerations, so that different types of information are needed for investment decision making. Thus, the researcher is interested to examine the Influence Analysis of Debt to Equity Ratio, Return on Asset, Inflation and Exchange Rate on Stock Return (Textile Industry Registered in BEI Period 2010-2015).

This study aims to find out how the influence of Debt to Equity Ratio, Return on Assets, inflation and exchange rate to the stock return of textile industry in 2010-2015. The existence of these factors is expected to be used as a source of information for consideration material in the investment decision of stock of textile industry in Indonesia Stock Exchange (BEI).

THEORETICAL FRAMEWORK AND HYPOTHESIS

Stock Return

Return is the result of investment activities (Jogiyanto, 2013). According to Ang (1997), return is the level of profit that obtained by the investors on an investment they make. According to Brigham and Houston (2006), the return is the difference between the amount received and the amount invested, divided by the amount invested. From the explanation by the experts above can be concluded that the stock return is the level of profits earned by investors on the results of stock investments they made.

Formula to calculate Stock return is shown below (Jogiyanto,2013)

$$\textit{Stock Return} = \frac{P_t - P_{t-1} + D_t}{P_{t-1}}$$

Description:
R_{it} = Stock Return
P_t = Initial Stock price
P_{t-1} = Ending Stock price
D_t = Devidends

Fundamental Analysis

Fundamental Analysis is an analysis related to the fundamental factors of the company shown in the company's financial statements. On the basis of financial statements of investors can conduct an assessment of the company's financial performance, especially decisions in terms of investing. For owners or shareholders it is useful to see the rate of return reflected in the income statement and the amount of dividends to which the shareholders are entitled.

Debt to equity ratio *(*DER)

Debt to Equity Ratio illustrates the extent to which the capital owners cover the entire debt (both current liabilities and long-term debt) to external parties and as the ratio that measures the extent to which the company is financed by debt. This ratio is also called leverage ratio. Debt to equity ratio is a ratio measures of debt can be covered by own capital (Darmadji and Fakhruddin, 2011).

The formula to calculate Debt to Equity Ratio is (Subramanyam and Wild, 2013)

$$\text{Debt To Equity Ratio} = \frac{TotalDebt}{Equity}$$

Return on asset (ROA)

ISBN No.978-602-52249-0-4

Return on assets (ROA) is one of the important profitability ratios used to determine ability of assets owned companies can generate profits (Tandelilin, 2010). Return on asset (ROA) is used to measure the company's effectiveness in generating profit by utilizing its own assets (Husnan and Pudjiastuti, 2002).

Formula to calculate ROA is shown below (Brigham and Houston, 2006)

$$\text{Return On Assets} = \frac{\text{net profit}}{\text{total asset}}$$

Economic condition analysis

Economic condition analysis is part of stock analysis based on technical analysis whereas technical analysis is stock analysis based on information from the outside company. The example of technical analysis is the analysis with considering state condition, such as economic condition, politics, and financial. Technical analysis that used in this research is inflation and exchange.

Inflation

Inflation is a general price increase, or Inflation can also be said to be a decrease in the purchasing power of money. Formula to calculate Inflation rate is shown below (Badan Pusat Statistik)

$$\text{Inflation rate} = \frac{IHK_1 - IHK_0}{IHK_0}$$

Description:

IHK_1 = consumer price index this period

IHK_0 = consumer price index last period

According to Putong (2002), Inflation divided into 4 main categories:

1) Creeping Inflation is Inflation below 10%.
2) Galloping Inflation is inflation between 10-30% per year. This inflation is usually a rapid and relatively large increases in prices and called double-digit inflation.
3) High Inflation is inflation between 30- 100% per year. These conditions, prices generally rise and change.
4) Hyper Inflation is inflation above 100%. In this condition people do not want to save money, because the value decrease significanly so it is better to be exchanged with goods.

Exchange Rate

According to macro theory, the exchange rate is a comparison of the value of the country's currency against the currency of another country or the price level agreed by the people of both countries to trade each other. The exchange rate (exchange rate) is the value of a country's currency as measured by the currency of another country (Madura, 2006). The decline in the value of a country's currency against the currency of another country is called depreciation, while the rise in the value of a country's currency against another country's currency is called appreciation. The exchange rate of foreign exchange becomes important because of the open trades so that the exchange rate can affect the financial condition of the company. The company's financial position will ultimately affect the value of a company's equity. The effect of exchange rate on capital market in Indonesia is reflected from the permission of foreign investors to invest in shares in Indonesia Stock Exchange. Foreign investors will surely pay attention to exchange rate changes as exchange rate changes may affect the return they receive.

Formula to calculate exchange rate is shown below (Salvatore, 2005)

ISBN No.978-602-52249-0-4

$$\text{Exchange rate} = \frac{1}{\text{Rupiah}}$$

Hypothesis

Hypothesis used in this research are shown below:

H1: *Debt to equity ratio* (DER) has negative effect and significant toward Stock return of Textile Industry

H2: Return on asset *(ROA*) has positive effect and significant toward Stock return of Textile Industry

H3: Inflation Rate has negative effect and significant toward Stock return of Textile Industry

H4: Exchange Rate has positive effect and significant toward Stock return of Textile Industry

Methodology

Population of this research is Textile Industry listed in Indonesia Stock Exchange for the period of 2010-2015. Total population is 19 industries (Indonesia Stock Exchange). Not all the population in this study is used as sample. Method used for sampling is purposive sampling that is suitable with the purpose of research stated. Sample is determined based on the terms determined as follow:

1. Actively traded shares during the years 2010-2015.
2. Never been suspended by Indonesia Stock Exchange.
3. The industries have financial statement during the years 2010-2015.
4. The industries don't stock split during the years 2010-2015.

Using criteria above, there are 7 industries defined as sample in this research. Those 7 industries can be seen in table below:

Table 2. Sample in this research

No	The Textile Industries
1	Sunson Textile Manufacture Tbk
2	Ricky Putra Globalindo Tbk
3	Panasia Indosyntec Tbk
4	Eratex Djaya Tbk
5	Polychem Indonesia Tbk
6	Asia Pacific Investama Tbk
7	Nusantara Inti Corpora Tbk

Type of Research

The type of this research is explanatory research. In this research investigates the effect of independent variables (Debt to equity ratio, Return on assets, Inflation and Exchange Rate) on the dependent variable (Stock Return)

Data Collection Methods

Collecting data in this study is conducted by secondary data is by reviewing the books, journals and internet information to obtain a comprehensive theoretical foundation as well as the exploration of the annual financial statements textile industries on the observation period 2011-2015 to obtain variable data used as a study. The exchange rate was obtained by quoting from the report of Bank Indonesia. The exchange rate uses the middle rate of Rp to US $. Inflation data was obtained by

ISBN No.978-602-52249-0-4

quoting from the Badan Pusat Statistik report. The data of inflation uses consumer price index.

Data Analysis Methods
Classical Assumption
Normality Test

Normality test is to test whether the regression model or residual confounding variables have a normal distribution or not. The data is normal if significant value One Sample Kolmogorov Smirnov more than 0.05.

Multicollinearity

Multicollinearity test aims to test whether the regression model found a correlation between independent variables. To detect the presence or absence of multicollinearity in the regression model can be seen from the tolerance value or Variance Inflation Factor (VIF).

Heteroscedasticity

Heteroscedasticity test aims to test whether the regression model occurred inequality residual variance from one observation to another observation. a good regression model is that Homocedasticity or heteroscedastisity did not happen detection of the presence or absence of symptoms Heteroscedasticity can be done by looking at whether there is a specific pattern on a scatterplot graph. Where Y is the Y axis that has been predicted and the X axis is the residual.

Autocorrelation

Autocorrelation is the relationship between the values of a variable with the same variable but occurred in the previous period. Autocorrelation symptoms may not occur in the regression analysis. To detect problems autocorrelation in the regression model can be observed through the test of Durbin-Watson (DW).

Multiple Linear Regression

Multiple Regressions is a regression model of the dependent variable is a linear function of several independent variables, multiple regressions were very helpful to examine the influence of several variables that correlated with variables tested. This analysis technique is needed in various decision-making both in policy formulation and in management. The formula of multiple regression analysis used for this research is:

$$\mathbf{Yit = a + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + \varepsilon}$$

Description:
Y = Stock *Return*
a = Intercept
β = The slope
X1 = Value of *Debt to equity ratio* variable
X2 = Value of *Return on asset* variable
X3 = Value of Inflation rate variable
X4 = Value of Exchange rate variable
ε = Error

RESULT AND DISCUSSION

Classical Assumption Test
Normality Test.

Table 3. Normality Test.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		42
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.75009146
Most Extreme Differences	Absolute	.126
	Positive	.126
	Negative	-.097
Test Statistic		.126
Asymp. Sig. (2-tailed)		.094[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Data Processed

This analysis was used to measure whether the data have a normal distribution or not. The variables used include Debt to equity ratio, Return on Assets, Inflation rate, Exchange rate and stock return. The results of One Sample Kolmogorov Smirnov test state that the data were distributed normally. It can be seen from the significant value of 0.094. This value is more than 0.05 its means the data are normal.

Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.924	.900		-1.027	.311		
	DER	.008	.014	.082	.566	.575	.967	1.034
	ROA	2.955	1.456	.293	2.030	.049	.974	1.026
	Inflation Rate	-5.326	5.935	-.132	-.897	.375	.942	1.061
	Exchange Rate	16835.157	8134.685	.305	2.070	.046	.936	1.069

a. Dependent Variable: Return Saham

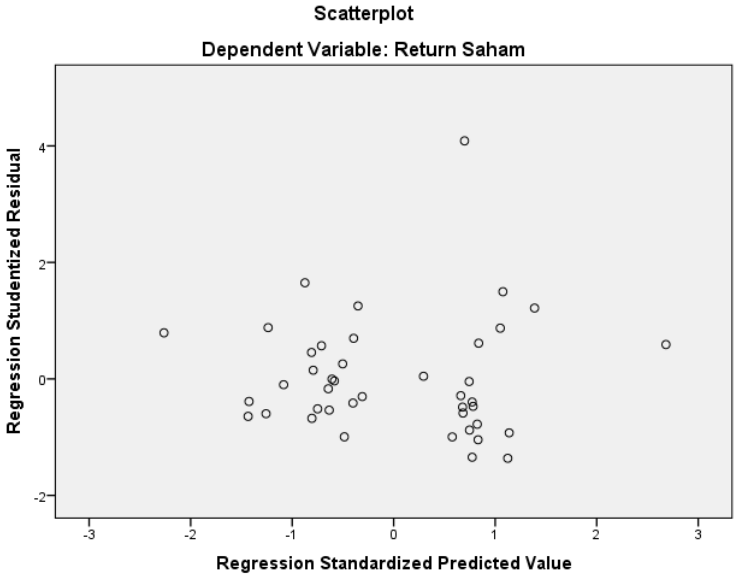
Source: Data Processed

The Table shows the result that *Debt to equity ratio*, Retun on Asset, Inflation rate, and Exchange rate have tolerance more than 0.01 (the minimum acceptance level of tolerance) and have Variable Inflation Factor (VIF) less than 10. It can be concluded that there is no multicollinearity problem in this regression model.

ISBN No.978-602-52249-0-4

Heteroscedasticity Test

Figure shows that the pattern if the dots is spreading and not create a clear pattern and the dots is spreading above 0 (Zero) in the Y-axis. It can be conclude that the regression model is free from



Source: Data Processed

Figure 3. Heteroscedasticity Test

Autocorrelation test

Table 5. Autocorrelation test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.500[a]	.250	.169	.789596633	1.849

a. Predictors: (Constant), Nilai Tukar, ROA, DER, Inflasi

b. Dependent Variable: Return Saham

Source: Data Processed

Table 6. Durbin Watson (DW)

dl	dU	DW	4-dU	Conclution
1,3064	1,7202	1,849	2,151	No autocorrelation

Source: Data Processed

The Durbin-Watson (DW) value shows that DW in a place between 1,7202 until 2,151 or in 1,849. It can be conclude that there is no autocorrelation problem in this regression model.

.

ISBN No.978-602-52249-0-4

Multiple Linear Regression Analysis

Table 7. Multiple Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.924	.900		-1.027	.311
	DER	.008	.014	.082	.566	.575
	ROA	2.955	1.456	.293	2.030	.049
	Inflation Rate	-5.326	5.935	-.132	-.897	.375
	Exchange Rate	16835.157	8134.685	.305	2.070	.046

a. Dependent Variable: Return Saham

Source: Data Processed

Multiple Regressions is used to examine the influence of independent variable to the dependent variable. From the result in table can be seen that the regression models is

Stock ***Return*** **= - 0,924 + 0,008 DER + 2,955 ROA – 5,326 Inflation Rate + 16835,157 Exchange Rate**

The interpretation of the equation:

1. The Value of (Constant) / α is -0,924. It explains that all independent variables are equal to zero; the Stock Return is predicted to be -0,924.
2. Debt to equity ratio has an effect to stock return with regression coefficient of 0,008. . This means that the variable Debt to equity ratio has positive effect on the variable Stock Return. In Condition where other variable are constant, if one unit increasing in Debt to equity ratio The stock return is predicted to be increased by 0,008.
3. Return on Asset has an effect to stock return with regression coefficient of 2,955. This means that the variable Return on Asset has positive effect on the Stock Return. In Condition where other variable are constant, if one unit increasing in Return on Asset, The stock return is predicted to be increased by 2,955.
4. Inflation rate to stock return has regression coefficient of -5,326. This means that the variable Inflation rate has negative effect on the variable stock return. In Condition where other variable are constant, if one unit increasing in inflation rate, The stock return is predicted to be decreased by 5,326.
5. Exchange rate has an effect to stock return with regression coefficient of 16835,157. This means that the variable exchange rate has positive effect on the variable stock return. In Condition where other variable are constant, if one unit increasing in exchange rate, The stock return is predicted to be increased by 16835,157.

ISBN No.978-602-52249-0-4

Determination Test (R^2)

Table 8. Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.500[a]	.250	.169	.789596633	1.849

a. Predictors: (Constant), Nilai Tukar, ROA, DER, Inflasi

b. Dependent Variable: Return Saham

Source: Data Processed

The analysis of determination (R^2) value of 0.250 in this study may imply that the contribution of the effect of *Debt to equity ratio*, Retun on Asset, Inflation rate, and Exchange rate on stock return is 25 % while the remaining 75 % is affected by other variables not examined in this study

Hypothesis Testing
F Test (Simultaneous)

Table 9. F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.681	4	1.920	3.080	.028[b]
	Residual	23.068	37	.623		
	Total	30.749	41			

a. Dependent Variable: Return Saham

b. Predictors: (Constant), Exchange Rate, ROA, DER, Inflation Rate

Source: Data Processed

The hypothesis in this test will be:
1) H_0 is accepted and H_1 is rejected if the significant > 0.05
2) H_0 is rejected and H_1 is accepted if the significant ≤ 0.05

ANOVA result for F test shows that F_{count} Value is 3.080 with significant 0.028. The significant shows less than 0.05. It means the confidence of this prediction is above 95% and probability of this prediction error is below 5% which is 0.028. The result of F test shows the Debt to equity ratio, Return on Asset, Inflation rate and Exchange rate have simultaneous effect on stock return of textile industries in Indonesia Stock Exchange is accepted.

ISBN No.978-602-52249-0-4

t Test (Partial)

Table 10. t- Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.924	.900		-1.027	.311
	DER	.008	.014	.082	.566	.575
	ROA	2.955	1.456	.293	2.030	.049
	Inflation Rate	-5.326	5.935	-.132	-.897	.375
	Exchange Rate	16835.157	8134.685	.305	2.070	.046

a. Dependent Variable: Return Saham

Source: Data Processed

From result of regression analysis above, it appears that independent variable that are Return on asset (ROA) and Exchange Rate have significant effect to dependent variable (stock return), with significance level 0,049 and 0,046. Because the value of Significant variable Return on asset (ROA) and Exchange Rate are smaller than 0.05.

Discussion

In theory, DER has negative and significant effect on stock returns. However, DER of textile industry has positive effect and no significant on stock return. In this study, the DER variable is not a factor considered in investment decisions. Because DER tends to increase every year. Some textile industries have negative DER. DER more higher shows the greater the industry's dependence on outsiders. DER always increasing will have a big risk, even the industry can go bankrupt. Although the DER value always increases, investors do not consider the value of DER in investing.

Based on t-test result, the return on assets have positive effects and significant on stock returns. This study is in accordance with the theory that ROA will affect the level of stock demand. ROA is a measure of the investor in purchasing of industrial shares in PT Bursa Efek Indonesia. ROA is a benchmark of profitability, where shareholders want to measure the profit that they have invested. ROA is also one of the financial indicators used in assessing company performance. If the company produces a high ROA value then company's performance is better.The Industries with a large ROA will attract investors to invest their funds.

Based on t-test results found that inflation has a negative effect and not significant to stock return. The results of this study explain that inflation in textile industries does not significantly affect the stock return. Investor reactions to inflationary changes did not turmoil. Because inflation during the study period is not high. The average value of inflation during the period of 2010-2015 was 5.8567%. The category of inflation is mild inflation because the inflation rate is below 10%. According to Kewal (2012) the market still accept if the inflation rate is below 10%, but if the inflation rate above 10% then the capital market will be disrupted. Inflation below 10% does not affect in Indonesia's macro economic condition. Based on the above, the inflation rate has no significant effect on stock return.

Based on t-test results found that exchange rates have positive effect and significant on stock returns. This study is according with theory that exchange rate will effect the level of demand for such shares.The results of this study means exchange

ISBN No.978-602-52249-0-4

rate is criteria for investors to purchase of textile industry shares in PT Bursa Efek Indonesia.

Conclusion

Based on the overall result on this study, the final conclusions on this research are:

1. Return on asset (ROA) and Exchange Rate have significant effect to stock return textile industries listed Indonesia Stock Exchange
2. Debt to equity ratio and inflation rate doesn't have significant effect to stock return textile industries listed Indonesia Stock Exchange

Recommendations

This research recommends the following:

1. For investors that want to buy share in textile industries listed Indonesia Stock Exchange the ratio of Return on Assets and Exchane rate can be used to determined decision of investing because Return on Assets and Exchane rate have Effect on stock return.
2. Researchers who interested in doing research in same study are able to use another variable that is not discussed in this research.

REFERENCES

Ang, R. (1997). Buku Pintar Pasar Modal Indonesia. Jakarta: Mediasoft.

Brigham, E. F., & Joel F. H. (2006). Dasar-Dasar Manajemen Keuangan, alih bahasa Ali Akbar Yulianto (Buku satu, Edisi sepuluh). Jakarta: Salemba Empat.

Claude, B. E., Camble, R. H., & Tadas, E. V. (1996). *Political Risk, Economic Risk, and Financial Risk*. Financial Analysts Journal Nov-Dec: 29-45.

Darmadji, T., & Fakhrudin, F. (2011). Pasar Modal di Indonesia (Edisi ke 3). Jakarta: Salemba Empat.

Dewi, A. D. I. R., & Luh, G. S. A. (2016). Pengaruh Suku Bunga SBI, Inflasi, Dan Fundamental Perusahaan Terhadap Harga Saham Indeks LQ-45 Di BEI. E-Jurnal Manajemen Unud, Vol. 5, No. 4, 2016: 2484-2510 ISSN : 2302-8912.

Dwita, V., & Rose, R. (2012). Pengaruh Inflasi, Suku Bunga Dan Nilai Tukar Terhadap *Return* Saham Sektor Restoran Hotel Dan Pariwisata. Jurnal Kajian Manajemen Bisnis Volume 1, Nomor 1, Maret 2012.

Ghozali, I. (2016). Aplikasi Analisis Multivariate Dengan Program IBM SPSS 23. Semarang: Universitas Diponegoro.

Haanurat, A. I. (2013). Pengaruh Karakteristik Perusahaan Dan Ekonomi Makro Terhadap *Return* Saham Syariah Yang Listing Di Jakarta Islamic Index. Jurnal Manajemen dan Bisnis Vol. 3 No. 2 April 2013: 115-134.\

Hardiningsih, P., Suryanto, S., & Chariri, A. (2002). Pengaruh Faktor Fundamental dan Risiko Ekonomi terhadap *Return* Saham pada Perusahaan di Bursa Efek Jakarta (Studi Kasus Basic Industri & Chemical). Jurnal Strategi Bisnis, Vol, 8, Des. Tahun VI.

Husnan, S. (2005). Dasar-dasar Teori Portofolio dan Analisis Sekuritas. (Edisi Ketiga). Yogyakarta: UPP AMP YKPN.

ISBN No.978-602-52249-0-4

Husnan, S., & Pudjiastuti, E. (2002). Dasar-Dasar Manajemen Keuangan. (Edisi ke tiga). Yogyakarta: AMP YKPN.

Jogiyanto, H. (2013). Teori Portofolio dan Analisis Investasi (Edisi Kedelapan). Yogyakarta: BPFE.

Johannes, J., & Meri, A. (2013). Pengaruh ROA, DER, CR, Inflasi Dan Kurs Terhadap *Return* Saham (Studi Kasus Industri Makanan Dan Minuman Yang Terdaftar Di BEI Periode 2008-2012). Jurnal Dinamika Manajemen Vol. 1 No.4 Oktober – Desember 2013.

Kewal, S. S. (2012). Pengaruh Inflasi, Suku Bunga, Kurs, Dan Pertumbuhan PDB Terhadap Indeks Harga Saham Gabungan. Jurnal Economia, Volume 8, Nomor 1, April 2012 E ISSN: 2460-1152. http://journal.uny.ac.id/ index.php/economia/article/view/801/625.

Kuwornu, J. K. M. (2012). *Effect of Macroeconomic Variables on the Ghanaian Stock Market Returns: A Co-integration Analysis*. *Agris on-line Papers in Economics and Informatics Volume IV Number 2, 2012.*

Lindayani, N.W., & Sayu, K. S. (2016). Dampak Struktur Modal Dan Inflasi Terhadap Profitabilitas Dan *Return* Saham Perusahaan Keuangan Sektor Perbankan. E-Jurnal Manajemen Unud, Vol. 5, No.8, 2016: 5274-5303 ISSN : 2302-8912.

Madura, J. (2006). International corporate finance (8th ed.). Mason: Thomson.

Pratikno, D. (2009). Analisis Pengaruh Nilai Tukar Rupiah, Inflasi, SBI, Dan Indeks Dow Jones Terhadap Pergerakan Indeks Harga Saham Gabungan (IHSG) Di Bursa Efek Indonesia (BEI). Tesis Program Pasca Sarjana Universitas Sumatera Utara Medan.

Putong, I. (2002). Ekonomi Mikro dan Makro (Edisi Kedua). Jakarta: Ghalia Indonesia.

Ross, S. A et al. (2010). Fundamentals of Corporate Finance. 9th Edition. Mc Graw Hill.

Salvatore, D. (2005). Ekonomi Manajerial (Buku 2). Jakarta : Salemba Empat.

Samsul, M. (2006). Pasar Modal dan Manajemen Investasi Portofolio. Jakarta: Erlangga.

Subramanyam, K.R., & Wild, J. (2013). Financial Statement Analysis (Edisi kesepuluh). Jakarta: Salemba Empat.

Suselo, et al. (2014). Pengaruh Variabel Fundamental dan Makro Ekonomi terhadap Harga Saham (Studi pada Perusahaan yang Masuk dalam Indeks LQ45). Jurnal Aplikasi Manajemen (JAM) Vol 13 No 1, 2015 Terindeks dalam Google Scholar, ISSN: 1693-5241.

Tandelilin, E. (2010). Portofolio Dan Investasi, Teori Dan Aplikasi (Edisi Pertama). Yogyakarta: Kanisius.