THE INFLUENCE OF RETURN IN EQUITY (ROE) AND SBI RATE ON STOCK RETURN

(Survey on companies incorporated in LQ45 listed in the Indonesian Stock Exchange on period 2013-2015)

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ABSTRACT

This study was conducted in Index LQ45 companies listed in the Indonesian Stock Exchange. The phenomenon that occurs in the companies that is incorporated in the LQ45 is the increase of return on equity (ROE) but not followed by the increase of stock returns, as well as an increase in the SBI rates which also leads to the decline of stock returns.

The method used in this research is descriptive and verification method. The analysis method used is multiple linear regression analysis. The population of this study is the financial statements of companies that incorporated in the LQ45 Index listed on the Indonesia Stock Exchange during the period 2013-2015 with 60 samples of financial statements obtained through the method of purposive sampling.

The results showed that Return on equity (ROE) has a positive and significant effect on stock return, while SBI rate has a negative and significant effect on stock return.

Keyword : Return on Equity, SBI Rate, Stock Return

I. INTRODUCTION

1.1 Background

The capital market is a market that sells long-term capital in the form of securities such as bonds and stocks (Kasmir ,2010:51). Capital markets can reunite peoples who has excess funds with the other peoples who need the fund (Eduardus Tandelilin, 2010:35). With the capital market, investors can invest their funds into listed companies in the capital market, the main purpose of investing for investors is to earn profit (return). For investor, return is one of the parameters to assess how much profit of a stock. (Eduardus Tandelilin, 2010:50).

The Factors that may affect of stock returns is Microeconomic factors and macroeconomic factors. Microeconomic factors are economic factors related to the company's internal conditions. Macroeconomic factors are economic factors that are outside the company and affect of company performance (Mohamad Samsul, 2006: 200).

One of the micro-economic factors is performance measurement which is one important factor that is useful for corporate financial planning (Irham Fahmi, 2013:108). According to Kasmir (2015:204) one of profitability rastio is ROE or return on equity, ROE is ratio to measure net income aftrer tax with Shareholders Equity. If the company have the higher of this ratio, it's mean that the position of the owner of the company is getting stronger, and vice versa.

The second factor affecting stock return is macroeconomic factors that can affect the operational performance of the company. One of the macroeconomic variables that can affect the company's performance is the interest rate (Sadono Sukirno, 2005: 122). Which can be reviewed through the interest rate of Certificate of Bank of Indonesia. According to Dahlan Siamat (2005:455-456) Certificate of Bank of Indonesia is Securities denominated in rupiah denominated bonds issued by Bank Indonesia in recognition of short-term debt and are traded with discount.

1.2 Identification of problems

Based on the background, then the identification problem that can be concluded is

1. There is a gap on Return on Equity (ROE) that is when the Return on Equity (ROE) has increased, stock return decline.
2. Increase in Certificate of Bank of Indonesia interest rate causes stock return to decline.

1.3 Formulation of the problem

From the identification of problems that have been defined above, then the formulation of the problem of this study as follows:

1. How much influence the Return on Equity (ROE) on stock returns on companies incorporated in the LQ45 Index in the BEI year 2013-2015.
2. How much influence the Certificate of Bank of Indonesia interest rate on stock returns on companies incorporated in the LQ45 Index in the BEI year 2013-2015.

1.4 Research Objectives

The purpose of this study is to obtain empirical evidence on:

1. To find out how much influence ROE on stock returns on companies incorporated in the LQ45 Index in the BEI year 2013-2015.
2. To find out how much influence the Certificate of Bank of Indonesia interest rate on stock returns on companies incorporated in the LQ45 Index in the BEI year 2013-2015.

1.5 Usefulness Research

1.5.1 Practical Usefulness

With this research, it is expected to be the input (input) or as a comparison material, especially the financial manager in planning and making decisions in investing, so the company can generate profits in the future..

1.5.2 Academic Usefulness

1. For Science Development
   Expected to be made as a contribution of thought in the development of accounting science and enrichment more deeply, especially on the Return of Equity (ROE) and Certificate of Bank of Indonesia Interest Rate on Stock Return.
2. For Further Researchers
   It is hoped that it can be used as reference material and supporting information in the next research, which is expected to be a thought contribution for further research.

II. LITERATURE REVIEW, FRAMEWORK AND HYPOTHESIS

2.1 Literature review

2.1.1 Return on Equity (ROE)

2.1.1.1 Definitionn of Return on Equity (ROE)

According to Irham Fahmi (2013: 56) Return on Equity (ROE) is the ratio used to assess the extent to which a company uses its resources to be able to provide return on equity owned.

2.1.1.2. Indicators *Return On Equity (ROE)*

According to Irham Fahmi (2013:56), Indicators to calculating *return on equity (ROE)* is :

$$ROE = \frac{\textit{Net Profit After Taxes}}{\textit{Shareholders Equity}} \times 100\%$$

1.1.1.3 Factors Affecting *Return On Equity (ROE)*

According to eduardus tandelilin (2010: 373 there are three factor that can affecting return on equity (ROE), There are net profit margin , total asset turn over and the debt ratio .

2.1.2 Certificate of Bank of Indonesia rate

2.1.2.1 Definition of Certificate of Bank of Indonesia rate

According to Dahlan Siamat (2005: 89) Bank Indonesia Certificates are securities in rupiah currency issued by Bank Indonesia in recognition of short-term debt.

2.1.2.2 Indicators of Certificate of Bank of Indonesia rate

According to Dahlan Siamat (2005: 456) Through the use of SBIs, BI can indirectly affect the interest rate on the money market by announcing Stop Out Rate (SOR). SOR is the interest rate received by BI on the offering of the interest rate from the auction participants. Furthermore, the SOR will be used as an indicator for the interest rate of transactions in the money market in general.

2.1.3 Stock *Return*

2.1.3.1 Definition of Stock *Return*

According to Eduardus Tandelilin (2010: 102) Stock Return is the rate of return in the form of rewards gained from buying and selling stock. Where investors dare to invest and risk for its investments.

2.1.3.2 Factors That Affacting Stock Return

Some factors that affect the stock return according to Irham Fahmi (2012: 87) are micro and macroeconomic conditions, company policy in deciding expansion (expansion), sudden change of directors, financial performance such as liquidity performance, leverage, activity, and profitability .

2.1.3.3 Indicators of Stock *Return*

According to Eduardus Tandelilin (2010:103), Indicators to calculating of stock *return* is :

$$\frac{P_1 - P_0}{P_0} + \frac{d_1}{P_0}$$

Keterangan:

P1 = Stock Price period t

P0 = Stock Price before period t-1

d1 = *yield* (deviden)

2.2 Framework

2.2.1 Effect of Return on Equity (ROE) on Stock Return

According to Brigham & Houston (2010: 133) explains that the most important ratio is return on equity which is net income for shareholders divided by total equity / shareholder equity of shareholder. The shareholders definitely want to get a high return on their invested capital, and return on equity (ROE) shows the rate they earn. If return on equity (ROE) is high, then stock price will also tend to be high which will increase stock return.

Several studies related to the effect of return on equity (ROE) on stock returns have also been done. Research conducted by Okky Safitri, Sinarwati and Anantawikrama Tungga Atmadja (2015) and Wong Pik Har and Muhammad Afif Abdul Ghafar (2015) showed that return on equity (ROE) had a positive and significant effect on stock return.

2.2.2 The Effect of SBI Rates on Stock Return

According to Dyah Sulistiastuti Ratih (2006: 45) the movement of SBI rate increase is very influential on the effect for fixed income. An increase in the SBI rate can provide an alternative investment because investors prefer to buy SBI that can give high interest. The transfer of funds by investors from stock to SBI will result in a decrease of stock return given.

From research conducted by Putu Ayu Rusmala Dewi, Ida Bagus Panji Sedana and Luh Gede Sri Artini (2016) and Tri Widyastuti and Basis G. Andamari (2013) stated that the SBI interest rate has a negative effect on stock return. This means that when there is an increase in interest rates then stock return will decrease.

2.3 Hipotesis

Berdasarkan uraian di atas, maka penulis mencoba menyatakan *hipotesis* penelitian sebagai berikut:

1. H1: *Return on equity (ROE)* berpengaruh terhadap *return* saham pada perusahaan yang tergabung dalam indeks LQ45 periode 2013-2015 di Bursa Efek Indonesia (BEI).
2. H2: Tingkat Suku Bunga SBI berpengaruh terhadap *return* saham pada perusahaan yang tergabung dalam indeks LQ45 periode 2013-2015 di Bursa Efek Indonesia (BEI).

III. RESEARCH METHODS

3.1 Research Methods Used

The Methods for this research is descriptive and verivicative method which mean the method to To conclude the result and this Research that the analysis of numerical data (numbers) by using this research method will be known significant relationship between variables studied, resulting in a conclusion that will clarify the object under study.

3.2 Operational Variabel

According to Nuryaman dan Veronica Christina (2015:78):

> "Operationalization of variables is done by observing the dimensions, the sides, the behavioral characteristics of the concept, then translating in observable and measured elements in order to create or develop a measurement index of the concepts.".

To analyze how the effect of return on equity (ROE) and SBI rate to stock return required operationalization of variable with purpose to understand the relation between each variable studied. Return on Equity (X1) is independent variable (independent) for Stock Return (Y). Interest

Rate SBI (X2) is independent variable (independent) for the Return of Shares (Y). So the variables of this study consist of:

a. Return on Equity (X1)
b. Interest Rate of SBI (X2)
c. Stock Return (Y).

3.3 Data Sources and Data Collection Techniques

3.3.1 Data Source

Sources of this research used secondary data in the form of financial statements of the company in the form of income statement and the statement of financial position the index LQ45 from the Indonesia Stock Exchange www.idx.co.id and interest rates Certificate of Bank Indonesia from the bank Indonesia www .bi.go.id.

3.3.2 Data Collection Techniques

To obtain the necessary data, the author uses two ways:

1. Library Research
2. Field Studies.

3.4 Population, Sample and Time Research

According Sugiyono (2014: 119), reveals that the population is a generalization region consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions.

Based on this definition, then the population in this study are 135 financial reports from 45 companies listed in the LQ45 Index from 2013-2015 in Indonesia Stock Exchange.

3.4.1 Sample Sampling

By examining samples, it is expected that the results already obtained will give Conclusion picture according to population characteristics. According Sugiyono (2013: 81), sample Is part of the number and characteristics possessed by the population. As for the technique Sampling in this research using purposive sampling using criterion certain that researchers have selected. According Sugiyono (2013: 84) Sampling purposive is a technique determination of samples with certain considerations. According Sugiyono explanation above, then that will be a sample in research the author is to meet the criteria set out as follows:

1. Companies that are consistently listed in the LQ45 Index from 2012-2015.
2. Available audited annual financial statements with these "unqualified opinion" opinions contains the data required in the study.
3. A company that is not a financial institution of a state-owned or private bank.

3.4.2 Place and Time of Research

Place research on Automotive Company by obtaining secondary data from Indonesia Stock Exchange (IDX) through the Capital Market Information Center (PIPM) which is located at Jl. Veteran No.10 Bandung.

3.5 Data Testing Method

In this research, data analysis technique using descriptive verative method with Quantitative approach.

1. Descriptive Analysis
   Descriptive statistics are used to describe and illustrate about the frequency distribution of variables in this study by calculating:
   a. average, Range
   b. Minimum and Maximu
   c. Standard of the Division
2. Verivative Analysis
   As for the steps of varivative analysis used in this research are as follows:
   1. Classic Assumption Test
      According to Imam Ghozali (2013: 57) states that Classic assumption test is used To get a good regression model, free from data irregularities which consist of normality test, multicolonierity, heteroscedasticity, and autocorrelation. The classical assumption test used consisted of:
      a. Uji Normality
         Imam Ghozali (2013: 160) states that the normality test aims for Test whether in the regression model, the disturbing or residual variable has normal distribution. The assumption of normality is a very important requirement on significance test (significance) regression coefficient. According to Huesein Umar (2011: 181) basic decision-making can be done based probability (Asymtotic Significance), namely :
         a. If probability> 0.05 then the distribution of the population is normal
         b. If the probability <0.05 then the population is not normally distributed.
      b. Multicolinearity Test
         According to Imam Ghozali (2013: 105) states that the test multicolonierity aims to test whether the regression model found any interrelationships independent variable. The regression model is said to be free from multicolonierity if the VIF value <10, and tolerance> 0.10 (10%). As a basis of reference it can be Concluded:
         a. If tolerance value> 0.10 percent and VIF value <10, then it can be conclude That there is no multicolonerity between independent variables in the model regression.
         b. If the tolerance value is <0.10 percent and the VIF value> 10, then it can be concluded that there is multicolonerity among independent variables in the regression model.
      c. Heteroscedasticity Test
         According to Imam Ghozali (2013: 139) explains that heteroscedasticity test aims to test whether in the regression model there is an inequality variance of the residual one observation to another observation. If variance from one observation residual to another fixed observation, it is called homoscedasticity and if different is called heteroscedasticity. Regression model the good is that there is homoskedastisitas or not happened heteroscedasticity.
      d. Test Autocorrelation
         The way to detect the presence or absence of autocorrelation is to use calculation of Durbin-Watson statistic value as follows:
         a. If dW is smaller than dL or greater than (4-dL) then the hypothesis is zero rejected, which means there is autocorrelation.
         b. If dW lies between dU and (4-dU), then the null hypothesis is accepted, which means There is no autocorrelation.

3.6 Data Analysis Method

3.6.1 Multiple Regression Analysis

In this study, multiple linear regression analysis is used to prove the extent to which the relationship of influence on Return on Equity (ROE) and SBI Interest Rate to Stock returns. This analysis is used by involving two or more independent variables between the dependent variable (Y) and the independent variables (X1 and X2). Then Sugiyono (2012: 261) explains that the equation form of this multiple linear regression is as follows:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \varepsilon$$

Source: Sugiyono (2014: 253)

Information:

Y	= dependent variable / bound Y (Stock Return)
α	= Number berkonstanta
B1 and β2	= Coefficient of line direction
X1	= Independent / Free variable (Return on Equity)
X2	= Independent / free variable (Interest Rate of SBI)
ε	= Error rate (errorterm)

3.6.1 Pearson Coleration Coefficient Analysis

According to Umi Narimawati (2011: 49), correlation testing is used to know whether or not strong relationship between variables X and Y, can use correlation approach Pearson with the following formula:

$$r = \frac{n(\sum X_i Y_i) - (\sum X_i)(\sum Y)}{\sqrt{[n\sum {X_i}^2 - (\sum X_i)^2][n(\sum Y_i)^2 (\sum Y_i)^2]}}$$

Source: Umi Narimawati (2011: 49)

Information:

R	: Correlation Coefficient
n	: Amount of data
X	: Independent variable (independent)
Y	: The related variable (dependent)

3.6.2 Coefficient of Determination

According to Imam Ghozali (2011: 97) The coefficient of determination (R2) is a tool for measure how far the model's ability to explain variation of dependent variable, value The coefficient of determination is between 0 and 1, the greater the R2 (close to 1), the better The result for the regression model and closer to 0 then the independent variable The whole can not explain the dependent variable. Small R2 means ability the independent variables in explaining the variation of the dependent variable are very limited, the value Which is close to one means the independent variables give almost all the information Needed to predict the variation of the dependent variable. To see how much influence each of them will use the squares of Coefficient of determination, namely:

$$KD = (r)^2 \times 100\%$$

Information:
KD : coefficient of determination
R^2 : correlation coefficient

3.6.2 Hypothesis Testing Method

The hypothesis to be used in this study relates to the presence or absence correlation and influence of independent variable X1 and X2 significantly to variable Dependent (Y). According Sugiyono (2012: 159) hypothesis tested can be formulated as The following: To test whether there is a significant influence of the independent variables (X) on Dependent variable (Y), then the test is done by using statistical test t as following:

A. The t test formula used is:
   The results are compared with table t for the n-k-1 free degrees with a significance level of 5%.
B. Hypothesis
   Ho1: β = 0, meaning Return on Equity (ROE) has no significant effect on Return Stock
   Ha1: β ≠ 0, meaning Return on Equity (ROE) has a significant effect on Stock Return
   Ho2: β = 0, meaning that the SBI interest rate has no significant effect on Return Stock
   Ha2: β ≠ 0, meaning that the interest rate of SBI has a significant effect on Stock Return
C. Determine the level of significance.
   Determined by 5% of degrees of freedom (dk) = (n-k-1), to specify ttable as limit Areas of acceptance and rejection of hypotheses. The significant level used is 0.05 or 5% as it is considered sufficient to represent the relationship of the variables studied and is a level of significance commonly used in a study.
D. Determine the conclusion based on comparison t-count with ttabel. H0 refused if t-count < t-table (α = 0,05). Criteria for withdrawal testing: if using error level (α = 0.01) to be tested two Parties, the criteria of acceptance or rejection of the hypothesis are as follows:
   1. If t-count ≥ t-table then H0 is in the region of rejection, meaning Ha accepted means between Independent variables and dependent variables are related.
   2. If t-count ≤ t-table then H0 is in the area of acceptance, meaning Ha rejected means between independent variables and dependent variables have nothing to do.

IV. RESEARCH RESULT AND DISCUSSION

4.1 Research Results

4.1.1 Results of Descriptive Analysis

4.1.1.1 Descriptive Return on Equity (ROE)

Based on the results of descriptive analysis, it can be concluded that the fluctuation of change Return on Equity (ROE) is due to an increase or decrease in sales and expenses The company's operations that led to a decrease in net income.

4.1.1.2 Descriptive Rate of SBI Interest Rate

Based on the results of descriptive analysis, it can be concluded that the fluctuation of change the SBI interest rate is due to an increase or decrease in supply and demand as well as rising inflation.

4.1.1.3 Descriptive Stock Price

Based on the results of descriptive analysis, it can be concluded that the fluctuation of change Stock return is due to an increase or decrease in stock price and dividend payout.

4.1.2 Results of Verifikatif Analysis

1. Classical Assumption Testing Results

Prior to hypothesis testing using multiple linear regression analysis, there are several assumptions that must be fulfilled so that the conclusions of the regression are not Bias, such as normality test, multicollinearity test, heteroscedasticity test and test autocorrelation. To strengthen the obtained regression results are tested The classical assumption of regression, where the results obtained are as follows:

A. Normality Test Result

Normality test results show the probability value seen from Asymp Sig value. Is equal to 0.436 and the value is greater than 0.05, then corresponds to The test criteria can be concluded that the residuals in the distributed regression model normally, so that the model has fulfilled one of the conditions to be performed regression testing.

B. Multicollinearity Test Result

Based on the VIF values obtained showed no strong correlation Between free variables. It can be seen from the tolerance scale (α) and variance inflation factor (VIF) if using alpha / tolerance = 10% or 0.10 Then VIF = 10. From the output VIF count of both variables that is equal to 1,001 Less than 10 and all tolerance independent variables have a value of 0.999 = 99.9% greater than 10%, it can be concluded there is no multicollinearity.

C. Heteroscedasticity Test Results

In the scatterplot chart it appears that the spots are randomly distributed and scattered Either above or below the number 0 on the Y axis. It can be concluded that There is no heteroskedasitas on the regression model, so the regression model is feasible used to predict Stock Return based on independent variable Return On Equity (ROE) and SBI Interest Rates.

D. Autocorrelation Test Results

Based on the results obtained statistical value Durbin-Watson (D-W) = 1.766, While from table d the error rate of 5% for the number of variables = 3 and Number of observations n = 60 obtained lower limit of table value (dL) = 1.514 and limit topped it (dU) = 1,651. Because the value of Durbin-Watson regression model (1.766) is located between dU (1,651) and 4-dU (2,348), ie no autocorrelation area can then Concluded there is no autocorrelation on Return on Equity (ROE) and Tribe Level SBI Rate.

4.1.2.1 Estimation of Regression Model

Through the results of data processing as described in table 4.7 then it can be formed model Prediction as follows:

Y = 745,746 + 0,958 X1 - 106,978 X2

Mean :
Y = Stock Return
X1 = Return on Equity (ROE)
X2 = Interest Rate of SBI

4.1.2.2 Pearson Correlation Analysis

A. The effect of Return on Equity (ROE) partially on Stock Return

The relationship between Return on Equity (ROE) and Return of Stock is equal to 0.683 with positive direction. This means Return on Equity (ROE) has a relationship Strong with Stock Return.

The direction of a positive relationship indicates that when Return on Equity (ROE) increases Then the Stock Return will rise. Then big influence Return on Equity (ROE) Against Stock Return is $(0{,}683)^2$x 100% = 46,64%.

B. The effect of SBI interest rate partially on Stock Return

The relationship between SBI Interest Rate and Return of Stock is equal to - 0.336 with the negative direction. This means that the SBI Interest Rate has a relationship Low with Stock Return.

The direction of the negative relationship indicates that when the SBI Interest Rates Increase then the Stock Return will decrease. Then great influence Level SBI Interest Rate on Stock Return is (-$0{,}336)^2$ x 100% = 11,28%.

4.1.3 Coefficient of Determination

The coefficient of determination of 0.565 or 31.92% means that the return variable Shares (Y) is influenced by Return on Equity (ROE) and SBI Interest Rate of 31.92% While 68.08% is influenced by other factors beyond Return on Equity (ROE) and Tribe Level SBI interest such as inflation, currency changes, EPS, PBV, ROA, ROI, foreign funds in the stock exchange and macro factors, other micro economics.

4.1.4 Hypothesis Testing Partially

A. Influence Return on Equity (ROE) Against Stock Return on the company Which is incorporated in the LQ45 Index listed on the Indonesia Stock Exchange (IDX).

Obtained value of titung variable Return on Equity (ROE) equal to 7704 with value Significance of 0.000. Because the value of tcount 2,066 is greater than ttable 2,002 on 5% error rate (α = 0.05), it was decided to reject Ho1 so that Ha1 accepted .. It means with 95% confidence level can be concluded that Return On Equity (ROE) has a significant positive effect on Stock Return On companies in the LQ45 Index listed on the Indonesia Stock Exchange (IDX).

B. **The Effect of SBI Interest Rate on Stock Return on the company which is incorporated in the LQ45 Indek listed on the Indonesia Stock Exchange (BEI).**

Obtained value titung variable SBI Rate Rate of -3.598 with value Significance of 0.001. Because the value of tcount (-3.598) is greater than ttable (-2.002) At a 5% error rate (α = 0.05), it was decided to reject Ho1 so that Ha1 accepted .. This means that with 95% confidence level can be concluded that the level SBI interest rate has a significant negative effect on Stock Return On companies in the LQ45 Index listed on the Indonesia Stock Exchange (IDX).

4.2 Discussion

4.2.1 Effect of Return on Equity (ROE) Against Stock Return

Based on the results of the research note that the magnitude of effect Return on Equity (ROE) effect of 46.64% to stock return and the remaining 53.36% influenced by factors Such as Return on Assets (ROA), Return on Investment (ROI), Earning per Share (EPS) and Other factors that give effect to stock return of stock. The non-dominant influence of the Return On Equity (ROE) variable on Return the stock is known because Return on Equity (ROE) gives effect to stock return.

Amounted to 46.64% and this proves the phenomenon that occurs in incorporated companies In the LQ45 Index that is when the company experienced an increase in Return on Equity (ROE), Some companies LQ45 Index actually decreased stock return. Because Influence only 46.64% means that there could be a condition of an increase in Return on Equity (ROE) does not affect the stock return.

Furthermore, it is known that the correlation value of 0.683 refers to sugiyono (2011: 184) including in the category of strong relationships and positive signs that show relationships which occurs between the two is unidirectional, meaning the higher the value of Return on Equity (ROE) Then the stock return will be higher. This is in accordance with the theory of Eduardus Tandelilin (2010: 372), which states that Return on Equity (ROE) has a positive relationship With stock return, meaning that when ROE increase then stock return also increase. ROE Is also the ratio used to measure the level of profitability of the company. This ratio Very important to note to know how far the investment will be done Investors in a company are able to provide a return that corresponds to that level Hinted investors.

Furthermore, the result of hypothesis test of t test obtained shows that H0 is rejected because the result of tcount test is bigger than ttable. Therefore it can said that Return on Equity (ROE) has partially significant influence against Stock Return on companies incorporated in the LQ45 Index listed in Indonesia Stock Exchange (IDX). Based on the results of the verification analysis can be concluded that the Return On Equity (ROE) affect the Return of shares, in accordance with research conducted by Okky Safitri, Sinarwati and Anantawikrama Tungga Atmadja (2015) and international journal by Wong Pik Har And Muhammad Afif Abdul Ghafar (2015) showed that the development of profitability (ROE) have positive and significant effect to stock return.

4.2.2 Effect of SBI Interest Rate on Stock Return

Based on the results of the research note that the magnitude of the effect of SBI interest rate An effect of 11.28% on stock return and the remaining 88.72% affected by other factors such as inflation, rupiah exchange rate and other factors that have an effect on Stock returns.

The non-dominant influence of the SBI Rate to return variable the stock is known because the SBI Interest Rate gives effect to stock return Only 11.28%, and this proves the phenomenon that occurs in the company at PT Hanson International Tbk (MYRX), Indofood CBP Sukses Makmur Tbk (ICB) and Indofood Sukses Makmur Tbk (INDF) which experienced a decrease of stock return when the SBI interest rate increased.

Further variable SBI interest rate has correlation -0.336, correlation value Of -0.336 refers to sugiyono (2011: 184) included in the category of relationship Weak and marked negative which shows the relationship that occurs between the two is Inversely, meaning that if the SBI interest rate increases then stock return will decrease. The results of this study in accordance with the theory proposed by Jaka E. Cahyono (2000: 215) which states that the interest rate increase of letters Is an attraction for investors to invest in the form of letters Such as Certificates of Bank Indonesia (SBI) so that the investment in the form of shares will Decreased. Decrease in demand for stocks in the capital market will lead to stock prices decreased this will result in return given by the company.

Furthermore, the result of hypothesis test of t test obtained shows that H0 is rejected because the result of tcount test is bigger than ttable. Therefore it can it is said that the SBI Interest Rate has a significant effect on the Stock Return at companies incorporated in the LQ45 Index.

In accordance with research conducted by Putu Ayu Rusmala Dewi, Ida Bagus Panji Sedana and Luh Gede Sri Artini (2016) which show SBI interest rate has negative effect To stock return and research by Tri Widyastuti and Basis G. Andamari (2013) States that interest rates have

a significant negative effect on stock returns and are appropriate With international journals by Amir Hussain and Muhammad Junaid Khan (2011) who Stated that the interest rate level has an effect on stock return.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the background, phenomenon, theoretical studies, the frame of thought, the results of the analysis data and discussion that has been done in the previous chapters, the researchers took Some conclusions as follows:

1. There is influence between Return on Equity (ROE) to Stock Return at companies incorporated in the LQ45 Index.
2. There is influence between SBI Rate to Stock Return at companies incorporated in the LQ45 Index.

5.2 Suggestions

After the authors give conclusions from the results of research on Return on Equity (ROE) Rate of SBI Interest Rate on Stock Return then the author will give some Suggestions that can be used by companies incorporated in the listed LQ45 Index On the Indonesia Stock Exchange.

5.2.1 Operational Suggestions

1. For the Company

   For the LQ45 Index companies listed on the Indonesia Stock Exchange Shows the phenomenon of increased Return On Equity (ROE) but followed With low stock returns. Companies should make efforts to maximize Return on Equity (ROE). Like adding Sales volume, new investment, or business expansion. So the company will be able to increase Return on Equity (ROE) Will have an impact on stock return and investor interest itself to Planted shares in the company. In order to increase tribal rates SBI interest of investors does not transfer their funds to SBI securities, Because if the company has a high ROE ratio and stable investors Will believe the company can provide high stock returns.
2. **For Investors**

   For investors who are investing or who are just starting out Investments in companies incorporated in the LQ45 Index listed on IDX is expected to be more cautious and investment decision-making as well Expected investors should estimate which company companies Who have prospects in the future to come one of them with Pay attention to Return on Equity (ROE) ratio which will measure how far The capital they invest can generate profits.

5.2.2 Academic Suggestions

1. For Science Developers

   It is expected to provide more empirical evidence of the concept that has been studied Namely Return on Equity (ROE), SBI interest rate on Stock Return
2. For other Researchers

   It is recommended in subsequent research if conducting research, methods and units The same analysis is suggested using different population and sample agar Obtained conclusions that support theories and concepts generally accepted.

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ATTACHMENT

1. *Normality Test*

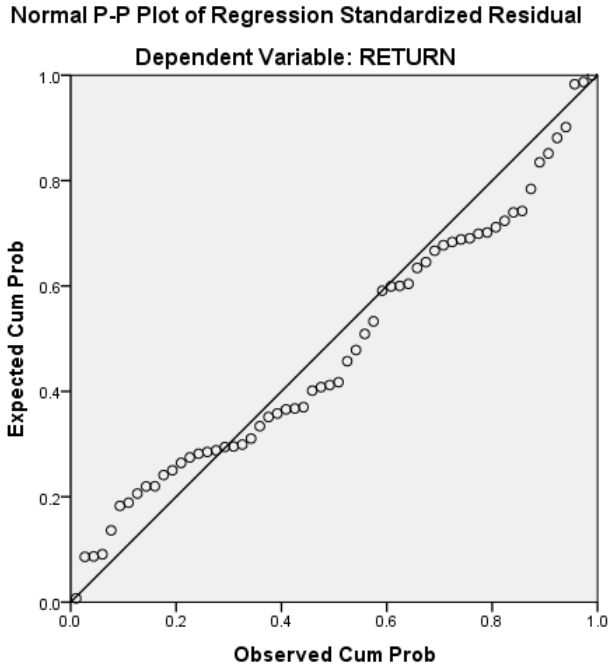
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Predicted Value
N		56
Normal Parameters[a,b]	Mean	1.1250000
	Std. Deviation	16.71439061
Most Extreme Differences	Absolute	.116
	Positive	.116
	Negative	-.089
Kolmogorov-Smirnov Z		.870
Asymp. Sig. (2-tailed)		.436

a. Test distribution is Normal.

b. Calculated from data.

2. P-Plot Normality Test



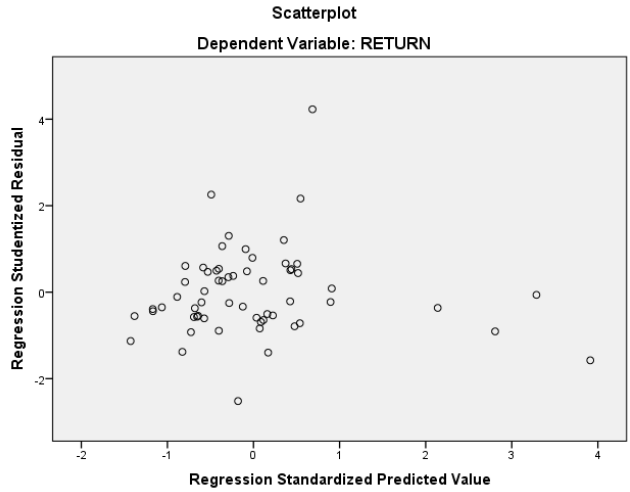
3. Coefficients For Multicolinery Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	745.746	211.410		3.527	.001		
	ROE	.958	.124	.673	7.704	.000	.999	1.001
	SUKU_BUNGA	-106.978	29.731	-.314	-3.598	.001	.999	1.001

a. Dependent Variable: RETURN

4. Heteroskedastisitas Test



5. *Summary* for Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.752[a]	.565	.550	26.06511	1.766

a. Predictors: (Constant), SUKU_BUNGA, ROE

b. Dependent Variable: RETURN

6. Estimation Multiple Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	745.746	211.410		3.527	.001
	ROE	.958	.124	.673	7.704	.000
	SUKU_BUNGA	-106.978	29.731	-.314	-3.598	.001

a. Dependent Variable: RETURN

7. Correlation Coefficient Partial of *Return on Equity* (ROE) on Stock *Return*

Correlations

		ROE	RETURN
ROE	Pearson Correlation	1	.683**
	Sig. (2-tailed)		.000
	N	60	60
RETURN	Pearson Correlation	.683**	1
	Sig. (2-tailed)	.000	
	N	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

8. Correlation Coefficient Partial of SBI rate on Stock *Return*

Correlations

		SUKU_BUNGA	RETURN
SUKU_BUNGA	Pearson Correlation	1	-.336**
	Sig. (2-tailed)		.009
	N	60	60
RETURN	Pearson Correlation	-.336**	1
	Sig. (2-tailed)	.009	
	N	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

9. The Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.752[a]	.565	.550	26.06511	1.766

a. Predictors: (Constant), SUKU_BUNGA, ROE

b. Dependent Variable: RETURN

10. T-Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	745.746	211.410		3.527	.001
	ROE	.958	.124	.673	7.704	.000
	SUKU_BUNGA	-106.978	29.731	-.314	-3.598	.001

a. Dependent Variable: RETURN