THE INFLUENCE OF INFLATION, GDP GROWTH, SIZE, LEVERAGE, AND PROFITABILITY TOWARDS STOCK PRICE ON PROPERTY AND REAL ESTATE COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2005-2013

[1*]Herry Goenawan Soedarsa and [2**]Prita Rizky Arika
[1'2]Accounting Study Program, Faculty of Economics, Bandar Lampung University
[*]Corresponding author e-mail: herry.gs13@gmail.com
[**]Corresponding author e-mail: prita.rizky.arika@gmail.com

Abstract *This study aims to identify and analyze the effect of inflation, GDP growth, firm size, leverage and profitability towards the stock price on the property and real estate sectors listed in Indonesia Stock Exchange 2005-2013. The first hypothesis is the inflation rate influences negatively on the stock price, the second hypothesis is GDP growth influences positively on the stock price, the third hypothesis is the firm size influences positively on the stock price, the fourth hypothesis is leverage influences negatively on the stock price, and the fifth hypothesis is profitability influences positively on the stock price. Stock prices measured by the Annual Closing Price are seen in the company's annual financial statements.*

The sample of this study is the industrial property and the real estate listed in Indonesia Stock Exchange in 2005-2013. The sampling technique used is purposive sampling in order to obtain a total sample of 10 companies and real estate properties that meet the criteria established for research sample. Inflation is measured by the consumer price index rate, GDP growth is seen from the changes in nominal GDP, the size of the Company is measured by total sales, leverage is measured using the Debt Equity Ratio (DER) and profitability is measured by Return on Assets (ROA). Data analysis techniques is performed with the classical assumption, hypotheses are tested using multiple linear regression analysis using SPSS 18.0 for windows. The results showed that in partial inflation, GDP growth, and leverage have no effect on stock prices, while the size of the company and profitability have positive effect on the stock price on the company property and real estate sectors listed in Indonesia Stock Exchange.

Keywords: Inflation, GDP Growth, Company Size, Leverage, Profitability, Stock Price

1. INTRODUCTION

The development of a country's capital markets cannot be separated from the development of the country's economy. Economic growth and business conditions are factors that affect the stock market reaction. The reaction of the stock market in this case reflected in the stock price is heavily influenced by economic growth and business conditions of a company. Both high economic growth and good business conditions are expected to impact on the stock price. Stocks are investments that can generate high profits, but the risk is also high. Investors' ability to understand and forecast the macroeconomic conditions in the future will be useful in making profitable investment decisions. Investors should undertake appropriate analysis of stocks that generated greater gains than obtained risks. The establishment of stock prices cannot be separated from accounting information, although the actual stock price formation is a present judgment from the seller or buyer. One of factors that affects the interest of investors to invest in stocks is reflected in the condition of the company's financial statements. Property companies and real estate are business organizations that experience rapid growth in recent years. The views of investors about stock investments in this business will provide a return that is promising because Indonesia is the fourth most populous country in the world, so the daily needs will be more attractive and land prices will also increase. Unfavourable conditions do not always make a company's stock price fell, but in fact, it is the opposite. External factors that reflect a country's economy do not always make stock investments to be pessimistic, when unfavourable economic conditions do not always cause the stock price fell.

2. REVIEW OF LITERATURE

2.1 THEORY

Signaling Theory

Hartono (2000) in his book "Teori Portofolio dan Analisis Saham" mentioned that information published as an announcement would give a signal to investors in making investment decisions. If the announcement contains a positive value, it is expected that the market will react when the announcement is received by the market. At the time the information was announced and all market participants have received such information, market participants must first interpret and analyze that information as either good signals (good news) or poor signal (bad news). If the announcement of such information is a good signal for the investors, there is a change in the volume of stock trading. All investors need information to evaluate the relative risk of each company so that they can diversify the investment portfolio and the combination of risk preferences as desired by investors in investing.

Random Walk Theory

Random walk is a term that first appeared in the correspondent in Nature that discussed how the optimal strategy finds drunken people abandoned in the middle of the field. The trick is to start looking in the first place where drunken people are placed and the person will walk in the direction that is not predictable and random (Pratikno, 2009).

This theory states that the change in price of a stock or the overall market that has occurred cannot be used to predict movements in the future. In other words, this theory states that stock prices move in the direction that is random and unpredictable. So, an investor may not be able to obtain returns exceeding the market return without more risking. It means that the difference between the price at a certain period and a price in the other periods is random. The difference is the stock return, which in a certain time period is zero. This means that volatility will not have any significant trend in the long enough period of time.

Elliott Wave Theory

The Wave Principle was Ralph Nelson Elliott (1938) research about a mass social behavior or trend that follows certain patterns. His research found that price changes in the stock market have a certain structure. Elliott noted that the pattern of price movements or waves is repetitive. Another thing to note is that although these patterns are repetitive but it is unnecessarily to recur with time and the same wave height. In addition, he presented the pattern is part of a larger pattern, which in turn is part of a larger pattern again and so on (Pratikno, 2009).

Elliott wave gives the impression that the volatility of the stock price can be different between one wave to another. In addition, this theory also provides the possibility that there is a trend of stock price return volatility appears from these patterns. Trend is a general direction which happens in the market. This direction can move horizontally, up or down. Horizontal trend occurs when peak and through successive horizontal lines. Uptrend occurs when a series of peaks and through which is exceeding the previous peak and through, while in the down is when peak and through are lower than the previous peak and through (Murphy, 1999).

Stocks

Stock is a sign of ownership in incorporated company which has been known that investors buy Stocks for the purpose of obtaining income from these Stocks. Public investors are categorized as investors and speculators. Investors here are the people who buy stocks to have a company in the hope of getting dividends and capital gains for the long term, while speculators are people who buy Stocks to be sold back when the most favourable exchange rate situation is considered. Stocks provide two kinds of income, namely dividends and capital gains.

According to Hartono (2003), the stock price at stock market in the appropriate time is determined by the market participants. The market value is determined by the demand and supply of the relevant Stocks on the stock market. The stock price is the market price recorded every day at closing time (closing price) of a stock. The financial statements may present relevant information to the decision models used by investors to make decisions to buy, hold, or sell Stocks. Stock prices that occurred in the capital market always fluctuate from time to time. Fluctuations in the price of a stock will be determined by the forces of supply and demand.

The Analysis of Stock Price

In general, there are two kinds of analysis; they are Fundamental Analysis and Technical Analysis. Both have different approaches in determining the value of the shares at the future. Fundamental analysis attempts to predict stock prices in the future by: (1) estimating the fundamental factors that affect stock prices in the future, and (2) applying the relationship of these variables in order to obtain the estimated stock price. The fundamental company is influenced by many things. Warren Buffet splits it into four basic principles in analyzing companies, namely business tenant (whether a business is easy to understand, whether the business has a consistent operating history and whether it has long-term prospects), management tenant (whether rational management or management style collide with the wishes of the shareholders), financial tenants (focus on Return on Equity, has a higher profit margin than others, whether the company adds to the prosperity of its shareholders) and market tenants (whether the value of the business, whether the business can be purchased for a significant discount to the intrinsic value of fundamental company) (Reilly and Brown, 2003).

Technical analysts use charts that show the usual historical data and some technical indicators such as moving the average line to help finding the intersection of the lines that will sign them to act. Often people say that technical analysis is art.

The Inflation

Various definitions of inflation in the economy have been proposed by the experts. But in general, inflation is a symptom of rising prices on an ongoing basis (continuing) to a number of goods. The temporary increase is not called inflation and price increases on the type of commodity is not also called inflation.

Gross Domestic Product

GDP is defined as the total value of all goods and services produced in the region within a specified period (usually a year). GDP differs from gross national product by introducing factor income from abroad who works for the country. Thus the GDP only counts the total production of a country regardless of whether the production is done by using a factor of production in the country or not, instead, paying attention to the origin of the PNB production factors being used. Nominal GDP Prefers to the value of GDP without regard to the effect of the price. While real GDP (GDP at constant prices) corrected nominal GDP figures by including the effect of the price.

Company Size

According to Ferry and Jones, the size of the companies describes the size of a company represented by total assets, number of sales, average total sales and average total assets (Sujianto, 2001). In this study, the size of the company is the size or magnitude of sales obtained by the company. State desired by the company is the net profit after tax because it is adding its capital. The operating profit can be obtained if the amount of the sale is greater than the sum of variable costs and fixed costs. So that net income had a desired amount then the management will conduct a thorough sales planning, as well as the right to control, in order to achieve the desired amount of sales.

Leverage

Leverage is the use of assets and resources by companies that have fixed costs (fixed load), the source of funds from the loan has fixed the interest as an expense to increase the potential benefit of shareholders (Sjahrial, 2007). The leverage ratio shows how much a company uses external debt to fund operations and expansion. Leverage is often interpreted as a performance booster and a company identical with debt. Debt can improve the company's performance results than if you rely on the strength of its own capital. Financial leverage ratio measured by Debt Ratio, Debt to Equity Ratio (DER), Time Interest Earned Ratio, Fixed Charge Coverage Ratio, and Debt Service Ratio (Sutrisno, 2003).

Profitability

Profitability is the company's ability to generate profits. Profit analysis is usually based on information contained in the income statement. Benefit ratio calculations use data from the balance sheet. Profitability ratio is the ratio that aims to determine the company's ability to generate profits for a certain period and provide an overview of the effectiveness of management in carrying out its operations. The effectiveness can be seen from the profit generated on sales and investment companies. Profitability ratios can be measured by Net Profit Margin, Return on Assets, Return on Equity, and Basic Earning Power (Brigham and Houston, 2010).

2.2 PAST RESEARCH

Patriawan (2011) analyzed the influence of the independent variable EPS, ROE and DER to the stock price. EPS resulted in this study has significant positive effect on the stock price changes; ROE negatively affected the stock price changes, while DER has no significant effect on stock price changes. Rinati (2012) examined the effect of independent variables namely NPM, ROA, ROE on stock prices. The research shows that the NPM, ROA and ROE have a significant effect on stock prices if tested simultaneously, whereas only partially ROA has significant effect on stock prices. Suryanto and Kesuma (2013) examined the effect of financial performance, the rate of inflation and GDP to the stock price of food and beverage companies. PER and EPS significant positive effect but the ROE, the rate of inflation, and GDP growth has no significant effect on stock prices.

Viandita, et.al. (2012) investigated the influence of Debt Ratio (DR), Price to Earnings Ratio (PER), Earning per Share (EPS), and Size on stock prices. Debt Ratio (DR), Price to Earnings Ratio (PER), Earning per Share (EPS), and Size have a significant influence on stock prices. While a partial analysis showed that earnings per share (EPS) has a significant influence on stock prices.

2.3 BUILDING HYPOTHESIS

Relation between Inflation and Stock Price

Inflation is characterized by the increase in the price of the goods. The inflation rate effect on stock prices, according to the results of research done by Efni (2009) showed that the rate of inflation affect stock prices. At the time of rising inflation marked goods prices rise, the cost of production is higher than company's revenue and profitability will decrease. The decline in stock prices affects the investor to think that they are less competitive.

From these arguments we construct the hypothesis that the inflation rate negatively affects the share price.

Relation between Gross Domestic Product Growth and Stock Price

GDP measures the value of goods and services produced in the territory of a State regardless of the nationality of a particular time. The research done by Suryanto and Kesuma (2013) showed that GDP does not affect the stock price, but GDP is a macro-economic factor that indicates the level of production of a country that could affect investors' expectations. So that the higher rate of GDP growth will be indicated on the high rate of growth of consumption of the residents in the country, which will affect an increase in the level of demand for goods to the company that provides the needs of the community. Increased demand will increase the amount of its profit from the increase in the number of sales, which will increase the company's stock price, and vice versa. From these arguments we construct the hypothesis that GDP rate positively affect the share price.

Relation between Size and Stock Price

The size of the company which is measured by total sales will cause a greater amount of information about the company available throughout the year so that the size of the companies will have an effect on stock prices. Viandita, et.al (2012) showed that the size significantly influence stock prices. With the increasing large size of the company, then there is a tendency that more investors are paying attention to the company. This is because large companies tend to have a more stable condition. The stability attracts investors to own the shares of the company. That condition was the responsible of the company to increase the stock price in the capital market. Investors have great expectations for large companies. Expectations of investors are in the form of dividends from the company's acquisition. Increased demand may spur the company's shares on the stock price increases in the capital market. Such increase shows that the company considered having a greater "value". Due to the effect that the company had a great amount of total sales with a huge advantage is considered competitive in the capital market. From these arguments we construct the hypothesis that size positively affects the share price.

Relation between Leverage and Stock Price

Leverage as measured by debt-to-equity ratio, the ratio of corporate debt to the amount of capital. In general, the greater the numbers are considered the more dangerous financially DER Company is. The greater the number of DER for a company then the management must work harder to keep the company's cash flow. Deviand Badjra (2014) showed DER has significantly negative effect on stock prices. The higher the risk the higher profits are expected to provide. High Risk affects High Return. This the fundamental stock investors are counted as a consideration when buying or selling stocks. With a higher level of risk, investors will bid fundamentally the lower price of its shares. Conversely, the lower the figure DER the higher a fundamental investor company will appreciate due to a lower level of risk. Investors would be more willing to buy shares at higher prices to record all same conditions. From these arguments we construct the hypothesis that the leverage negatively affects the share price.

Relation between Profitability and Stock Price

Profitability as measured by return on assets (ROA) reflects the company's ability to generate profits after tax by using existing and total assets (the cost of which is used to fund assets) which are excluded from the analysis. Return on Assets (ROA) positively indicates that of the total assets used for the operation of the company is able to provide profits for the company, and investors will be interested in the shares so that the share price will rise, and vice versa. If the announcement contains a positive value, it is expected that the market will react when the announcement is received by the market. At the time the information was announced and all market participants have received such information, market participants must first interpret and analyze that information as good signals (good news) or poor signal (bad news). If the announcement of such information is considered as a good signal for investors, then there is a change in the volume of stock trading. From these arguments we construct the hypothesis that size positively affects the share price.

3. RESEARCH METHOD

3.1 SAMPLE, DATA AND COLLECTION PROCEDURES

The sampling technique used in this research is the purposive sampling method. 10 out of 44 companies are taken as the samples of this research. The criteria used in determining the sample includes: a) property company and real estate in Indonesia, which consist properties and real estate companies listed in the Stock Exchange in the period of 2005-2013. b) Property and real estate companies that operate continuously during the study period. c) Property and real estate companies that publish the complete financial reports during the study period, which was in the period of 2005-2013. Data collection techniques used in this study is documentation of annual report of property and real estate companies from 2005 to 2013 which are listed in the Indonesia Stock Exchange and inflation data as well as GDP growth from BPS(Central Bureau of Statistics) in the period of 2004-2013.

3.2. MEASUREMENT OF VARIABLES

Dependent Variable

Measurement of stock price is the closing share price (closing price) of each company obtained from the share price at year-end period.

Independent Variables

Inflation Rate

The inflation rate is a measure of economic activity that is used to describe the condition of the national economy (about an increase in the average price of goods and services produced by the economy system). This variable was measured by recording the data rate of inflation of annual national consumer price index published by BPS.

Gross Domestic Product Growth

Economic growth is generally defined as an increase in real GDP per capita. GDP (Gross Domestic Product) is the market value of the total output of a country, which is the market value of all final goods and services produced over a given period by the factors of production located within a country.

$$\text{GDP growth} = \frac{\text{GDP - GDP the previous year}}{\text{GDP of the previous year}}$$

Size

Company's size describes the size of a company represented by total assets, number of sales, average total sales and average total assets (Sujianto, 2001). Thus, the size of the company is the size or magnitude of total sales which is owned by the company. In this study, the size of the company expressed total assets and total sales in the property and real estate company which has been listed on the Stock Exchange. Size =Σ Revenue.

Leverage

Financial leverage can be defined as the extent to which funding strategy through the use of debt to invest in increasing production, and generate profitability which is unable to cover interest and income taxes (Harmono, 2009). The ratio used in this study is the Debt to Equity Ratio (DER). This ratio is the ratio between the company's debts to the amount of capital. In general, the greater the numbers achieved, the more dangerous DER Company financially is. Thus it does not mean if DER has larger numbers it will hurt the company. During cash flow companies may cover expenses and could generate greater corporate profits meaning that DER large numbers do not matter.

The greater the number of DER in a company, then the harder the management must work to keep the company's cash flow. The higher the risk, the higher the profits are expected, High Risk affects High Return. This is the basis of stock investors counted as a consideration when buying or selling stocks. With a higher level of risk, investors will bid fundamentally the lower price of its shares. Conversely, the lower the figure of DER a fundamental investor company will appreciate higher due to a lower level of risk. Investors would be more willing to buy shares at higher prices to record all same conditions. Companies that can grow without long-term debt can be considered as a healthy company because it can grow with operational activities.

$$DER = \frac{\text{Total Debt x 100\%}}{\text{Total Equity}}$$

Profitability

Profitability is the company's ability to generate profits. The ratio used in this study is Return on Assets (ROA). This ratio is used to measure the ability of management to gain (profit) as a whole. The greater the ROA, the greater the level of profit achieved by the company and the better the company's position in terms of the use of assets.

ROA is the ratio used to measure a company's ability to produce a net profit after tax on total assets (Brigham and Houston, 2010). In other words, the higher this ratio, the better the productivity of assets in getting net income. This in turn will increase the attractiveness of the company to investors. Thus, it is needed to increase the attractiveness of the company to make the company more attractive to investors, because the rate of return or dividend will be even greater. It will also have an impact on stock prices of these companies in the capital market which will increase so that the ROA will affect the company's stock price. ROA can help companies that have run well the accounting practices to be able to measure the overall efficiency of capital use, which is sensitive to any matter affecting the company's financial condition so that we can know the position of the company against the industry.

$$ROA = \frac{\text{Net profit x 100\%}}{\text{Total Assets}}$$

3.3 Analysis Tools

The analysis used to assess the influence of inflation rate, GDP, size, leverage, and profitability to stock price is multiple regression.

$$\mathbf{Y = a\text{-}b1X1 + b2X2 + b3X3\text{-}b4X4 + b5X5 +} \ e$$

4. RESULTS AND DISCUSSION

4.1. ASSUMPTIONS OF CLASSICAL TEST

a) Normality. Kolmogorov Smirnov Test results obtained asymptotic significance value 0.540. This value is greater than the value α (0.50), which means there is no problem of normality in data used in this study. Residual data is normal, so that the data used are in normal distribution.

b) Auto-correlation. Auto-correlation test used on Durbin Watson Test results 2.010 which is between du and 4-du. This result shows that there is no problem of auto-correlation in the model.

c) Homo scedasticicity. The test used is Glejser Test. The results show that significance value of each independent variables are greater than 0.05, so that we can conclude that there is no problems heteroscedaticity. Inconsistent data.

d) Multicolliniearity. Multicolliniearity test value shows tolerance value of each independent variable is greater than 0.1 and VIF value smaller than 10.

From the whole classical assumption, we can conclude that our secondary data is good and we can do further testing.

4.2 HYPOTHESIS TESTING

The Test results of Variable Inflation on Stock Price

Based on the results, it is obtained the t number for variable inflation rate of 1.487 with a significance level of 0.141 which indicates that the inflation rate does not significantly influence the stock price of the property and real estate industries listed on the Indonesia Stock Exchange so that the alternative hypothesis proposed in this study was rejected.

These results are similar to studies conducted by Suryanto and Kesuma (2013) in his research obtained results indicating that the inflation rate has no significant effect on stock prices. Rising inflation will cause the cost of the company increased, these costs will then automatically make the company rise selling prices to maintain profits and if it constantly occurs in the short and long term it will increase the probability of buyers to switch to competitors and this information will be soon circulated widely and affect the perception of investors that the company's current performance and its prospects are less well so that it will respond to the release of shares held and there was a negative correction in stock prices. However, it is not done by all investors, investors who see long-term gains and Investors who see business prospects for property and real estate sectors, will either buy stocks whose prices have dropped and the share price will perform positive corrections, so that inflation does not significantly influence the stock price in this sector.

The Test Results of Variable GDP Growth on Stock Price

Based on the results it is obtained that t number for the variable GDP growth is 1.428 with a significance level of 0.157, this means that GDP growth variables do not significantly influence the stock prices on the real estate property industry and listed on Indonesia Stock Exchange so that the alternative hypothesis proposed in this study was rejected.

These results are similar to studies conducted by Suryanto and Kesuma (2013) in his research obtained results which indicated that GDP growth does not significantly influence stock prices.

GDP growth was not influential on stock prices and the real estate property sector indicates that the increase and decrease of Indonesia's gross domestic product is less influential for the investors to invest in the shares of the company. Increased GDP is a good signal (positive) for investment and vice versa. GDP increase has a positive influence on consumers' purchasing power; thereby it is needed to increase the demand for the company's products. There is an increasing demand for the company's products which will later increase company profit and can ultimately increase the company's share price. But in this case, Indonesia's per capita GDP has been increasing since 2000s until present. Originally, the World Bank estimates that Indonesia will reach approximately USD $ 3,000 in 2020 but Indonesia managed to reach the figure of a decade earlier. Achievement of USD $ 3000 level is considered as an important step because the impact is the acceleration of development in various sectors (such as retail, automotive, and property) because of the increase in consumer demand so that it becomes a catalyst for economic growth. The Indonesian government set a target to achieve a level of USD $ 5000 in 2015, so investors will be optimistic about stock investments in the property sector and real estate which thus causing stock prices to be stable, although the rate of growth of GDP fell.

The Test Results of Variable Size on Stock Price

Based on the results, it is obtained t number for the variable size of 2.845 with 0.006 significance level which indicates that it is below 0.05, this means that the variable size has a positive effect on the stock price on the property and real estate industries listed on the Indonesia Stock Exchange so that the alternative hypothesis proposed in this study is accepted. These results are similar to studies conducted by Vianditaet, et.al. (2012) in his research obtained the results which indicate that size have a significant effect on stock prices.

In the financial aspects, the sale can be seen from the planning and the realization that measured in dollars. Companies that are in the high sales growth require the support of the organization's resources (capital) is greater, and conversely, the company’s sales growth rate of the low demand for the organization's resources (capital) is also getting smaller. Companies with larger size have greater access to sources of funding received from various sources; so as to obtain funds from investors it will be easier for companies with large size to have a greater probability to win the competition or to survive in the industry. The operating profit can be obtained if the amount of the sale is greater than the sum of variable costs and fixed costs. So that net income had a desired amount then the management will conduct a thorough sales planning, as well as the right to control, in order to achieve the desired amount of sales. So, the greater sales gained the more the stock price.

The Test Results of Variable Leverage on Stock Price

Based on the results, it is obtained t number for the variable leverage as measured by DER amounted to 1.276 with a significance level of 0.206, this means that leverage variable has no significant effect on the stock price on the property and real estate industries listed on the Indonesia Stock Exchange so that the alternative hypothesis proposed in this study is rejected. These results are similar to studies conducted by Patriawan (2011) in which his research obtained the results showing that leverage as measured by DER has no significant effect on stock prices. In general, the greater DER number is considered more dangerous company’s financial. The greater the number of DER in a company then the harder the management must work to keep the company's cash flow. The more risk, the higher profits are also expected. High Risk affects High Return. With a higher level of risk, investors will bid the lower fundamental stock price, and vice versa. Like a booster tool, on the one hand, the debt can make a company's growth to be faster when compared to only relying on their own capital, if too large value of debt can make a company's financial condition becomes unhealthy. DER in some companies that have more than one, it disturbs the growth of his company's performance which also disturb the growth of the share price, and because it is mostly the investors who avoid companies that have more than DER amounted to 2. Therefore, some investors may not pay much attention to the increase in the numbers of DER if it does not exceed the number 2. So that leverage levels has no significant effect on the price of property and real estate companies.

The test Results of Variable Profitability on Stock Price

Based on the results, it is obtained t number for the variable profitability as measured by ROA 2.854 with 0.005 significance level that indicates it is below 0.05, this means that the variable profitability significantly influence the stock prices on the real estate property industry as listed on the Indonesia Stock Exchange so the alternative hypothesis proposed in this study is accepted.

These results are similar to studies conducted by Rinati (2012) in his research obtained the results indicating that profitability as measured by ROA has significant effect on stock prices.

Return on Assets (ROA) is positive which indicates that of the total assets used for the operation of the company is able to provide profits for the company, it shows the efficiency and effectiveness of management to manage the assets so it can obtain large profits, and investors will be interested in the shares so that the share price will be rise, and vice versa.

5. CONCLUSION AND RECOMMENDATION

Conclusions

a) The inflation rate does not significantly affect the company's stock price.
b) GDP growth does not significantly affect the company's stock price.
c) The size of the company has positive and significant influnce on the company's stock price.
d) Leverage does not significantly affect the company's stock price.
e) Profitability has positive and significant influence on the company's stock price.

Research Implications

a) The Company's Property and Real Estate Sector Companies should consider the independent variables that significantly influence the stock price; the company size and profitability as a material planning consideration in the future financial performance.

b) Subsequent research
   1. Adding the number of samples so as to increase the predictive power of the study.
   2. Future studies may add independent variables associated with stock prices as reserves, dividend policy, the ratio of the market and others.
   3. Future studies need to consider the use of other media report that is used to determine the stock price.

REFERENCES

[1]. Brigham dan Houston. 2010. *Manajemen Keuangan Edisi 11*. Jakarta: SalembaEmpat.

[2]. Hartono, Jogiyanto.2000. *Teori Portofolio dan Analisis Saham* Edisi 2.Yogyakarta:BPFE-UGM.

[3]. _________2003.*Portofolio dan Analisis Saham* Edisi 3.Yogyakarta:BPFE-UGM.

[4]. Murphy, John J.1999. Technical Analysis of the Financial Markets. New York: New York Institute of Finance.

[5]. Patriawan, Dwiatma. 2011. *Analisis Pengaruh Earning Per Share, Return On Equity dan Debt to Equity Ratio terhadap Harga Saham.***Skripsi,** FakultasUniversitasDiponegoro, Semarang.

[6]. Pratikno, Dedy. 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,** Fakultas Ekonomi Universitas Sumatera Utara, Medan.

[7]. Rinati, Ina. 2012. *Pengaruh Net Profit Margin, Return On assets, dan Return On Equity terhadap Harga saham pada Perusahaan yang Tercantum dalam Indeks LQ45*.**Skripsi,** Fakultas Ekonomi, Universitas Gunadarma, Depok.

[8]. Reilly, Frank K. dan Keith C. Brown. 2003. *Investment Analysis and Portofolio Management, Seventh Edition.* United States of America: South Western A Division of Thomson Learning Ohio.

[9]. Sjahrial, Dermawan. 2007. *Manajemen Keuangan.* Jakarta: MitraWacana Media.

[10]. Sujianto. 2001. *Dasar – Dasar Manajemen Keuangan.* Yogyakarta: BPFE.

[11]. Suryanto dan I Ketut Wijaya Kesuma, 2013. *Pengaruh Kinerja Keuangan, Tingkat Inflasi dan PDB terhadap Harga Saham Perusahaan Food and Beverage*.E- Jurnal Universitas Udayana 4.2, Bali.

[12]. Sutrisno.2003. *Manajemen Keuangan Teori Konsep dan Aplikasi*. Yogyakarta: EKONISIA.

[13]. Viandita, Tamara Ocha,et.al.2012.*Pengaruh Debt Ratio, PriceEarning Ratio, Earning perShare, dan Size terhadap Harga Saham.* **Skripsi,** Fakultas Ilmu Administrasi, Universitas Brawijaya, Malang.

[14]. Widoatmodjo,Sawidji.1996.*Teknik Memetik Keuntungan diPasar Bursa Efek.* Jakarta: Rineka Cipta.

[15]. www.bi.go.id

[16]. www.bps.go.id

[17]. www.indonesia-investment.com/id/keuangan/angka-ekonomi-makro/produk-domestik-bruto-indonesia/item 25