

Analysis to the Effect of Return on Equity, Interest Rate, Exchange Rate, and Inflation toward Stock Price on Property and Real Estate Industries Listed In Indonesian Stock Exchange (Idx) Period of 2009-2015

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Abstract: This research aims to know simultaneously and partially about the effect of Return on Equity, interest rate, exchange rate, and inflation variable toward stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015.

Population in this research was property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. Sample in this research was 4 property and real estate industries. Sample determination method used in this research was purposive sampling where the sample determination conducted based on certain requirements. Statistical method used in this research was simple and multiple regression method.

The research result showed that Return on Equity, interest rate, exchange rate, and inflation variable simultaneously affected significantly to predict stock price that will be traded. Regression model resulted in this research is $Y = - 2.723 + 7.269 X_1 - 10.146 X_2 + 0,322 X_3 + 3.370 X_4$. Partially, only inflation variable that has no significant effect to the stock price, while, Return on Equity, interest rate, and exchange rate variable have insignificant effect to the stock price.

Keywords: stock price, inflation, exchange rate, Return on Equity, interest rate

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I Introduction

Research Background

Competition occurred between property and real estate industries are very tight. Then, it is not a surprise if many industries in this sector start to expand to capital market. Capital market is an alternative for investors in order to conduct investment to an industry or company issues the securities. It is proven by the increase number of "go public" companies or industries listed in Indonesia Stock Exchange (IDX) as issuer. Those "go public" companies issue the securities in capital market, one of them is stock.

Stock is evidence of one's or agency's ownership over company or industry issues the marketable securities. Each share has value attached on it. The value commonly known as stock price. Fluctuation in stock price performance can be caused by many factors, either from external or internal factors of the company. In order to illustrate phenomena of fluctuated stock price on property and real estate industries, the researcher presents in table as below:

Table 1 List of Stock Price on Many Property and Real Estate Industries Period of 2008-2015

Industry Name	Year						
	2009	2010	2011	2012	2013	2014	2015
	IDR						
PT Bumi Serpong Damai Tbk	880	900	980	1110	1750	1805	1800
PT Duta Pertiwi Tbk	680	2100	1800	3050	4475	4880	6400
PT Jaya Real Property Tbk	800	1300	2200	2900	800	1040	745
PT Lippo Karawaci Tbk	510	680	660	1000	910	1020	1035

Source : Finance.yahoo.com

Based on table above, it is known that there is stock fluctuation on property and real estate industries where the stock price recorded based on closing price. Stock price for PT. Bumi Serpong Damai is always increasing each year. While, stock price for PT. Duta Pertiwi, PT. Jaya Real Property, and PT. Lippo Karawaci Tbk has been fluctuated.

The stock price will be increase if there is over demand. However, the stock price will be decrease if there is over supply. Therefore, good company performance will affect the high stock price for a company, thus the company will get benefit of trust from investors to conduct investment to the company.

The investors really need information about company profitability related to the company operational activities that will be a target for investment. Besides that, from the information of profitability level, investors will be able to carefully consider about their investment decision to the company or industry, due to company profitability will affect company ability in paying dividend and to avoid the worst risk, which is bankruptcy.

Despite company profitability ratio, an investor that will conduct investment in stock type to a company also should know about macroeconomic factors that will be able to affect daily company operational activities as investment consideration. Too high interest rate will affect present value of company cash flow, thus the investment opportunities will no more interesting. High interest rate also will increase capital cost borne by company. As the consequence, it will affect to the stock price fluctuation.

Exchange rate is macroeconomic variable that also affects high and low stock price. The exchange rate itself is exchange price of currency from a country to the other country. Fluctuated change in exchange rate may affect company competitiveness that absolutely will affect to the stock price.

Problem Formulation

Based on research background above, then it can be formulated research problems as follow:

1. How is the effect of return on equity to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015?
2. How is the effect of interest rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015?
3. How is the effect of exchange rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015?
4. How is the effect of inflation to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015?
5. How is the effect of return on equity, interest rate, exchange rate, and inflation simultaneously to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015?

II Research Objectives

Based on the outline of problem formulation above, then the research objectives as follow:

1. To know the effect of return on equity to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015.
2. To know the effect of interest rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015.
3. To know the effect of exchange rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015.
4. To know the effect of inflation to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015.
5. To know the effect of return on equity, interest rate, exchange rate, and inflation simultaneously to the stock price on property and real estate industries listed in Indonesia Stock Exchange Period of 2009-2015.

Research Benefit

This research expected to give benefit practically, which is able to be one of basic considerations in decision making towards financial aspect especially in order to maximize company performance as well as able to give information towards significant things affected to the stock price in capital market, thus it can be used as material of consideration in investment aspect to the go public companies or industries, and also benefit to be literature in conducting further research about factors affect stock price.

III Literature Review

Capital Market

Capital market is a place where many parties, especially companies offer their stocks and bonds with the intention to use the earned fund as additional fund or to strengthening capital structure of a company (Irham Fahmi, 2014:305). Kasmir (2013:184) stated that capital market, in general, is a place where seller and buyer meet to conduct transaction in order to gain capital.

According to Kamaludin and Rini (2012:26), capital market is place to trade issued securities. It is different from Ellen May (2017:83) who stated that capital market is funding facility for company or other institution (for example: government), and as facility of investment activities. While, according to Financial

Service Authority (OJK-Otoritas Jasa Keuangan) (2016:2), capital market is funding facility for company and government and as facility of investment activities for fund owners.

According to Financial Service Authority (2016:2), capital market has important role in economic aspect for a country due to capital market runs two in one function, economic and financial function.

- a. Economic function, it is due to capital market provides facilities to meet two interests, between party who has more fund (investor) and party who needs fund (issuer).
- b. Financial function, it is due to capital market has possibility and opportunity to gain return for fund owners as with the selected investment characteristics.

Stock Price

Stock is evidence of participation towards capital/fund ownership in a company or industry (Irham, 2015:53). Supriyanto and Ahmad Yani (2014:2) stated that stock is evidence of participation or one's or agency's ownership towards assets of public listed company or limited company.

Jere and Naning (2017:9) defined stock as marketable securities show ownership over a company. Form of stock is a sheet of paper explains that the paper's owner is owner from company issued the marketable securities. While, according to Ellen May (2017:76), it stated that stock is evidence of ownership over a company.

Based on the explanation above, in general, definition of stock is marketable securities issued by limited company which states that the owner of stock is also the owner of part of the company or has right over part of the company. According to Harmono (2014:62), stock divided into 2 types, preferred stock and common stock.

Stock price is price of a stock in stock market at certain time determined by market actors and by related stock supply and demand in capital market (https://id.wikipedia.org/wiki/Harga_saham , accessed on May, 4th 2017). Sunariyah (2014:112) stated that stock price is price of a stock in capital market that runs in stock market. While, Joko Salim (2015:267) stated that stock price is net asset value divided by total number of unit participation.

Financial Statement

Financial statement according to Arief and Edi (2016:1) is final result from accounting activities (accounting cycle) which represents financial condition and operational result of a company. According to Hery (2014:3), financial statement is final product from set of recording and reviewing process from business transaction data. While, according to Irham (2015:2), financial statement is information describes financial condition of a company, and further, the information can be made as description of company's financial performance. Sofyan (2016:105) states that financial statement describes financial condition and business result from a company in certain time or certain period. While, according to Kasmir (2015:7), financial statement is a statement presents company financial condition at current time or in certain period.

The aim of financial statement according to Indonesian Banking Accounting Guidance (Irham, 2015:6) is to give information about financial position, equity change performance, cash flow, and other useful information for the statement user in order to make economic decision as well as to show management accountability over the use of resource accounted to them.

Financial Ratio Analysis

According to Kasmir (2015:104), financial ratio analysis is an activity comparing numbers in financial statement by dividing one number to the others. Sofyan (2016:297) stated that financial ratio is number obtained from comparison result between post of financial statement and other posts have relevant and significant relationship. While, according to Arief and Edi (2016:53), financial ratio is a number shows relationship between elements in financial statement.

Based on many arguments from the experts above, it can be concluded that financial ratio analysis is reviewing and understanding financial statement by comparing one number to the others and shows the change of financial condition from one period to the other.

According to Weston, in Kasmir (2015:110), types of financial ratio as follow: Liquidity Ratio, Activity Ratio, Leverage or Solvability Ratio, and Profitability Ratio.

Profitability Ratio

Profitability ratio is ratio used to assess company ability in earning profit from normal business activities.

While, according to Kasmir (2015:196), profitability ratio is ratio to assess company ability in searching for financial. This ratio also gives size of management effectiveness level in a company. It showed by profit earned from selling and investment income. In short, the use of this ratio shows company efficiency. Irham (2015:135) stated that profitability ratio is assessing management effectiveness as a whole showed by

earned high and low profit related to the selling and investment. While, according to Hery (2016:192), he defines profitability ratio as ratio used to assess company ability in earning profit from normal business activities.

Based on many arguments from the experts above, it can be concluded that profitability ratio is ratio to assess company ability in increasing profit. A good (health) company has large profitability and tends to have normal financial statement, thus potential to gain good opinion will be larger than if a company has low profitability.

In this research, profitability ratio would be calculated by using Return on Equity (ROE). ROE is ratio to assess net profit after tax with own capital. This ratio shows efficiency for the use of its own capital. The higher this ratio the better, vice versa (Kasmir, 2015:204). Irham (2015:137) stated that ROE is ratio reviews the extent of a company uses the owned resource in order to be able in earning profit or equity.

Based on many arguments from the experts above, it can be concluded that ROE is ratio represents net profit assessed from own capital. The higher this ratio the better due to it means that company owner has stronger position, vice versa. According to Hery (2016:195), formulation of ROE as follows:

$$\text{Return on Equity} = \frac{\text{Laba bersih setelah pajak}}{\text{Ekuitas}} \times 100\%$$

Interest Rate

Interest rate is charge that must be paid to clients (who have saving account/lenders) with charge that must be paid by clients (who have credit/borrowers) to a bank (Kasmir, 2013:114). According to Kamaludin and Rini (2012:27), interest rate is charge paid for credit capital. Sunariyah (2014:80) stated that interest rate is charge of credit. While, interest rate stated as percentage of basic fund per unit of time.

Based on many definitions above, it can be concluded that interest rate is a payment conducted over a number of credit or credit. According to Kasmir (2013:114), there are two types of interest rate as follow:

a. **Saving Interest Rate**

Interest rate given as stimulation or compensation for clients who save their money in bank. Saving interest rate is charge that must be paid by bank to the clients.

b. **Credit Interest Rate**

Is interest rate given to borrowers or charge that must be paid by clients as borrower to bank.

Factors that may affect high and low interest rate, according to Kasmir, as follow:

a. **Needs of fund**

If banks lack of fund, while there is the increase of credit demand, then what banks do in order to collect fund is by increasing saving interest rate.

b. **Competition**

In determining saving interest rate, then despite promotion factor, the most important is the bank should consider about competitor. If the bank wants to collect fund rapidly then saving interest rate should be increased above the competitor's, in opposite, credit interest rate should be under the competitor's.

c. **Government policy**

Saving interest rate or credit interest rate is not allowed to be above interest rate established by the government.

d. **Target of expected profit**

If the expected profit is high, then credit interest rate also high, vice versa

e. **Period of time**

The longer period of time for credit, the higher interest rate. It is caused by possibility of high risk in the future.

f. **Quality of guarantee**

The more liquid guarantee given, the lower credit interest rate, vice versa.

g. **Company reputation**

Reputation of a company that will receive credit or credit heavily depends on interest rate that will be given.

h. **Competitive product**

For competitive product, the given credit interest rate is relatively low compared to less competitive product.

i. **Good relationship**

Usually, banks classify the clients between priority clients and common clients. This classification based on client's activeness and loyalty to the bank.

Exchange Rate

Exchange rate shows price or value from a country's currency stated in value of other country's currency (Sadono, 2015:397). While, according to Mandala (2014:99), exchange rate is other country's currency from an economics. Iskandar Putong (2013:366) defined exchange rate as foreign currency or other payment tools used to conduct or pay transaction of international financial economics.

Based on many definitions above, it can be concluded that exchange rate is price of currency exchange from a country (Indonesia) to foreign currency. Exchange rate for a country determined by interaction between supply and demand over foreign exchange in foreign exchange market, in which the related case has high possibility to cause the increase of local currency demand, vice versa.

Inflation

Inflation according to Mandala Manurung (2014:177) is the increase of common goods price and keeps continually. It is different with Irham (2015:50) who stated that inflation is the decrease of money value and the increase of goods price.

While, according to Marihot, Arief and Amin (2014:4), inflation defined as the increase of prices in economic aspect occurred continually in certain period. In addition, according to Detri and Syamri (2016:90), inflation is a condition where there is the increase for all goods price continually prevailed in certain economics.

Based on definitions from the experts above, it can be concluded that inflation is a condition where the goods price, commonly, increases continually. In this case, if the increase of price only occurred during certain period or season, then it cannot be stated as inflation.

Inflation can be found through assessment of change towards Consumer Price Index (IHK-Indeks Harga Konsumen). According to Iskandar Putong (2013:418), Consumer Price Index is index number calculates all goods purchased by consumers in each price. Based on Consumer Price Index, it can be analyzed about how much the increase of price in general at certain period.

Frame of Thinking

Based on theoretical background and previous research result, then frame of thinking in this research as follows:

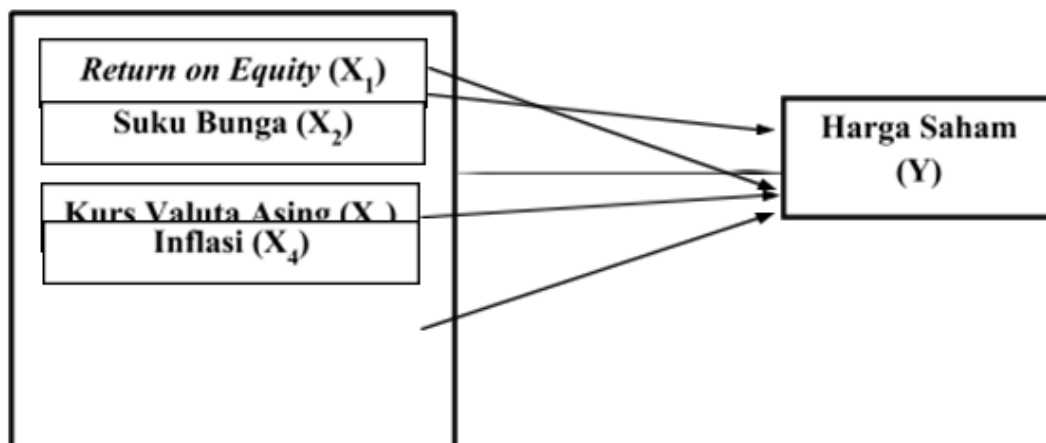


Figure 1. Frame of Thinking

Hypothesis

Hypothesis is type of proposition formulated as tentative answer over a problem which then tested empirically (Edi Riadi, 2014:73), while hypothesis in this research as follows:

- There is the effect of return on equity to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015.
- There is the effect of interest rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015.
- There is the effect of exchange rate to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015.
- There is the effect of inflation to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015.
- There is the effect of return on equity, interest rate, exchange rate, and inflation to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015.

IV Research Methodology

Operational Definition of Variable

According to Sugiyono (2016:2), research variable is anything established by the researcher in order to be studied, thus it will result in information about the established variable, then it can be drawn by a conclusion.

Table 2. Operational Definition of Variable

No.	Variable	Operational Definition	Data Scale
1	Return on Equity (X_1)	Return on Equity is ration represents net profit if it is assessed by own capital.	Ratio
2	Interest Rate (X_2)	Interest rate is charge or payment conducted over a number of credit.	Ratio
3	Exchange Rate (X_3)	Exchange rate is price of currency exchange from a country (Indonesia) to other country's currency.	Ratio
4	Inflation (X_4)	Inflation is a condition where goods price, in general, increases continually.	Ratio
5	Stock Price (Y)	Stock price is a number of money paid to get company ownership letter determined continually and determined by related supply and demand in capital market.	Ratio

Research Population and Sample

According to Sugiyono (2016:61), population is area of generalization consists of: object/subject has certain quantity or characteristic established by researcher in order to be studied and then drawn by a conclusion. Population in this research was all property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. While, research sample, according to Sugiyono (2016:62), is part of number and characteristic owned by population. In this research, the research sample was property and real estate industries listed in Indonesia Stock Exchange (IDX) which issued financial statement or have positive net profit (profit after tax) period of 2009-2015.

Data Collection Technique

Data used in this research was secondary data with data collection technique conducted by using documentation method where data collected from Indonesian Capital Market Directory which can be accessed through www.idx.co.id as well as from official site of Bank Indonesia which can be accessed through www.bi.go.id. The taken data in this research was stock price, return on equity, interest rate, exchange rate, and inflation period of 2009-2015.

Data Analysis Technique

Data analysis technique in this research conducted by using the assistance of SPSS 18.0 for Windows program. Data analysis method used in this research as follows:

1. Classical Assumption Test (Prerequisite Test), conducted by using Normality test, Multicollinearity test, Heteroscedasticity test, and Autocorrelation test.
2. Determination Coefficient (R^2)
3. Regression Test
 - a. Simple Linear Regression Test
 - b. Multiple Linear Regression Test
4. Hypothesis Test
 - a. Partial Test (t Test)
 - b. Simultaneous Test (F Test)

V Data Analysis And Discussion

Description of Research Data

The result from financial data tabulation is stock price, return on equity, interest rate, exchange rate, and inflation which interpreted in minimum value, maximum value, mean, and deviation standard for each variable.

Classical Assumption Test

a. Normality Test

normality test intended to assure that sample data comes from normally distributed population (Sumanto, 2014:146). In this research, the researcher used P-P plot analysis and kolmogorov-smirnov test by seeing from kolmogorov-smirnov, z, and asymp-sig value.

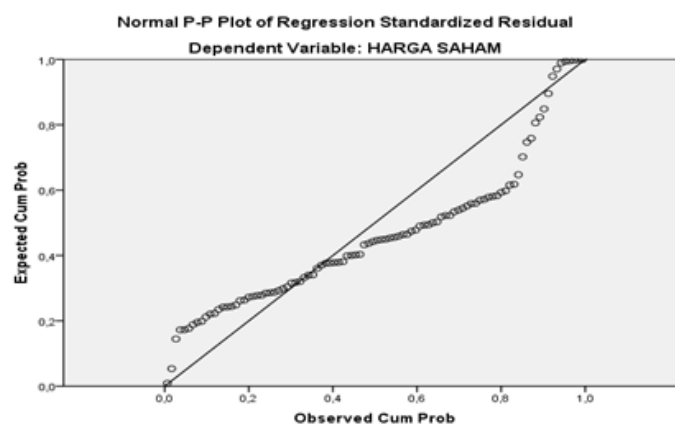


Figure 2. Normality Test

By using Normal P-P Plot

The result of normality test by using Normal P-P plot shows that number of probability is around linear line. Thus, all variables used in this research have normally distributed random data.

b. Multicollinearity Test

Multicollinearity test aims to test whether in the regression model there is correlation among independent variables (Ghozali, 2011:105). In order to know whether or not there is multicollinearity, it can be seen from VIF value in each variable such in the table below:

Table 3. The Result of Multicollinearity Test

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-5736.784	16630.246		-.345	.731		
	ROE	7244.369	2221.797	.324	3.261	.002	.861	1.162
	INTEREST RATE	-1908.238	11398.715	-.047	-.167	.867	.106	9.426
	EXCHANGE RATE	.329	.276	.294	1.193	.236	.140	7.124
	INFLATION	3646.276	12771.620	.043	.285	.776	.380	2.635

Based on table 3 above, it can be found that analysis result by using SPSS shows that VIF value less than 10. It can be concluded that the equation of regression model does not have nor multicollinearity problems which means that there is no multicollinearity among independent variables, thus it is feasible to be used for further analysis.

c. Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is unequal variance and residual from one observation to other observation (Ghozali, 2011:139). A good regression model is regression model with no heteroscedasticity. Method used to conduct heteroscedasticity test in this research was scatterplot diagram.

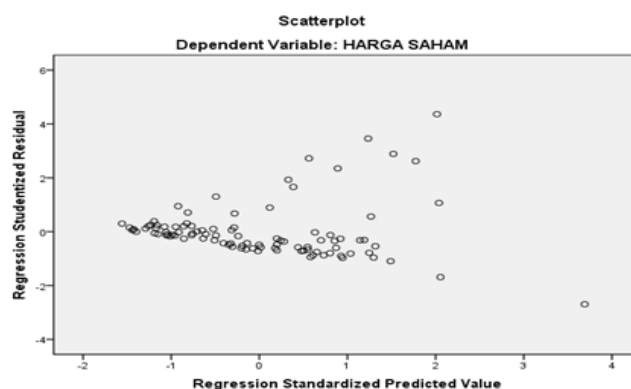


Figure 3. The Result of Heteroscedasticity Test by Using Scatterplot Diagram

Based on Figure 3 above, it can be concluded that there is no clear pattern as well as the dots scattered above and under 0 on Y axis, thus there is no heteroscedasticity.

d. Autocorrelation Test

Autocorrelation test aims to test whether in the linear regression model there is correlation among disturbances in the t period with disturbances in the t-1 period. In order to diagnose autocorrelation in a regression model, it is conducted by durbin-watson test.

Table 4. The Result of Autocorrelation Test by Using Durbin-Watson Test

Model Summary b						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	1	.457	.209	.175	1745.726	.869

Seen from table 4 above, it is found that D-W number is 0.869. That D-W number is between -2 to +2, it means that the regression model has no autocorrelation.

VI Research Result

Based on the research that been conducted, detail about test result can be outlined as follows:

1. The Effect of Return on Equity to the Stock Price

Return on equity variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 3.997 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.000, smaller than value established in significance level of 5%, which is 0.05.

Determination coefficient value (r^2) is 0.143 means that 14.3% stock price variable can be explained by return on equity variable, while the remaining 85.7% explained by other factors.

The result above is in line with study conducted by Karnawi Kamar (2017) and Henry Toga Manurung (2015). The research shows that return on equity affected significantly to the stock price.

The research result found that return on equity (ROE) is factor affects high and low stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015. ROE assess company or industry ability to earn income based on certain capital. The increase of ROE means the improvement of management performance in managing fund resources to earn profit.

2. The Effect of Interest Rate to the Stock Price

Interest rate variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 2.911 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.004, smaller than value established in significance level of 5%, which is 0.05.

Determination coefficient value (r^2) is 0.081 means that 8.1% stock price variable can be explained by interest rate variable, while the remaining 91.9% explained by other factors.

The research result is in line with study conducted by Lira Sihaloho (2013). In which the study shows the result that interest rate affected significantly to the stock price.

Interest rate affected significantly to the stock price due to if there is high interest rate then people or clients tend to save their money, while if there is low interest rate then people or clients tend to do investment. Thus, if there is low interest rate, then stock price will be increase.

3. The Effect of Exchange Rate to the Stock Price

Exchange rate variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 3.261 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.002, smaller than value established in significance level of 5%, which is 0.05.

Determination coefficient value (r^2) is 0.100 means that 10% stock price variable can be explained by exchange rate variable, while the remaining 90% explained by other factors.

The research result is in line with study conducted by Zuliana (2012). In which this research shows that exchange rate affected to the stock price.

The research result shows that exchange rate affected on high and low stock price on property and real estate industries. The stronger IDR exchange rate to the USD exchange rate will decrease production cost, especially import charge over raw material and will be followed by the decrease of prevailed interest rate. It will give positive effect to the company profit which finally will increase earning per share (EPS).

4. The Effect of Inflation to the Stock Price

Inflation variable has no significant effect to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 1.534 which smaller than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.128, larger than value established in significance level of 5%, which is 0.05.

Determination coefficient value (r^2) is 0.024 means that 2.4% stock price variable can be explained by inflation variable, while the remaining 97.6% explained by other factors.

The research result is in line with study conducted by Donna Menina (2009). This research shows that inflation has no significant effect to the stock price. However, the research result is in contrast to the study conducted by Raden Yusran (2013), where that study states that inflation affected to the stock price.

Inflation has no significant effect to the stock price may be caused by average of inflation level is 6.1% during the research period. This number is still included into low category (Iskandar Putong, 2013:422), thus investors are not too worry in stock investment. It is due to, for long term period, issuer income and profit will grow follows the inflation. Thus, inflation is not much considered by investors.

5. The Effect of Return on Equity, Interest Rate, Exchange Rate, and Inflation to the Stock Price Simultaneously

Return on equity, interest rate, exchange rate, and inflation affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by F statistics value of 6.128 larger than F table in significance level of 5%, which is 2.470. Besides that, significance probability value is 0.000, smaller than value established in significance level of 5%, which is 0.05.

Determination coefficient value (r^2) is 0.209 means that 20.9% stock price variable can be explained by return on equity, interest rate, exchange rate, and inflation variable, while the remaining 79.1% explained by other factors. The regression model resulted in this research is $Y = - 2.723 + 7.269 X_1 - 10.146 X_2 + 0.322 X_3 + 3.370 X_4$.

Company performance will affect high and low stock price. Good company performance will affect to the high stock price of the company, thus the company will get benefit of trust from investors to invest their fund in the company. The same thing for macroeconomic condition that will affect high and low stock price. When there is good macroeconomic condition, then it will affect to the high stock price.

VII. Conclusion

A. Conclusion

1. Return on equity variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange period of 2009-2015. It is proven by t statistics value of 3.997 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.000, smaller than value established in significance level of 5%, which is 0.05.

2. Interest rate variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 2.911 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.004, smaller than value established in significance level of 5%, which is 0.05.

3. Exchange rate variable affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 3.261 which larger than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.002, smaller than value established in significance level of 5%, which is 0.05.

4. Inflation variable has no significant effect to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by t statistics value of 1.534 which smaller than t table in significance level of 5%, which is 1.661. Besides that, significance probability value is 0.128, larger than value established in significance level of 5%, which is 0.05.

5. Return on equity, interest rate, exchange rate, and inflation affected to the stock price on property and real estate industries listed in Indonesia Stock Exchange (IDX) period of 2009-2015. It is proven by F statistics value of 6.128 larger than F table in significance level of 5%, which is 2.470. Besides that, significance probability value is 0.000, smaller than value established in significance level of 5%, which is 0.05.

B. Suggestion

1. The role of government is really necessary in order to manage capital market. Especially in making decision related to the interest rate, exchange rate, and inflation. It is due to high and low from those three variables will affect to the change of stock price.

2. Investors should more consider about return on equity, interest rate, and exchange rate variable due to those variables already proven to have significant effect to the stock price. Those variables also can be made as consideration to determine investment strategy. It is because high and low return on equity, interest rate, and exchange rate affected to the change of stock price.

3. Low determination coefficient value (R square) in the return on equity variable, which only 14.8% and two other variables – interest rate and exchange rate – for 8.1 and 10% should encourage the next researcher to conduct further research in order to explore factors affected to the stock price, despite factors that been studied in this research.

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