

**The Effect of Inflation, Leverage and Accounting Earnings on Stock Return in
Non-Cyclical Consumer Sector Companies**

Thesis

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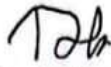
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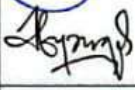


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**THE EFFECT OF INFLATION, LEVERAGE AND ACCOUNTING
EARNINGS ON STOCK RETURN IN NON CYCLICAL CONSUMER
SECTOR COMPANIES**

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ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh inflasi, leverage, dan laba akuntansi terhadap return saham pada perusahaan sektor konsumen non-siklis yang terdaftar di Bursa Efek Indonesia (BEI) tahun 2019 sampai dengan tahun 2023. Data penelitian merupakan data sekunder yang bersumber dari laporan keuangan yang tersedia pada website www.idx.co.id, data inflasi diperoleh dari website Badan Pusat Statistik yaitu www.bps.go.id. Tujuan dari penelitian ini adalah untuk memberikan pemahaman yang lebih mendalam mengenai faktor-faktor keuangan yang mempengaruhi return saham pada sektor konsumen non-siklis, yang meliputi perusahaan yang memproduksi barang dan jasa penting yang menjaga permintaan tetap stabil terlepas dari kondisi ekonomi. Penelitian ini menggunakan pendekatan kuantitatif dengan analisis regresi berganda, penelitian ini mengevaluasi hubungan antara indikator keuangan tersebut dengan return saham. Hasil penelitian menunjukkan bahwa inflasi tidak memiliki pengaruh yang signifikan terhadap return saham. Demikian pula dengan leverage tidak memiliki pengaruh yang signifikan terhadap return saham. Selanjutnya, laba akuntansi juga tidak berpengaruh signifikan terhadap return saham.

Kata Kunci: Inflasi, Leverage, Laba Akuntansi and Stock Return.

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ABSTRACT

This study aims to analyze the effect of inflation, leverage, and accounting earnings on stock returns in non-cyclical consumer sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The research data is secondary data, which comes from financial reports available on the website www.idx.co.id, data on inflation is obtained from the “Badan Pusat Statistik” website, www.bps.go.id. The purpose of this research is to provide a deeper understanding of the financial factors influencing stock returns in the non-cyclical consumer sector, which includes companies producing essential goods and services that maintain stable demand regardless of economic conditions. These studies use a quantitative approach with multiple regression analysis, the study evaluates the relationships between these financial indicators and stock returns. The findings indicate that inflation does not have a significant effect on stock returns, Similarly, leverage does not have a significant effect on stock return. Furthermore, accounting earnings also do not significantly influence stock returns

Keyword: Inflation, Leverage, Accounting Earnings and Stock Return.

THE EFFECT OF INFLATION, LEVERAGE AND ACCOUNTING EARNINGS ON STOCK RETURN IN NON CYCLICAL CONSUMER SECTOR COMPANIES

RINGKASAN

1. Latar belakang

Penelitian ini berfokus pada pengaruh inflasi, leverage, dan laba akuntansi terhadap return saham di sektor konsumen non-siklikal di Bursa Efek Indonesia (BEI) periode 2019-2023. Sektor ini menarik perhatian karena cenderung stabil meskipun terjadi perubahan ekonomi. Penelitian sebelumnya menunjukkan hasil yang beragam mengenai hubungan inflasi, leverage, dan laba akuntansi terhadap return saham, sehingga diperlukan penelitian lebih lanjut untuk memahami fenomena ini.

2. Tujuan Penelitian

- a. Menganalisis pengaruh inflasi terhadap return saham.
- b. Menganalisis pengaruh leverage terhadap return saham.
- c. Menganalisis pengaruh laba akuntansi terhadap return saham.

3. Metode Penelitian

- a. Pendekatan: Kuantitatif
- b. Data: Sekunder dari laporan keuangan perusahaan sektor konsumen non-siklikal di BEI dan data inflasi dari Badan Pusat Statistik.
- c. Teknik Analisis: Regresi linier berganda menggunakan SPSS 27.
- d. Sampel: 32 perusahaan yang dipilih dengan metode purposive sampling selama periode 2019-2023.
- e. Uji Asumsi Klasik: Normalitas, multikolinearitas, heteroskedastisitas, dan autokorelasi.

4. Hasil dan Pembahasan

- a. Inflasi tidak memiliki pengaruh signifikan terhadap return saham. Hal ini dikaitkan dengan sifat sektor non-siklikal yang stabil meskipun terjadi inflasi.
- b. Leverage juga tidak berpengaruh signifikan terhadap return saham. Investor dalam sektor ini cenderung tidak terlalu memperhatikan rasio utang terhadap ekuitas karena stabilitas perusahaan.
- c. Laba akuntansi tidak memiliki pengaruh signifikan terhadap return saham. Meskipun laba merupakan indikator kinerja keuangan, faktor lain seperti kondisi makroekonomi dan sentimen pasar kemungkinan lebih berpengaruh.
- d. Koefisien determinasi (Adjusted R²) sebesar 56,3%, yang berarti variabel independen hanya mampu menjelaskan 56,3% variasi return saham, sedangkan 43,7% dipengaruhi faktor lain.

5. Kesimpulan dan Saran

Kesimpulan: Tidak ditemukan pengaruh signifikan dari inflasi, leverage, dan laba akuntansi terhadap return saham di sektor ini.

Saran:

- a. Investor sebaiknya mempertimbangkan faktor lain, seperti sentimen pasar dan kondisi makroekonomi, dalam mengambil keputusan investasi.
- b. Perusahaan perlu lebih fokus pada efisiensi operasional dan strategi bisnis dibandingkan hanya memperhatikan leverage dan inflasi.
- c. Peneliti selanjutnya dapat menambahkan variabel lain seperti tingkat suku bunga, nilai tukar, atau sentimen pasar untuk memberikan analisis yang lebih komprehensif.

THE EFFECT OF INTELLECTUAL CAPITAL ON FIRM VALUE WITH PROFITABILITY AS A MEDIATING VARIABLE IN HEALTHCARE INDUSTRY

SUMMARY

1. Background

This study focuses on the effect of inflation, leverage, and accounting earnings on stock returns in the non-cyclical consumer sector listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. This sector attracts attention due to its stability despite economic fluctuations. Previous research has shown mixed results regarding the relationship between inflation, leverage, and accounting earnings on stock returns, making further study necessary to understand this phenomenon.

2. Research Objectives

- a. To examine and analyze the effect of inflation on stock returns.
- b. To examine and analyze the effect of leverage on stock returns.
- c. To examine and analyze the effect of accounting earnings on stock returns.

3. Research Methodology

- a. Approach: Quantitative
- b. Data: Secondary data from financial reports of non-cyclical consumer sector companies on the IDX and inflation data from the Central Statistics Agency (BPS).
- c. Analysis Technique: Multiple linear regression using SPSS 27.
- d. Sample: 32 companies selected using the purposive sampling method for the period 2019-2023.
- e. Classical Assumption Tests: Normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

4. Results and Discussion

- a. Inflation has no significant effect on stock returns. This is attributed to the stable nature of the non-cyclical consumer sector, even during inflationary periods.
- b. Leverage also has no significant effect on stock returns. Investors in this sector tend not to focus on the debt-to-equity ratio due to the stable financial performance of these companies.
- c. Accounting earnings do not significantly affect stock returns. Although earnings are an indicator of financial performance, other factors such as macroeconomic conditions and market sentiment may have a stronger influence.
- d. The coefficient of determination (Adjusted R²) is 56.3%, meaning that the independent variables explain only 56.3% of the variation in stock returns, while 43.7% is influenced by other factors.

5. Conclusion and Recommendations

Conclusion: No significant effect was found between inflation, leverage, and accounting earnings on stock returns in this sector.

Recommendations:

- a. For Investors: Investors should consider additional macroeconomic factors and industry-specific variables when making investment decisions in the non-cyclical consumer sector. Relying solely on inflation, leverage, and accounting earnings may not be sufficient to predict stock returns.
- b. For Companies: Companies should focus on maintaining stability and resilience in financial performance rather than emphasizing leverage or inflation control alone. Strengthening operational efficiency and market positioning may yield better investor confidence.

- c. For Future Researchers: Future studies could incorporate additional independent variables that may be related to the dependent variable and include more non-cyclical companies, particularly those not listed on the main board. Additionally, extending the study period could provide a more comprehensive analysis.

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CHAPTER I

INTRODUCTION

1.1 Background

Shares are financial instruments representing an ownership interest in a company, offering potential benefits in the form of capital gains and dividends. The value of a share reflects public confidence in the company, serving as an indicator of its perceived stability and growth prospects (Lutfiah et al. 2023). The greater the share price, the higher the level of confidence in the anticipated returns for the capital provider. Stock returns reflect investors' expectations of future performance. These returns may fluctuate (increase or decrease) over time. The changes are influenced by the dynamics of supply and demand. When demand for a stock exceeds its supply, returns tend to rise. Conversely, when supply exceeds demand, stock returns are likely to decline (Rusmita, 2016). According to Purba (2019) The reason every investor buys shares of a company is to expect profit. This indicates that if the company is experiencing large profits, it will be more likely that new investors will invest in the company. Therefore, investors must look at other factors that can affect stock returns. According to Andes et al (2017) the return on investment is determined by the investor's ability to analyze a stock by looking at macro factors such as inflation. In short, the amount of inflation can affect the mindset of investors in investing. Meanwhile, according to Raharjo & Lestari (2022) in the non-cyclical consumer company sector, company growth tends to be stable even when the economy is volatile, so investors tend to invest in the non-cyclical consumer sector when the economy is unstable.

Non-cyclical consumer sector companies produce goods or services that are basic needs so that even in unstable conditions, the company has stable growth. This makes non-cyclical consumer sector companies a company that is in demand when the economy is down (Apriliani, n.d.2023) According to Pandini et al (2018) the non-cyclical consumer sector is the sector that is least affected by macroeconomic changes. Products and services provided by companies in

this sector are typically unaffected by fluctuations in income, as demand for these offerings remains stable even when individuals' incomes vary. Research on the impact of inflation, leverage, and accounting earnings on stock returns has been conducted across various sectors, such as Manufacture company by (Andes et al, 2017) , Property and real estate by (Permaysinta & Sawitri, 2021), Pharmacy industry by (Rachmawan et al .,2022). To address the existing research gaps and expand the academic literature, this study focuses on companies in the non-cyclical consumer sector.

Inflation is a continuous rise in the price of products and services. Inflation occurs when the prices of goods and services in the country rise (BPS 2020 in (Ayuningrum et al., 2021). According to Heriyanto and Chen, M in Andes et al., (2017) Inflation is included in economic factors that can harm or benefit a company. The high rate of inflation can cause an increase in the business's operational expenses and operating costs. Inflation can affect investors' decisions to buy a stock because when the rupiah weakens against other countries, investors will tend to invest in foreign currencies (Permaysinta & Sawitri, 2021). Therefore, high inflation is not preferred by investors. Based on studies accomplished. by (Gede et al., 2018) inflation has a significant effect on stock returns. However, research conducted by (Andes et al., 2017); (Gede et al., 2018) shows that inflation has no effect on stock returns. This shows that there is still a gap in the impact of inflation on stock returns. Therefore, researchers want to reexamine this phenomenon by using data from non-cyclical Consumer companies to find differences in the effect of inflation in the sector.

Leverage is a description of the firm's capacity to pay long-term and short-term debt (Kusanti, 2015 in (Wira et al., n.d 2024). Moreover, Leverage is included in the ratio which is a measuring tool for the firm's ability to meet long-term obligations (Yoewono, 2024). According to Sutanto, (2021) In measuring the level of leverage, the Debt to Equity ratio is used to show the company's ability to pay off long-term debt. Therefore, leverage is one of the considerations for investors in investing in a stock. According to Versia

Ningrum & Putri Citradika, (2024) high leverage can reduce investor interest on a stock, This is evidenced in research by (Yoewono, 2024) Leverage has a significant effect on stock returns. However, research conducted by (Br purba, 2019); (Versia Ningrum & Putri Citradika, 2024). This shows that leverage has no significant effect on stock return.

Accounting earnings is one of the most important pieces of information for those who use financial statements to make decisions. Accounting profit is frequently emphasized due to its role in illustrating the financial performance of an entity (Chariri, 2008). According to the Indonesian Institute of Accountants (PSAK, 2009), Accounting earnings serve as the primary report to illustrate a business's performance over a specific period. Information regarding a company's performance, particularly its profitability, is essential for making informed decisions about the management of its economic resources in the future. Accounting profits are defined as the difference between the revenue recognized from transactions within a given period and the associated historical costs. Profit is calculated using the historical cost method, which measures the difference between net assets at the beginning and end of the period, both evaluated based on historical costs. Consequently, the result of this calculation will align with the profit derived from the difference between revenues and expenses (Belkaoui, 2007). Accounting profit is used as a tool to predict stock returns, helping investors estimate the possible return on investment in the firm. Moreover, companies with high profits tend to attract more interest from investors. (Ander et al, 2021). Research conducted by, (Nainggolan & Lastari, 2019) & (Wahyudi, 2022) found that Accounting Earnings has an effect on stock return while Setyawan (2020) found that Accounting Earnings has no effect on stock return.

1.2 Research Questions

Considering the context and structure of the issue, the research problem can be articulated as follows.:

1. Does inflation have a significant effect on stock returns?

2. Does leverage have a significant effect on stock returns?
3. Does Accounting Earnings have a significant effect on stock returns?

1.3 Research Objectives

The objective of this research is to examine the impact of inflation, and leverage on stock return with dividend yield as the moderating variable

1. To examine and analyze the effect of inflation on stock returns
2. To examine and analyze the effect of leverage on stock returns
3. To examine and analyze the effect of Accounting earnings on stock returns.

1.4 Research Contribution

This research is projected to make theoretical and practical contributions to the following parties:

1.4.1 Theoretical Contribution

This study aims to enhance knowledge of the relationships among inflation, leverage, and stock returns while also examining dividend yield as a moderating variable. This study is intended to contribute to the financial literature, especially on how inflation as a macroeconomic indicate and leverage as a capital structure influence stock returns. In addition, this study looks at the non-cyclical consumer industry sector in Indonesia to gain a better understanding of how these variables affect the Indonesian capital market.

1.4.2 Practical Contribution

a. For Investors

Investors can use this research as a reference in considering inflation and leverage while making the investment decisions, especially in looking at potential stocks that can give the maximum returns. Dividend yield, which acts as a moderating variable, can also be an important indicator for investors in assessing the risks and benefits of investing in non-cyclical consumer sector companies.

b. Financial managers

Financial managers can make more decisions based on the proportion of equity as well as debt in the capital structure of the company. By knowing the effect of leverage on stock return.