

ABSTRACT

THE EFFECT OF NET PROFIT MARGIN, RETURN ON EQUITY, CURRENT RATIO AND DEBT TO EQUITY RATIO TO STOCK RETURN

The energy sector, which consists of companies with large market capitalizations, is known for providing positive returns to investors. These returns are stock price appreciation or dividend income, often serving as crucial indicators to evaluate company performance. Such performance is a key factor influencing stock price movements. This type of research adopts a quantitative approach with a causal research design to analyze the impacts of Net Profit Margin (NPM), Return on Equity (ROE), Current Ratio (CR), and Debt to Equity Ratio (DER) on stock returns. The population for this study comprises of 86 energy sector companies listed on the Indonesia Stock Exchange and included in the energy index (IDXENERGI). Secondary data sourced from the official Indonesia Stock Exchange website (www.idx.co.id), Stockbit securities (www.stockbit.com), and Yahoo Finance (finance.yahoo.com) were utilized. Purposive sampling was employed to get a sample of 43 companies. Data analysis was conducted using panel data regression analysis processed with EViews software version 12. The findings indicate that, partially, Net Profit Margin has a positive and significant effect on stock returns, whereas Return on Equity, Current Ratio, and Debt to Equity Ratio do not significantly effect on stock returns.

Keywords : Net Profit Margin, Return On Equity, Current Ratio, Debt to Equity Ratio, Stock Return.