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FACTORS AFFECTING STOCK RETURN OF CONSUMER GOODS SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2017-2019 PERIOD

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Abstract: This study aims to analyze the effect of Debt to Equity Ratio, Current Ratio, Net Profit Margin and Earning Per Share on Stock Return. The population in this study were 64 companies in the Consumer Good sector. The sample used is 39 companies. The sampling method used purposive sampling technique. This research data is in the form of secondary data. The data analysis techn3ique was carried out by panel data regression with the method chosen by the fixed effect model. The results of this study indicate that: (1) Debt to Equity Ratio (DER) has a negative and signicant effect on stock returns of companies in the consumer goods sector; (2) Current Ratio (CR) has a negative and significant effect on stock returns of companies in the consumer goods sector; (3) Net Profit Margin (NPM) has no effect on stock returns of companies in the consumer goods sector; (4) Earning Per Share (EPS) has no effect on stock returns of companies in the consumer goods sector.

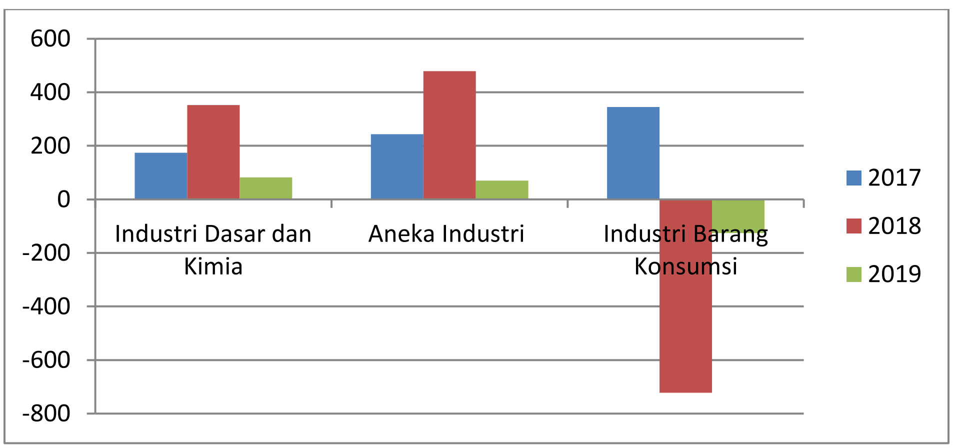
Keywords: Debt to Equity Ratio, Current Ratio, Net Profit Margin, Earning Per Share.

INTRODUCTION

In implementing the national economic development of a country, both the government and the community need financing, and the capital market is another source of funding for the government and the private sector. In the current economic conditions, various efforts have been made by the government of each country to maintain the pace of their country's economic growth, these policies ranging from stimulus, especially fiscal policy, also from the monetary side, to even unpopular policies (Risman.A, 2015). Governments that need funds can issue bonds or debt securities that can be sold to the public through the capital market. Similarly, in this case, private companies that need capital can issue securities, either in the form of shares or bonds and then sell them to the public through the capital market. The capital market has an important role in the economy of a country, this is because the capital market carries out two functions, namely the economic function and the financial function. In the economic function, the capital market or capital market provides facilities to bring together two interests, namely those who have excess funds (investors) and those who need funds (issuers). With the capital market, parties who have excess funds can invest these funds in the hope of obtaining a return, while those who need funds can use these funds for the benefit of the company or its business. In the financial function, the capital market provides the possibility and opportunity to earn a return for the owner of the fund, in accordance with the chosen investment (Muklis, 2016). One of the attractive investment indicators for investors is the purchase of shares. Investors can get the expected return in the future, namely dividends which are profits distributed by management to shareholders and capital gains obtained from the difference in prices at the time of selling and buying shares (Fermantiningrum, 2019). Analysis of financial statements can obtain various financial information and can find out the problems faced by the company and also what strategies have been implemented by the company (Arief, H. 2020).

Return or rate of return that can be in the form of gains or losses from an investment that has been made is one of the important indicators that investors consider before investing in shares in the capital market. According to Tandelilin (2017) Stock return itself is one of the factors that motivates investors to invest and is also a reward for the courage of investors to take risks for their investments. Stock return is one of the most important things for potential investors to know because the purpose of an investor in investing in a company is to get a profit or return from that investment.

The return expected by investors can be in the form of capital gains or dividends. Capital gain is a gain or profit obtained from investing activities in securities where the selling price is greater than the price at the time of purchase. Dividends are the distribution of profits made by the company to shareholders based on the number of shares it owns. One of the sectors that are most targeted by investors to invest their funds is the manufacturing industry sector. According to an article published by Kemenperin.go.id, the manufacturing industry sector plays an important role in encouraging the value of investment and exports so that it becomes the mainstay sector to accelerate the process of national economic growth.



Source: Idx (processed data, 2021)

Figure 1

Average Stock Return in The Manufacturing Industry in 2017-2019

Table 1. Average Stock Return in The Manufacturing Industry in 2017-2019

No.	Sector	Average Stock Return		
		2017	2018	2019
1	Basic and chemical industry	174	352	82
2	Various industries	244	479	70
3	Consumer Goods	345	-722	-126
The average stock return of the manufacturing industry		254	36	9

Source: Idx (processed data, 2021)

Based on Table 1 and Figure 1 regarding the average stock return in the manufacturing industry above, it can be seen that during 2017-2019 the average stock return of the manufacturing industry decreased in 2018 and 2019. In 2018, the average stock return of the basic industrial sector and chemicals increased by 202% from Rp.174 to Rp.352, the miscellaneous industry sector increased by 196% from Rp.244 to Rp.479, and the Consumer Goods sector decreased by 209% from Rp.345 to Rp.-722. In 2019, the average stock return in 2 (two) of the 3 (three) sectors in the manufacturing industry experienced a decline, where the basic and chemical industry sector fell by 23% from Rp.352 to Rp.82, the various industrial sector decreased by 15% from Rp.479 to Rp.70, and in the Consumer Goods sector it increased by 17% from Rp.-722 to Rp.-126.

Based on the news reported by cnbcindonesia.com (2018), according to Mirae Asset Sekuritas Indonesia in its published research, assessing that the growth of Consumer Goods in Indonesia is experiencing a slowdown in recent years. There are several factors that caused the slowdown in the sector commonly called Fast Moving Consumer Goods (FMCG). Among them is the increasingly fierce and heated competition between companies involving various local and imported brands. Furthermore, the slowing recovery in people's purchasing power, as well as the shift in consumer choice from FMCG products to non-FMCG products also slowed down the growth of the industry.

According to investment.kontan.co.id (2020), throughout 2019, the consumer goods sector stock index was the most depressed, corrected by 20.11%. Worse when compared to 2018 which was corrected by 10.21% ytd. Oso Sekuritas analyst Sukarno Alatas said the pressure was in line with the consumer confidence index (IKK) survey issued by Bank Indonesia (BI). He explained, entering the months of June to October 2019, the IKK continued to decline. Until October 2019, it was at the lowest level in the last two years, which was 118.4. From the stock market perspective, Sukarno said the pressure came from, among others, the shares of PT Unilever Indonesia Tbk (UNVR) which fell 5.73% during 2019, the shares of PT HM Sampoerna Tbk (HMSP) which fell 42.59%, the shares of PT Gudang Garam Tbk (GGRM) fell 36.62%, PT Mayora Indah Tbk (MYOR) shares fell 21.76% and PT Garudafood Putra Putri Jaya Tbk (GOOD) shares fell 19.47% throughout 2019.

The Consumer Goods sector is a producer of products for the basic needs of today's society with consumptive products that are liked by the public so that companies in this industry have a high level of sales and have an impact on the growth of the sector. There are 6 (six) sub-sectors in the Consumer Goods sector, namely the Food & Beverage, Cigarettes, Pharmacy, Cosmetics & Household Goods, Household Appliances, and other sectors.

LITERATURE REVIEW

Signaling Theory

Accourding to Jogiyanto (2017) information published as an announcement will provide a signal for investors in making decisions. Signal theory explains the reasons for companies to provide financial statement information to external parties related to the existence of information asymmetry between the company's management and parties outside the company. The company management has more information and knows the company's prospects in the future. The information can be in the form of financial statements, company policy information or other information that is carried out voluntarily by the company's management. When information is announced, market participants first interpret and analyze the information as a good signal or a bad signal. If the announcement of the information is a good signal for investors, there will be a change in the stock price, where the stock price will increase so that the stock return will increase.

Stock returns

According to Fahmi (2018) Return is the profit obtained by companies, individuals, and institutions from the results of their investment policies. In the investment world, it is known that there is a strong relationship between risk and return, namely if the risk is high, the return (profit) will also be high and vice versa if the return is low, the risk is also low. According to Tandelilin (2017) states that return is a factor that can motivate investors to invest as well as a reward for investors' courage in facing risk or an investment that will be made.

Debt to Equity Ratio

According to Darmaji and Fakhrudin (2012), the debt to equity ratio (Debt to Equity Ratio) is a ratio that measures the amount of debt borne through the company's own capital. The smaller the value of this ratio, the greater the amount of assets funded by the owner of the company and the greater the risk buffer of creditors. According to Fahmi (2018) define the Debt to Equity Ratio as a measure used in analyzing financial statements to show the amount of collateral available to creditors. The lower the Debt to Equity Ratio, the better, because it is safe for creditors during liquidation. This ratio is useful for knowing the amount of funds provided by the borrower with the owner of the company. The greater the DER value indicates that the capital structure of the business is sourced more from debt than from equity, so the higher DER reflects the company's relatively high risk, as a result, investors tend to avoid stocks that have a high DER. (Firdaus, Ika,. 2019).

Current Ratio

The current ratio (current ratio) is a very useful ratio to measure the company's ability to pay off its short-term obligations, where it can be seen to what extent the company's current assets can guarantee its current liabilities. According to Fahmi (2018), the current ratio is a common measure used for short-term solvency, the company's ability to meet short-term debt needs when it matures.

Net Profit Margin

Net Profit Margin (NPM) is also known as the ratio of revenue to sales. According to Joel G. Siegel (1999) in Fahmi (2018) said that Net Profit Margin (NPM) is equal to net profit divided by net sales. This shows the stability of unity to generate gains at a particular level of sales. By examining a company's profit margins and industry norms in previous years, we can assess the efficiency of operations and pricing strategies as well as the competitive status of the company with other companies in the industry. A high profit margin is preferred because it shows that the company is getting good results that exceed the cost of goods sold.

Earning Per Share

This ratio describes the profit indicators that are considered by investors. Earnings per share (EPS) ratio describes the amount of net income (amount of money earned) for each share of common stock. A large EPS indicates a large company's ability to generate net profits per share. According to Fahmi (2018) earnings per share or income per share is a form of giving profits given to shareholders from each share owned.

Hypothesis Development

1. Effect of debt to equity ratio on stock returns

   According to Kasmir (2017) the debt to equity ratio is a comparison used to assess debt and equity. This ratio is sought by comparing all debt, including current debt with all equity. The higher the DER value, the greater the company's use of debt as a source of funding. The higher the DER value will affect the decrease in stock returns because companies that use a lot of debt will make shareholders have a high risk. The high Debt to Equity Ratio (DER) value reflects the company's relatively high risk.

   Where the results of previous research from Aziz, et al (2018) found that the debt to equity ratio has a negative effect on stock returns, the results of this study are also the same as research conducted by Kusmayadi, et al (2018) which found that the Debt to Equity Ratio (DER) has a negative effect on stock returns. From the explanation above, it can be concluded that:

   H1: Debt to Equity Ratio has a negative effect on stock returns.

2. The effect of the current ratio on stock returns

   According to Kasmir (2017), the current ratio (current ratio) is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when they are billed as a whole. This ratio is very useful to measure the company's ability to pay off its short-term obligations, where it can be seen to what extent the company's current assets can guarantee its current liabilities. The greater the current ratio, the greater the company's ability to meet short-term financial obligations so that it will affect investors in buying company shares which causes stock returns to increase.

   Where the results of previous research from Nandini and Sudjarni (2017) found that the current ratio (CR) had a positive effect on stock returns. The results of this study are in line with research conducted by Septiana and Wahyuati (2016) who found that the current ratio (CR) has a positive effect on stock returns. From the explanation above, it can be concluded that:

   H2: Current Ratio (CR) has a positive effect on stock returns.

3. Effect of net profit margin on stock returns

   According to Kasmir (2017) net profit margin (NPM) is the relationship between net profit after tax and sales. This ratio shows the extent to which the company's ability to generate net income at a certain level of sales. A low NPM indicates sales that are too low for a given cost level. In general, a low ratio can indicate management inefficiency. This means that the bigger

the ratio, the better, because the company is considered to get a high net profit. This gives investors confidence to own the company's shares which can increase stock returns in the future.
Where the results of previous research from Putra and Kindangen (2016) found that Net Profit Margin (NPM) has a positive and significant effect on stock returns, the results of this study are also in line with research conducted by Fatansiru and Merdiana (2018) which found that Net Profit Margin (NPM) has a positive and significant effect on stock returns. From the explanation above, it can be concluded that:

H3: Net Profit Margin has a positive effect on stock returns.

4. Effect of earnings per share (EPS) on stock returns

According to Kasmir (2017), Earning Per Share or earnings per share is a ratio to measure the success of management in achieving profits for shareholders. According to Fahmi (2018), Earnings per share can indicate the level of company welfare so that if the earnings per share distributed to investors is high, it indicates that the company is able to provide a good level of welfare to shareholders. The higher the EPS value, the better it will attract investors to invest their capital, and thus the stock return will also increase.
Where the results of previous research from Silvia and Limajatini (2018) found that Earning Per Share (EPS) has a positive and significant effect on stock returns, the results of this study are the same as research conducted by Nandini and Sudjarni (2017) who found Earning Per Share (EPS).) has a positive and significant effect on stock returns. From the explanation above, it can be concluded that:

H4: Earning Per Share has a positive effect on stock returns.

RESEARCH METHODS

In carrying out this research the authors obtain and collect data or information from financial reports that have been published by the Indonesia Stock Exchange (IDX) through the website www.IDX.co.id and literature studies. The companies used as the population are 64 companies in the Consumer Goods sector listed on the IDX. The sampling technique used is purposive sampling. Purposive sampling is a technique of collecting samples with certain criteria. The sampling criteria are 1) Companies listed in the Consumer Goods sector on the Indonesia Stock Exchange (IDX), 2) Companies listed on the Indonesia Stock Exchange before 2016, and 3) Companies that have normal data.

Variable operationalization

To provide a more specific understanding of the variables of this study, the variables, definitions, and indicators used in this study are described in the following table:

Table 2. Variable Operationalization

Variabel	Definition	Formula	Scale
Debt to Equity Ratio	Debt to Equity Ratio is a ratio that measures the amount of debt borne by the company's own capital.	$\frac{Total\ of\ debt}{Total\ of\ Equity}$ x 100%	Ratio
Current Ratio	Current Ratio is a commonly used measure of the short-term solvency of a company's ability to meet short-term debt needs when it matures.	$\frac{Current\ Asset}{Current\ Liabilities}$ x 100%	Ratio
Net Profit margin	Net profit margin is the ratio used to show the company's ability to generate net profit ratio after tax.	$\frac{Profit\ after\ tax}{Sales}$ x 100%	Ratio
Earning Per Share	Earning Per Share or income per share is a form of profit given to shareholders from each share owned.	$\frac{Profit\ after\ tax}{Number\ of\ shares\ outsandi}$	Ratio
Return Saham	Stock return is the profit obtained by companies, individuals, or institutions from the results of their investment policies. The stock price used to determine stock returns is the average daily stock price.	$\frac{P_t-(P_{t-1})}{P_{t-1}}$	Ratio

Operationalization Variable

The independent variables in this study include Debt to Equity Ratio, Current Ratio, Net Profit Margin, and Earning Per Share. The dependent variable is Stock Return. This study aims to determine the effect of the independent variables, namely Debt to Equity Ratio, Current Ratio, Net Profit Margin, and Earning Per Share on Stock Return. The research design is causal research. The data analysis method in this study uses panel data regression analysis. The panel data regression model can be formulated as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Di mana:

Y : Stock Return
α : Konstanta
β_{1-2} : Koefisien regresi
X_1 : Debt to Equity Ratio
X_2 : Current Ratio
X_3 : Net Profit Margin
X_4 : Earning Per Share
ε : Error

FINDINGS AND DISCUSSION

Deskripsi Variabel

The results of the analysis using a descriptive statistical table can be seen in the table below:

Table 3. The result of descriptive analysis of research variables

Date: 09/06/21
Time: 23:49
Sample: 2017 2019

	RETURN_SAHAM	DER	CR	NPM	EPS
Mean	0.069167	0.703056	2.859306	10.45597	157.1599
Median	0.035000	0.520000	2.520000	7.490000	84.20000
Maximum	1.300000	2.910000	8.640000	39.00000	672.2600
Minimum	-0.790000	0.090000	0.630000	0.050000	0.550000
Std. Dev.	0.282004	0.568300	1.871856	9.670045	178.4172

Source: The results of the output eviews 9 (2021)

From the results of the descriptive statistical output in the table above, it can be seen that:

1) Stock returns have the highest value of 1.300000 at Sekar Laut Tbk (SKLT) in 2017 and the lowest value of -0.790000 is found at Unilever Indonesia Tbk (UNVR) in 2018. The standard deviation value of 0.282004 is greater than with a mean (average) value of 0.069167, indicating that the level of variation in stock return data is high/not good.
2) The Debt to Equity Ratio has the highest value of 2.910000 at Unilever Indonesia Tbk (UNVR) in 2019 and the lowest value of 0.090000 is found in the Sido Herbal and Pharmaceutical Industry Tbk (SIDO) in 2017. The standard deviation value of 0.568300 is smaller than the mean (average) value is 0.703056, indicating that the level of variation in the debt to equity ratio data is quite good.
3) Current Ratio has the highest value of 8.640000 at Delta Djakarta Tbk (DLTA) in 2017 and the lowest value of 0.630000 is found at Unilever Indonesia Tbk (UNVR) in 2017. The standard deviation value of 1.871856 is smaller than the mean (average).) which is equal to 2.859306, indicating that the level of variation of the current ratio data is quite good.
4) Net Profit Margin has the highest value of 39,0000 at Multi Bintang Indonesia Tbk (MLBI) in 2017 and the lowest value of 0.050000 is found at Sekar Bumi Tbk (SKBM) in 2019. The standard deviation value of 9.670045 is smaller than the mean (average) average) which is 10,45597, indicating that the level of variation in the net profit margin data is quite good.
5) Earning Per Share has the highest value of 672,2600 at Indofood Sukses Makmur Tbk (INDF) in 2019 and the lowest value of 0.550000 is found at Sekar Bumi Tbk (SKBM) in 2019. The standard deviation value of 178.4172 is greater than the mean value (average). -average) which is 157,1599, indicating that the level of variation in earnings per share data is not good.

Panel Data regression model selection

Uji Chow

Table 4. Uji Chow

Redundant Fixed Effects Tests
Equation: FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.552551	(23,44)	0.0037
Cross-section Chi-square	61.034906	23	0.0000

Sumber: Hasil Output Eviews 9 (2021)

Based on the results of the Chow test in the table above, the results of the Chi-Square Cross-section probability of 0.0000 < 0.05 means that H0 is rejected and the accepted model is the Fixed Effect Model.
Because the results of the Chow test H1 were accepted (H0 was rejected), the test was continued to the Hausman test to determine the best model between Fixed Effect and Random Effect.

Uji Hausman

Table 5. Hausman Test

Correlated Random Effects - Hausman Test
Equation: REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	12.9389 38	4	0.0116

Sumber: Hasil Output Eviews 9 (2021)

Based on the results of the Hausman test in the table above, a probability value of 0.0116 <0.05 is obtained, which means H1 is accepted (H0 is rejected) so that the best model to be used is the Fixed Effect Model.
So, the result of selecting the panel data regression model using the Chow test and Hausman test, the Fixed Effect Model is the best model for the panel data regression equation in this study.

Hypothesis testing
Coefficient of Determination

Table 6. Panel Data Regression Model

Cross-section fixed (dummy variables)

R-squared	0.593324	Mean dependent var	0.197083
Adjusted R-squared	0.343773	S.D. dependent var	0.212520
S.E. of regression	0.172158	Akaike info criterion	-0.395511

Sum squared resid	1.304083	Schwarz criterion	0.489859
Log likelihood	42.23840	Hannan-Quinn criter.	-0.043043
F-statistic	2.377564	Durbin-Watson stat	2.480652
Prob(F-statistic)	0.005179		

Sumber: Eviews 9 Output results (2021)

Based on the table above, it can be seen that the Adjusted R-Squared value is 0.343773 or 34.4%. This means that the dependent variable (stock returns) can be explained by the independent variables, namely Debt to Equity Ratio (DER), Current Ratio (CR), Net Profit Margin (NPM) and Earning Per Share (EPS) of 34.4%, while the remaining 65.6% is explained by other factors outside this study

.Uji F

Table 7. F-test Results

F-statistic	2.377564	Durbin-Watson stat	2.480652
Prob(F-statistic)	0.005179		

Source: Eviews 9 Output results (2021)

Based on the table above, the results of model testing using the Fixed Effect model, obtained the Prob value (F-Statistic) of 0.005179 < 0.05. It means that H1 is accepted (H0 is rejected) because the prob value (F-Statistic) is smaller than 0.05 which means that simultaneously (simultaneously) the independent variables affect the dependent variable.

Uji T

Table 8. T-test Results

Dependent Variable: RETURN_SAHAM
Method: Panel Least Squares
Date: 09/06/21 Time: 09:57
Sample: 2017 2019
Periods included: 3
Cross-sections included: 24
Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.763629	0.276978	2.757000	0.0085
DER	-0.461956	0.155936	-2.962471	0.0049
CR	-0.101870	0.039437	-2.583116	0.0132
NPM	0.008884	0.021064	0.421771	0.6752
EPS	-0.000276	0.000764	-0.360729	0.7200

Source: Eviews 9 Output results (2021)

1) Effect of Debt to Equity Ratio (X1) on Stock Return (Y)

   Hypothesis testing was carried out with a T-test at a 95% confidence level. The results based on the table above are the coefficient value for the Debt to Equity Ratio (DER) variable of -0.461956 which means it moves negatively and the probability value is 0.0049 which means it is smaller than the significance level of 0.05. (5%). So this means that H1 is accepted (H0 is rejected) and it can be concluded that the Debt to Equity Ratio (DER) variable has a negative and significant effect on stock returns. so in this study the hypothesis:

H1: Debt to Equity Ratio (DER) harms stock returns received

2) Effect of Current Ratio (X2) on Stock Return (Y)

Hypothesis testing was carried out with a T-test at a 95% confidence level, the results obtained based on the table above is the coefficient value for the Current Ratio (CR) variable of -0.101870 which means it moves negative and the probability value is 0.0132 which means it is smaller than the significance level of 0.05 (5 %). So this means that H1 is accepted (H0 is rejected) and it can be concluded that the Current Ratio (CR) variable has a negative and significant effect on stock returns. so in this study the hypothesis:

H2: Current Ratio (CR) has a positive effect on stock returns rejected

3) Effect of Net Profit Margin (X3) on Stock Return (Y)

Hypothesis testing was carried out with a T-test at a 95% confidence level, the results obtained based on the table above is the coefficient value for the Net Profit Margin (NPM) variable of 0.008884, which means it moves positively and the probability value is 0.6752 which means it is greater than the significance level of 0.05 (5 %). So this means that H0 is accepted (H1 is rejected) and it can be concluded that the Net Profit Margin (NPM) variable does not affect stock returns. so in this study the hypothesis:

H3: Net Profit Margin (NPM) has a positive effect on stock returns rejected

4) Effect of Earning Per Share (X4) on Stock Return (Y)

Hypothesis testing was carried out with a T-test at a 95% confidence level. The results based on the table above are the coefficient value for the Earning Per Share (EPS) variable of -0.000276 which means that it moves positively and the probability value of 0.7200 which means it is greater than the significance level of 0.05 (5%). So this means that H0 is accepted (H1 is rejected) and it can be concluded that the Earning Per Share (EPS) variable does not affect stock returns. so in this study the hypothesis:

H4: Earning Per Share (EPS) has a positive effect on stock returns rejected

Discussion of Research Results

Based on research that has been conducted on four independent variables, namely Debt to Equity Ratio (DER), Current ratio (CR), Net Profit Margin (NPM), and Earning Per Share (EPS) on the dependent variable Stock Return, the following is a description of the results of this study:

1) Effect of Debt to Equity Ratio (DER) on Stock Return

From the results of the research conducted, it is known that the Debt to Equity Ratio has a negative and significant effect on stock returns of consumer goods sector companies on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.

The results of this study mean that if the Debt to Equity Ratio increases, the stock return will decrease, or vice versa. This result is in line with the existing theory, where according to Kasmir (2017), the size of the DER will affect the size of the company's stock return. The higher the DER means the company's debt is also high which results in the higher risk of the company. On the other hand, the lower the DER, it means that the company's debt is also low and the company's risk is also low so that it can attract investors to invest.

By some investors, DER is seen as mostly the company's responsibility to third parties, namely creditors who provide loans to the company. So that the greater the value of DER will increase the company's responsibilities. A DER value that is too high has a bad impact on the company's performance because the higher the level of debt means the company's interest expense will be greater and will reduce profits. These results are in line with the research results of Kusmayadi, et al (2018) which found that the Debt to Equity Ratio had a negative and significant effect on stock returns.

2) Effect of Current Ratio (CR) on Stock Return

From the results of the research conducted, it is known that the Current Ratio (CR) has a negative and significant effect on stock returns of consumer goods sector companies on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.

The results of this study mean that if the Current Ratio increases, the Stock Return will decrease, or vice versa. This result is not in line with the existing theory, where according to Fahmi (2018), the greater the current ratio, the greater the company's ability to meet short-term financial obligations so that it will affect investors in buying company shares which causes stock returns to increase. However, this research can still be explained, if the Current Ratio is high, which means that the liquidity capacity is high, then there is a tendency to use working capital not optimally so that it will reduce the level of profitability.

In other words, the higher the liquidity, which means the current assets are not used optimally, then there is a tendency for stock prices and stock returns to also decrease. So that the results of this study are under the explanation in the sense that the higher the level of liquidity, the tendency of a lower level of profitability. These results are in line with the results of Fatansiru and Merdiana's (2018) research which found that the Current Ratio harmed stock returns.

3) Effect of Net Profit Margin (NPM) on Stock Return

From the results of the research conducted, it is known that Net Profit Margin (NPM) has no effect on stock returns of consumer goods sector companies on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.

The results of the research above are due to the large number of research samples that tend to have a high net profit margin (NPM) but are not accompanied by a positive stock return value. So that the results of the regression are not in line with the proper theory which states that the higher the net profit margin, the more productive a company will be so that the company is judged to be able to earn a profit and be able to provide satisfactory investment returns for investors.

The existence of an insignificant effect between net profit margin on stock returns is also because the information provided by the company regarding the company's ability to earn profits from each sale does not attract investors for consideration in making investment decisions. The high and low NPM is not paid much attention to by investors because a high NPM value does not necessarily indicate a good company performance in generating net profit from sales. After all, the increase in the NPM value can be caused by the percentage decrease in sales that is greater than the percentage increase in net profit, so the high and low NPM does not too much attention to investors when buying or selling shares. The results of this study are in line with the results of research by Fatansiru and Merdiana (2018) which found that net profit margin does not affect stock returns.

4) Effect of Earning Per Share (EPS) on Stock Return

From the results of research conducted, it is known that Earning Per Share (EPS) has no effect on stock returns of consumer goods sub-sector companies on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.

This result is not in line with the existing theory, where according to Fahmi (2018) if the Earning Per Share value increases, it will increase the stock return as well. Meanwhile, the results of this study indicate that earnings per share do not affect stock returns. EPS does not affect stock returns can be caused by the number of shares increasing but the company's net income decreases, then the value of earnings per share (EPS) will also decrease. The company's inability to distribute income to its shareholders reflects the smaller the success of the business it does, so the returns that investors will receive are low. Earnings per share are low, indicating that the company's performance is poor so it cannot improve its image among investors. So investors are not interested in buying these shares and it causes stock returns to decline.

In other words, increasing earnings per share (EPS) will not necessarily have an impact on increasing stock returns obtained by investors. Investors who invest in stocks only want to get short-term profits in the form of capital gains, so that the earnings per share of shares are not paid much attention by investors in buying or selling shares. This result is in line with the research of Mahardika and Artini (2017) which found that earnings per share did not affect stock returns.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of data analysis and discussions that have been carried out, it can be concluded that research to answer the formulation of the problem, which is as follows:

1. Debt to Equity Ratio has a negative and significant effect on Stock Return of Consumer Goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.
2. The Current Ratio has a negative and significant effect on the Stock Return of the Consumer Goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.
3. Net Profit Margin has no effect on Stock Return of Consumer Goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period
4. Earnings Per Sahre have no effect on Stock Return of Consumer Goods sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period.

Suggestion

Based on the conclusions in this study, the suggestions that researchers can give to be taken into consideration are as follows:

1. For Investors

   Investors should, before investing their funds in the consumer goods sector, conduct a review of the target company. Because one of the goals of investors investing in stocks is hoping to get a return on what they invested. Returns or stock returns are a reflection of the performance of the stock issuing company, the better the company's performance, the higher the returns that can be given to investors. Based on the results of this study, the Debt to Equity Ratio (DER) variable has the largest coefficient value of all the independent variables of this study and has a negative and significant effect, so to get a high stock return, investors need to look at the DER of the company in question. With a decreasing DER value, the stock return value will increase.

2. For Companies
   a. Based on the results of debt to equity (DER) which has a negative and significant effect on stock returns, companies must pay attention to the level of use of debt to fund their company's activities. Due to the high level of debt, it will assume that the company has a burden in its operational activities. So that the increasing value of DER will reduce stock returns, and reduce investor interest in investing their shares in the company.
   b. Based on the results of the current ratio (CR) which has a negative and significant effect on stock returns, which means that if CR increases then stock returns decrease, then the company should pay attention to the level of liquidity. The liquidity capability of a company is high, then there will be a tendency to use less than optimal capital, so that it will reduce the level of profitability.
3. For Further Researchers
   Based on the results of the R2 test which obtained 34.4% results, which means that the dependent variable (stock return) can be explained by the independent variables, namely Debt to Equity Ratio (DER), Current Ratio (CR), Net Profit Margin (NPM) and Earnings. Per Share (EPS) is 34.4%, while the remaining 65.6% is explained by other factors outside of this study. It is recommended that further researchers who want to take a similar theme can add other variables such as Return On Assets (ROA), Return On Equity (ROE), Dividend Payout Ratio (DPR), Return On Investment (ROI), Economic Value Added (EVA) and etc.

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