

ABSTRACT

This study aims to examine the effect of liquidity on stock returns. The independent variables in this study are trading volume, market capitalization, book-to-market ratio, asset growth, and return on assets (ROA). Stock returns are the dependent variable.

The population in this study consists of banking sector companies listed on the Indonesia Stock Exchange from 2022 to 2024. Purposive sampling was used as the method, resulting in 101 observations after removing 37 outliers. This study utilizes secondary data and multiple linear regression analysis.

The results indicate that market capitalization has a significant positive effect on stock returns, while trading volume has a negative effect on stock returns. Meanwhile, the book-to-market ratio, asset growth, and ROA do not affect stock returns.

Keywords: Liquidity, stock returns, trading volume, market capitalization, book-to-market ratio, asset growth, ROA

