

ABSTRACT

The aims of this study are to analyze the effect of Return on Equity (ROE), Current Ratio (CR), Debt to Equity Ratio (DER), Oil Prices, and Inflation Sensitivity on Stock Prices. This study was taken because there are still differences between the research study with each other and there is a difference between the real state of research study with each other and there is a difference between the real of research data with existing theory.

This research was conducted using secondary data. Sampling technique used was purposive sampling. From twenty three companies, only thirteen are selected, because the financial statement from each company are complete since 2007-2011. The analysis method used is multiple linear regression analysis.

By using regression analysis, this study provides evidence that Return on Equity haven't significant positive effect on stock prices. Current Ratio have significant negative effect on stock prices. Debt to Equity Ratio have significant negative effect on stock prices. Oil Prices have significant positive effect on stock prices. Inflation Sensitivity have significant negative effect on stock prices. The value of adjusted R square is 26.6%. This means that 73.4% Stock Prices movement can be predicted from the movement of the five independent variables.

Keywords : Stock Prices, Return on Equity, Current Ratio, Debt to Equity Ratio, Oil Prices, and Inflation Sensitivity