

ABSTRACT

Capital markets is one way to improve the long-term economic resources and as one of investment instrument. The development of capital markets as an instrument in the current economy shows strong growth. Therefore, investors in investing always expect return. Expectations consistent with the objectives of investors to invest, namely to maximize the expected return. The objective of this research is to analyze the influence of Price Earning Ratio (PER), Price to Book Value (PBV), Firm Size, Operating Cash Flow, Investing Cash Flow and Financing Cash Flow toward stock return on manufacturing company that listed on Indonesian Stock Exchange in the period of 2005-2009.

Sample of this research consists of 101 manufacturing company. Purposive sampling methods were used as samples determining method. Data were provided by Jakarta Stock Exchange (JSX) Yearly Statistict and Financial Report for each company. Analysis technique that used in this research is multiple linier regression.

The result of this research shows that PBV, PER, firm size, operating cash flow and financing cash flow have a positive and significant influence toward stock return. Otherwise PER and investing cash flow have a negative and not significant influence toward stock return. The result of this research shows that adjusted R^2 is 11,1%. Investor can use the result of this research as a consideration before invest.

Keywords: *Price Earning Ratio (PER), Price to Book Value (PBV), Firm Size, Operating Cash Flow, Investing Cash Flow, Financing Cash Flow*