ABSTRACT

Signalling theory assumes the existence of asymmetric information between the company management and investors. This is because the management company had different information about the company than investors. Differences of this information causes investors provide low prices to the company's stock and provide low stock returns to investors. To predict stock returns, investors must analyze both factors, which consist microeconomic and macroeconomic factors.

This research was conducted to examine the effect of Tobin's Q, inflation, interest rates, and exchange rate toward stock return of manufacture companies that listed in the Indonesian Stock Exchange (IDX) periods 2011-2014. The population in this research is all of manufacture companies listed in Indonesia Stock Exchange (IDX) periods 2011-2014. The sampling technique used was purposive sampling. The sample has 84 manufacturing companies that meet the determined criteria. The analysis technique used is panel data regression with Random Effect Method (REM) and hypothesis testing using t-statistic to test the partial regression coefficient, and f-statistic to examine the simultaneous influence with significance level of 5%.

The results showed that Tobin's Q, inflation, interest rates, and exchange rate simultaneously have a significant influence on stock returns. Based on the partial test, Tobin's Q affect the stock returns, inflation has no effect on stock returns, interest rates have no significant effect on stock returns, and the exchange rate has no effect on stock return.

Key word: *return stock, tobin's q, inflation, interest rate, exchange rate*