ABSTRACT

'Return of stock' is related to the result of profit (capital gain) or loss (capital loss) obtained from the investment or stock trading within a certain period. Financial ratios influence investors' decision to invest. Therefore, the company should pay more attention to its financial performance mainly because it will affect the investor to invest in the company he wants or not. Financial ratios can be used as a decision-making tool for investors, besides investors should pay more attention to other factors that affect stock returns such as external factors company.

This study aims to determine the effect of crude oil prices, debt to equity ratio, earnings per share, and price earnings ratio against stock return either simultaneously or partially.

The research was conducted at manufacturing company of basic and chemical industry sub-sector which listed in Indonesia Stock Exchange 2010-2015 with total sample of research population is 23 companies selected by purposive sampling method. The observation period is 6 years using Eviews 9 software as a panel data analysis method.

The results showed that crude oil price, debt to equity ratio, earnings per share, and price earning ratio have significant effect on return simultaneously. Partially, crude oil price variable has significant effect to stock return. While the debt to equity ratio, earnings per share, and price earnings ratio has no significant effect on stock returns.

This study suggests to add other independent variables such as book value, profitability value, corporate value and so forth. In addition, researchers may also use other sectors other than manufacturing companies such as services, banking, transport and mining sectors listed on the Indonesia Stock Exchange.

***Keywords**: crude oil price, debt to equity ratio, earnings per share, price earning ratio, and stock return.*