ABSTRACT

In these days, the interest of people to do investing are increasing for they know investment can be used as a warranty for the future. Stock investing is one of the most popular types of investment because of the high profit, but it also has a big risk. To do stock investing, it need accurate and relevant information in order to get the high profit and to lower the risk that might happen.

This Research was conducted with aim to find out what variables or factors can be used in order to know and to select (choose) the superior stock. There are 6 (six) main variables in this research which are, Debt to Equity (DER), Debt to Assets (DAR), Return on Assets (ROA), Return on Equity (ROE), Earning Per Share (EPS), and Book Value per Share (BVPS). This type of research is the type of quantitative research where the technique of the sampling is using the technique of purposive sampling and was obtained there are 10 (ten) companies as the sample and the method used is principal component analysis.

The results of this research indicated that the variable that can be used in choosing (selecting) the superior stock is, Debt to Equity (DER), Debt to Asset (DAR), and Return on Asset (ROA). Based on the 3 (three) variables, can be found that the stock of BBNI becomes that most superior stock, followed by the stock of BBRI, BMRI, BBCA and BDMN.

Keywords: Principal Component analysis, Winning stock, Business Index27