

## **ABSTRACT**

*Food and beverage sub-sector companies make the largest contribution to the growth of the manufacturing industry in Indonesia. In addition, economic growth is also significantly influenced by contributions from food and beverage companies and the capital market. An important component for the capital market and the Indonesian economy itself is capital. Companies must also pay attention to other factors that can affect the company, such as inflation, interest rates and stock returns.*

*This study was conducted with the aim of knowing the effect of inflation and interest rates on stock returns in food and beverage companies listed on the Indonesia Stock Exchange. This study uses a quantitative method approach. The type of data used is secondary data in the form of data on inflation, interest rates, and stock returns. The data collection technique used is the panel data regression method, which is a combined method of time series data and cross section data.*

*The sample collection technique in this study used purposive sampling which resulted in 14 samples of companies. The data obtained is then processed using SPSS 22 and EViews 9. The analytical technique used is descriptive analysis, which aims to obtain data results, such as inflation, interest rates and stock returns which are interpreted in terms of minimum, maximum, mean and standard deviation. for each variable.*

*Another analytical technique used is the classical assumption test, which includes multicollinearity test, heteroscedasticity test, autocorrelation test and normality test. Then, test the hypothesis consisting of the t test and f test. In addition, using panel data tests and the coefficient of determination (R<sup>2</sup>).*

*Based on this study, the results showed that partially inflation and interest rates had no effect on stock returns. Simultaneously, inflation and interest rates have no effect on stock returns in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2017-2019 period.*

*Keywords: inflation, interest rates, stock returns, investment, and the Indonesia Stock Exchange.*