

EMPIRICAL STUDY OF FUNDAMENTAL AND TECHNICAL FACTORS AFFECTING THE RETURN OF SHARES TO JAKARTA STOCK EXCHANGE

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ABSTRACT

The objective of this study is to accomplish an empirical assessment on the effects of fundamental and technical factors on stock return. Judgment sampling method was used in selecting samples. Factors relating to earnings and risk (i.e., systematic risks) along with ROA, DER, and BVS were analyzed using multiple linear regression analysis with ordinary least square. Results of the analysis showed that fundamental factors (i.e., ROA, DER, BVS) and technical factors (i.e., stock risks) were found to simultaneously have no significant effect on stock return. Factors that partially have significant effect on stock return were DER and stock risks.

Key words: technical factors; fundamental factors; ROA; DER; BVS; stock return; systematic risk