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The Influences of Company's Internal Factors and Macroeconomics against the Stock Return from the Construction, Property and Real Estate Sectors Registered on Indonesia Stock Exchange

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ABSTRACT : *This study aims to examine and analyze the influence of internal factors (Net Profit Margin, Current Ratio, Debt to Equity Ratio, Total Asset Turn Over, and Price Earning Ratio) and macro economic (Inflation and Interest Rate) on stock return. The object of research is companies from contruction, property and real estate sector listed on Indonesia Stock Exchange in 2017. The sample selection procedure is purposive sampling. The number population for this research is 64 companies, and the number of sample that examined after passing the the purposive sampling method is 15 companies. Technical analysis used in the research is regression with panel data using Fixed Effect Model and have* R^2 *73.94%. The result of this research shows that NPM, DER, PER, inflation and interest rate have positive influence to stock return. While CR and TATO have negative influence to stock return.*
KEYWORDS - *Stock Return, Internal Factors, Macro Economic, Panel Data, Fixed Effect Model.*

I. INTRODUCTION

The Indonesian economy has currently showing an improved performance and experiencing the positive growth. This was driven by the increased investment in both of the construction and non-building sectors. There's the progress of existing infrastructure projects has causing the increases towards the investment in construction sector. The investing could be done in many ways, one of that is investing on assets in the capital market.

The Capital Market has an important role for the economy of a country because the capital market performs two functions. First, as a tools for business funding or as for companies to get funds from the community of investors (investors) that can be used for business development, expansion, additional working capital and others. Second, the capital market is one of the choices for people to invest in financial instruments.

Basically, the main goal of an investor to invest is to obtain the return (yield). The Investors who will invest their funds in the capital market will use the company's performance and stock prices as a benchmark to buy the company's shares. In Indonesia, shares are classified into several sectors. The following table presents data on sectoral stock returns on the Indonesia Stock Exchange for the 2015-2017 period.

Table 1. Sectoral Stock Returns on The Indonesia Stock Exchange for The Period 2015-2017

Sektor	*Return*		
	2015	2016	2017
Agriculture	(284.64)	(156.10)	(11.10)
Basic Industries and Chemicals	(107.44)	40.86	147.43
Consumer Goods	138.44	180.08	142.35
Finance	44.18	28.05	218.73
Infrastructure, Utilities & Transportations	(85.16)	69.11	75.21
Mining	(385.73)	18.64	399.85
Various Industries	(87.05)	72.36	146.47
Construction, Property & Real Estate	65.40	15.00	(20.98)
Trade & Services	25.36	(56.78)	61.54

Sumber: Yahoo Finance (data processed, 2018)

Table 1 shows that the stock returns of the construction, property and real estate sectors in 2015-2017 has decreased every each year compared to stock returns from other sectors. According to Alwi (2003:87) there are several factors that could affects the price of a stock, namely internal factors (micro environment) and external (macro environment). Thus in deciding an investment in the stock market, the prospective investors must first conduct an in-depth analysis of the company whose shares will be purchased. The first analysis that needs to be done is fundamental analysis. Fundamental analysis concerns the projected condition of the company in the future by showing the present and past conditions (Manurung, 2009: 23).

Macro fundamental variables that used in this research are the inflation and interest rates. The Inflation is a risk factor that needs to be considered in the investment process. An uncontrolled price increase will have an impact on the decline in people's purchasing power. On the other hand, the fluctuations in interest rates are also a factor that could determines the level of people's purchasing power. The interest rate is one of indicator in deciding whether someone will invest or save (Boediono, 2014: 76).

Nidianti (2013) and Ismanidar (2017) found that inflation had a significant positive influence on stock returns, while Sudarsono and Sudiyatno (2016) found different things that inflation have a significant negative effect on stock returns. Still in the same research, Sudarsono and Sudiyatno (2016) was revealed that interest rates had a significant positive effect on stock returns, whereas according to Nidianti (2013) and Ismanidar (2017) the interest rates had a significant negative effect on stock returns.

Beside those macro fundamental factors, the stock returns were also influenced by micro fundamental factors. The micro fundamental factors can be grouped into company policy factors and company performance factors. The company performance factors related to company conditions which are generally shown in financial statements that could reflect a company's financial performance. The fundamental factors of companies that are often used to predict stock prices or stock returns are financial ratios and market ratios (Pasaribu, 2008: 101).

The most commonly analyzed financial ratios are profitability ratios, liquidity ratios, solvency ratios, activity ratios and market ratios. Each of these ratios will be proxied by one measurement in this study. The Profitability ratios will be proxied by NPM (Net Profit Margin). According to Öztürk and Karabulut (2017) NPM has a significant positive influence on stock returns, while according to Sari and Venusita (2013) NPM has no significant influence on stock returns.

The liquidity ratio will be proxied by CR (Current Ratio). Tamuunu and Rumokoy's (2015) found CR has significantly positive effect on stock returns, while Khotimah and Murtaqi (2015) found that CR has significantly negative effect on stock returns.

The solvency ratio will be proxied by DER (Debt to Equity Ratio). According to Ratnawati (2009) and Nidianti (2013) DER has a significant positive effect on stock returns while Gunadi and Kesuma (2015) also Sudarsono and Sudiyatno (2016) found that DER has a significant negative effect on stock returns.

The activity ratio will be proxied by TATO (Total Assets Turn Over). Research of Khotimah and Murtaqi (2015) found that TATO has a significant positive effect on stock returns while Shamsudin *et al* (2013) found that TATO has a significant negative effect on stock returns.

Market ratios will be proxied by PER (Price to Earning Ratio). According to Ningsih and Hermanto (2015) and Öztürk and Karabulut (2017) PER had a significant positive effect on stock returns and while Anisa (2015) stated that PER had no significant effect on stock returns.

Based on the description above, it can be seen that there are problems and difference research results from previous researchers that encourage the authors to conduct research on "The Effect of Internal and Macroeconomic Factors on Stock Returns in Construction, Property and Real Estate Sector Registered on Indonesian Stock Exchange".

II. LITERATURE REVIEWS

The Agency Theory describes that there has separation between the company property rights and accountability for decision making. The agency relations always triggered the problems between owners and agents because of differences in mindset and prominent differences in interests. The right mechanism for reducing agency problems is managerial ownership (Jensen and Meckling, 1976).

According to Suwardjono (2014:584), information asymmetry is a condition in which management as a party has more control over information than investors or creditors. The Information asymmetry could occur because there are the differences in interests between management and capital owners.

Brigham and Houston (2001) has explained that a hint or signal is an action taken by company to give instructions for investors about how the management views the company's prospects. This signal is in form of information about what has been done by management to realized the wishes of the owner. Information asymmetry can also occur because of differences in the interests of debt holders with shareholders.

Ross on Zubir (2013) has formulated a theory called the Arbitrage Pricing Theory (APT) which is an alternative to the CAPM model. This APT model is based on a law of one price where the same asset cannot be sold at a different price to obtain the arbitration advantage (buying low-priced assets, at the same time selling at the higher price so that it would earns profit without risk).

According to Halim (2005:300) the stock returns are also referred as stock income and changes in the value of the stock price period t with t-ı. And it means that the higher the stock price changes, the higher the stock return would be earned.

Fundamental analysis is a method of analyzing information, making projections of that information in order to produce an appropriate assessment for the company. One form of fundamental analysis is through the Top-Down Analysis approach.

Ratio analysis is the tool that most often used to analyse a company's performance appraisal. Ratio analysis shows an important relationship and basis of comparison in certain conditions and trends that are difficult to see if only analyzing the individual components of the ratio (Wild et al., 2008).

According to Prihadi (2008:51), profitability is the main concern of analysts and investors because the company's goal is to gain profit. A consistent level of profitability will be a benchmark for how the company is able to survive in its business by obtaining an adequate return compared to the risk.

Liquidity ratio is a ratio that shows the ability or level of smoothness of the company in paying off short-term obligations. Liquidity measurements usually associate short-term liabilities with current assets available to pay them off. This ratio consists of the current ratio, acid test ratio, and net working capital (Sudana, 2015:23).

The solvency or leverage ratio is a ratio that describes the level of the company’s ability to pay off its long-term obligations. The measurement is based on a comparison between the amount of a company’s debt with existing capital or assets (Sudana, 2015:23).

The activity ratio used to measure the effectiveness and efficiency of the company in managing the assets of the company. The activity ratios can be measured by using inventory turnover, average days in inventory, receivable turnover, outstanding sales days, fixed asset turnover, and total asset turnover (Sudana, 2015:24).

Market ratios are related to evaluating the performance of company shares that have been traded on the capital market. There are several types of ratios related to the valuation of company shares that have been listed on the stock exchange namely price earning ratio, dividend yield, dividend payout ratio, and market to book ratio (Sudana, 2015:26).

Inflation is a process of increasing prices in general and continuously caused by various factors. An indicator often used to measure inflation is the Consumer Price Index (CPI) which is monitored by the Central Bureau of Statistics (Biro Pusat Statistik/BPS). Uncontrolled inflation can result in reduced investment in a country, encourage an increase in interest rates, encourage speculative investment, the failure of development, economic instability, balance of payments deficit, and the declining level of life and welfare of the people (Bank Indonesia, 2018).

Interest rates are the price of using investment funds (loanable funds). The interest rate is one indicator in determining whether someone will invest or save (Boediono, 2014:76).

The greater the NPM, the better the company's ability to get high profits is considered. The NPM score can be said to be good if > 5%. The higher NPM shows the better performance of the company, so it would make the company's stock price increase. The increasing stock prices would have an impact on increasing stock returns. This statement was supported by the results of research by Suwardi et al (2016) and Öztürk and Karabulut (2017) which proved that NPM has a significant positive effect on stock returns. Based on the explanation above, the hypothesis can be formulated as follows:

H_1 = Net Profit Margin (NPM) has a positive influence towards the stock returns.

The higher the current ratio (liquidity) of a company means the smaller the risk of company failure in required its short-term obligations. The company's performance is getting bigger and the value of the company's ratio shows that the company's operational activities are getting better. This situation has an impact on the company's share price which will increase. This statement is supported by the results of the research by Tamuunu and Rumokoy (2015) and Handara and Purbawangsa (2017) which prove that CR has a significant positive effect on stock returns. Based on the explanation above, the hypothesis can be formulated as follows:

H_2 = Current Ratio (CR) has a positive effect on stock returns.

The higher the DER means the heavier the debt burden of the company which can result in companies facing financial problems that could potentially experience bankruptcy. As a result investors tend to avoid stocks that have a high DER. Declining investor interest in investing in companies with high DER has an impact on the decline in share prices so that the company's stock returns are also declining. The statement was supported by the results of Sudarsono and Sudiyatno's research (2016) and Pandey and Sahu (2017) that Debt to Equity Ratio (DER) had a significant negative effect on stock returns. Based on the explanation above, the hypothesis can be formulated as follows:

H_3 = Debt to Equity Ratio (DER) has a negative effect on stock returns.

Total asset turnover is a measure of the overall turnover all of assets. The higher turnover rate obtained, the better the company's ability to utilize existing assets to generate sales. This will certainly have an impact on stock price and increased returns. This statement is in line with Widodo's (2007) findings that TATO had a significant positive effect on stock returns. Based on those explanation above, the following hypothesis can be formulated:

H_4 = Total asset turnover (TATO) has a positive effect on stock returns.

A high price earning ratio (PER) has indicates that the prospectus of share prices was considered to be high by investors against the profits per share. The higher PER shows that the investor's assessment of the company's stock is getting better, so the company's stock price will be higher. The higher stock prices produce the higher returns. So it can be concluded that the higher PER will cause the stock returns to rise. The statement above is in line with the research results of Petcharabul and Romprasert (2014) and Ningsih and Hermanto (2015) that PER has a significant positive effect on stock returns. Based on this explanation, the hypothesis can be formulated as follows:

H_5 = Price Earning Ratio (PER) has a positive effect on stock returns.

Inflation is a process of increasing prices in general and continuously caused by various factors. The tendency of this price increase will make the purchasing power of the people reduced so that the desire to invest decreases. Declining investment interest causes the stock price to decrease. As a result, returns received by investors will decline. This statement is in line with the results of Sudarsono and Sudiyatno's (2016) research that inflation has a significant negative effect on stock returns. Based on the explanation above, the following hypothesis can be formulated:

H_6 = Inflation has a negative effect on stock returns.

High interest rates are a negative signal to stock prices (Kewal, 2012). If the interest rate rises, people are more likely to save than invest in the capital market, because the risk of saving is smaller than the risk of investing in shares (Pudyastuti, 2000). Conversely, a low interest rate will stimulate the investment and economic activity that will cause share prices to rise (Suyanto, 2007) therefore the stock returns will be higher. The statement is in line with the results of Ismanidar's research (2017) that the interest rates have a significant negative effect on stock returns. Based on those explanation above, the hypothesis can be formulated as follows:

H7 = Interest rate has a negative effect on stock returns.

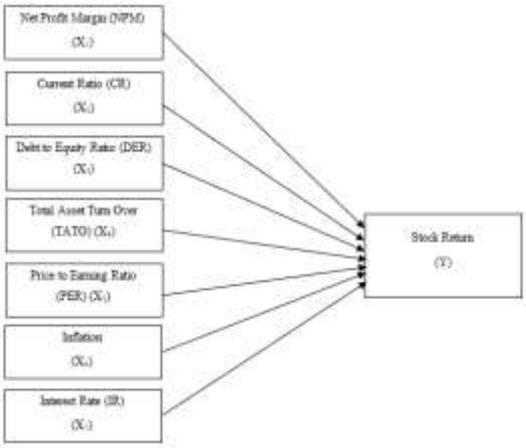

Fig 1. Research Framework

III. RESEARCH METHOD

This research is causal associative research which aims to find out the relationship or influence between two or more variables (Sugiyono, 2014). In this research, associative methods are used to determine the influences of Net Profit Margin (NPM), Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), Price Earning Ratio (PER), Inflation and Interest Rate (IR) on Stock Returns.

The research population was all construction, property and real estate companies which have been registered on the IDX in 2017 with totaling 64 companies. The research sample were selected by the purposive sampling technique. The criteria set in the sample selection are 1) Construction, property and real estate companies which registered on the IDX in 2015-2017 period, 2) Publish annual financial statements which include the information and completeness of 2014-2017 data, and 3) Delivered the dividends each years routinely during the research period. Based on established criteria, a sample of 15 companies was obtained.

The research data was obtained from books, student final project (thesis, dissertation), and as well as the publication reports on the website of Indonesia Stock Exchange, Yahoo Finance, the Central Bureau of Statistics, Bank Indonesia, and several articles related to this research. In other words the data which obtained was secondary data. The research data was a panel data (pooled data) which is a combination between the time series data and cross section data. The data obtained were then analyzed using the panel data regression approach. Data processing using the help of eViews version 10.

IV. RESULT RESEARCH AND ANALYSIS

The descriptive statistics of the research variables are presented in Table 2. It can be seen that in the period of research the stock prices of construction, property & real estate sectors have decreased, resulting in negative returns. On average of all companies (cross section) throughout the study period (time series) generated a return of 27.745%.

Related to profitability, it can be seen that all companies make profits in the research period. This is known from the minimum NPM value which is positive. This also relates to the Law No. 40 of 2007 concerning Limited Liability Companies Act in Indonesia which requires the companies to distribute the dividends if the company makes a profit. The profitability ratio showed that on average every 100 sales units would earns net profit of 21.25 rupiah.

Table 2. Descriptive Variables of Research Statistics

Variable	Mean	Minimum	Maximum
NPM	21.253	2.660	48.050
CR	192.311	93.080	691.310
DER	1.256	0.490	3.300
TATO	0.458	0.140	1.800
PER	18.362	1.480	61.340
Inflation	3.327	3.020	3.610
IR	5.500	4.250	7.500
Stock Returns	27.745	-28.020	108.630

Not all construction, property and real estate companies are in liquid condition. This is known from the minimum current ratio value of 93.03% which means that for every hundred rupiah of current debt, there are only 93.03 rupiah of current assets to meet these short-term obligations. On the average, the construction, property and real estate companies get in liquid condition because the mean value of current ratio is 192%.

Regarding the leverage, on the average of the construction, property and real estate companies are in an unsolvable condition. This is known from the average value of DER 1,256 which means that for every hundred rupiahs of equity there are 125.6 rupiahs of total debt that must be repaid.

In the research period, on the average of construction, property and real estate companies were able to earned net profit of 45.6 rupiah from every 100 rupiah sold. This can be seen from the mean value of TATO is 0.456.

All shares from companies in the construction, property and real estate sector in this research was received good ratings from the public. The minimum PER value is greater than 1 (ie 1.48).

When conducted this research the inflation rate in Indonesia was controlled. The highest inflation rate is 3.60%. The Interest rates were also stay in moderate, the average interest rate is 5.5% per annum.

The next step is inferential analysis which is done to answer the research problem. It begins with determining the best panel model. The selection of the best panel data regresdsion model is done with 3 tests, namely the Chow test, the Hausman test, and the LM test. The test results are presented in Table 3.

Table 3. Results of the Best Panel Model Selection

Test	Criteria	Sign	Result	R^2
Chow	Chi-square	0.0006	Best model is FEM	73.94%
Hausman	Random	1.0000	Best model is REM	33.88%
LM	Breusch-Pagan	(0.6249)	Best model is CEM	39.93%

The best model test results different conclusions, then the best model has chosen with the highest R^2 value. Then the best panel model is the Fixed Effect Model. The next step was to test the classical assumptions and the panel model regression. The panel data regression model can be said to be good if it meets the criteria of the Best Linear Unbiased Estimator (BLUE). The BLUE can be achieved if it meets with the classical assumptions. According to Basuki (2016: 297) in the panel data regression model, the classic assumption test used was only the multicollinearity and heteroscedasticity.

Table 4. Multicollinearity Test Result

Variable	Collinearity Statistics	
	Tolerance	VIF
NPM	0.276	3.619
CR	0.613	1.632
DER	0.429	2.332
TATO	0.442	2.262
PER	0.692	1.446
Inflation	0.900	1.111
IR	0.961	1.041

1) Multicollinearity Test
The multicollinearity test has purposed to ensure that there is no correlation between independent variables in the panel regression model. Table 4 shows all variables have a tolerance value > 0.10 and VIF < 10 which means there has no multicollinearity occur.

2) Heteroscedasticity Test
The heteroscedasticity test was aims to ensure the regression model does not occur inequalities in variance from residuals from one observed to other observed. The Heteroscedasticity test results showed no symptoms of heteroscedasticity because all independent variables have sig values. > 0.05.

Table 5. Heteroscedasticity Test Result

Variabel	Sig.
C	0.942
NPM	0.786
CR	0.660
DER	0.157
TATO	0.260
PER	0.395
Inflation	0.983
IR	0.890

After the model meets the classical assumptions criteria, then the regression model test was done based on the value of R^2 and the F test. Table 6 presented the results of examined over the influence of internal and macroeconomic factors on the stock returns from the construction, property and real estate companies which have been registered on Indonesia Stock Exchange in 2015-2017. It could be concluded that the model arranged was fit because the probability value of F-statistic is 0.0048, where this value was less than 0.05. The value of R^2 is 0.739398 which means that the model was able to explain the variability of stock returns in the construction, property and real estate industries by 73.94%. There is still the influence of other variables by 26,06% which are not included in this research model.

Table 6. The Influences of Internal and Macroeconomic Variables on the Stock Returns of Construction, Property and Real Estate Companies Listed on Indonesia Stock Exchange 2015 - 2017

Variable	Coefficient	t-Statistic	Prob.	Finding
C	-38.16965	-0.648135	0.5233	C has a negative and not significant effect on stock returns.
NPM	0.818952	1.292332	0.2091	NPM has a positive and not significant effect on stock returns.
CR	-0.271842	-1.728091	0.0974	CR has a negative and not significant effect on stock returns.
DER	0.592995	0.044684	0.9647	DER has a positive and not significant effect on stock returns.
TATO	-32.39822	-1.003799	0.3259	TATO has a negative and not significant effect on stock returns.
PER	1.840539	2.779394	0.0107	PER has a positive and significant effect on stock returns.
Inflation	15.01685	1.023320	0.3168	Inflation has a positive and not significant effect on stock returns.
IR	5.657424	2.279099	0.0323	IR has a positive and significant effect on stock returns
R-squared	**0.739398**			**The independent variable can explain 73.94% variability of Y (stock return).**
F-stat		**3.107488**	**0.004819**	

Based on Table 6, the regression model equations which obtained from this research are as its follows:

$$\text{Return} = -38.17 + 0.82\ \text{NPM} - 0.27\ \text{CR} + 0.59\ \text{DER} - 32.40\ \text{TATO} + 1.84\ \text{PER} + 15.02\ \text{Inflation} + 5.66\ \text{IR}$$

Based on the results of the analysis which conducted on the t test, we get this following result:

1) The constant variable in this model has a value of -38.17 with a significance value of 0.523. This shows that the constant has no meaning.
2) NPM has a regression coefficient of 0.82 with a significance value of 0.209. This means that NPM has a positive effect on stock returns but not significant.

3) CR has a regression coefficient of -0.27 with a significance value of 0.097. This means that CR has a negative effect on stock returns but not significant.
4) DER has a regression coefficient of 0.59 with a significance value of 0.965. This means that DER has a positive effect on stock returns but not significant.
5) TATO has a regression coefficient of -32.40 with a significance value of 0.326. This means that TATO has a negative effect on stock returns but not significant.
6) PER has a regression coefficient value of 1.84 with a significance value of 0.011. This means that PER has a positive and significant effect on stock returns. Every increase in PER value of 1 time will cause an increase in stock return value of 1.84 %.
7) Inflation has a regression coefficient of 15.02 with a significance value of 0.317. This means that inflation has a positive effect on stock returns but not significant.
8) IR has a regression coefficient value of 5.66 with a significance value of 0.032. This means that IR has a positive and significant effect on stock returns. Every increase in interest rate of 1% will cause an increase in the value of stock returns by 5.66%.

It can be concluded that individually, PER and interest rate (IR) influence the stock returns in construction, property and real estate industries. The biggest influence comes from IR.

A discussion of the findings of this research was presented in these following sections:

1) NPM test results are not in line with the hypotheses that have been made. It is found that NPM has no significant positive effect on stock returns. This is in line with the results from research which conducted by Sari and Venusita (2013) which states that the cause of NPM does not have a significant effect on stock returns because NPM does not describe in how much percentage of the net profit company would received from each sale due to the presence of elements revenue and operating costs.
2) CR test results are not in line with the hypothesis that have been made. It is found that CR has no significant negative effect on stock returns. This result was in line with Riawan (2016) who stated that high current ratio could be occur because the cash is not used as proper and gives a negative signal to stock returns.
3) The test results on the DER are not in line with the hypothesis that has been made. It is found that DER has no significant positive effect on stock returns. From the results of the analysis that has been made, it is found that DER has no significant positive effect on stock returns. Where if the DER value increases, stock returns will also increase. This is accordance with the results of Sudarsono and Sudiyatno's research (2016) which showed a positive influence between DER on return because the company would definitely need additional capital to increase its business, so that the additional funds would get from third parties because the internal funds were insufficient. As a form of responsibility for the amount of debt that makes the company set a target to obtain greater profits, with these conditions the company will develop in the future.
4) TATO test results are not in line with the hypothesis that have been made. It is found that TATO has no significant negative effect on stock returns. The results of this research was support by previous research from Farkhan and Ika (2013) which stated that is because the company's activities were low at the level of certain sales, will lead to increasing the amount of funds advantages embedded in assets that are not productive, so it can cause TATO be dropped.
5) The test results on PER are in line with the hypothesis that have been made. It was found that PER had a positive and significant effect on stock returns. The results of this research are in line with research by Irfani (2013) which states that stock returns reflect a good growth of stock prices on the exchange. The relationship between these two variables was moderated by the movement of stock market prices and fundamental income stability. If the issuer's net profit per share is stable and positive price growth will cause an increase in PER and stock returns, and vice versa.
6) The results of inflation test were not in line with the hypothesis that have been made. The results of this research was supported by previous research by Andes, et al (2017) which states that inflation has no effect on stock returns. The inflation that occurred during these study period was at level below 10% which was classified as low and stable. As we viewed from that investors perspective it would considered as reasonable and stable and wasn’t a determine factor for stock returns, so the investors would pay more attention to how companies earn high profits in order to produce high returns for investors. The investors also believe that the company has a specific strategy in dealing with inflation.
7) IR test results were not in line with the hypothesis that has been made, which was the IR has a positive and significant effect on stock returns. The results of this analysis were in line with the results of Sudarsono and Sudiyatno's (2016) research which stated that the interest rate has a significant positive effect on stock returns. This shows that the higher the interest rates do not turn investors' attention to the money market. The investors are still more interested to invest in the capital market in the construction, property

and real estate sectors despite an increase in interest rate. Then there has no decline on sales of shares. The investors are not interested in high interest rates instead the investors preferred to invest their capital in the construction, property and real estate sectors because investors consider that the benefits derived from interest rates, are short-term profits and small returns. The descriptive statistical data show that in this research period average interest rate was 5.5%, while the average stock return of the construction, property and real estate sector was 27.745%. Thus the investors are more interested in investing their capital in the construction, property and real estate sectors because they think that the long term investments in the construction, property and real estate sectors are more attractive even though the interest rates increase.

Based on the results of the research, it can be concluded that investors still more interested to invest their money in capital market, especially on the construction, property and real estate sectors rather than in the money market. The results showed that the investment in the construction, property and real estate sectors was produced higher returns than on the money market one. The average return from the construction, property and real estate shares throughout this research period was around 27.745% while the average interest rate (IR) was 5.5%. The results of this research also showed that the investors in the Indonesian capital market choose the long-term investments in the capital market, compared to short-term one (in money market). Therefore, even though the IRs are increase but the investors still put interested to invest their funds in construction, property and real estate sectors, so the share prices is continuing to rise and produce the higher returns.

V. CONCLUSIONS

Based on the research results and discussion in this previous chapters, it can be concluded that the company's internal factors has namely Net Profit Margin, Curent Ratio, Debt to Equity Ratio, Total Asset Turnover, have no significant influence on the construction, property and real estate stock returns. Only Price Earning Ratio has a significant effect on the positive direction. The inflation as a macroeconomic factor has no significant effect while the interest rate as another macroeconomic factor has a positive and significant effect on share prices in the construction, property and real estate sectors.

And referring to those findings of this research, some suggestions that can be submitted are investors who will invest in shares of the construction, property and real estate sector has advised to analyze the condition of the company both technically or fundamentally as consideration for investment final decision.

The results showed that the variables That had a significant effect on stock returns in the construction, property and real estate sectors were PER (internal company factors) and the interest rate (IR) which were macroeconomic variables. The biggest contribution of influence comes from IR. It was found that the rising interest rates continued to increase the investor desire to invest on shares in the construction, property and real estate sectors. As for PER, if the issuer's net profit per share is stable and positive price growth will lead to an increase in PER and stock returns.

Companies should pay attention to PER and interest rates related to share prices in the construction, property and real estate sectors because both of these variables affect stock prices and have an impact on stock returns.

The results of this research were expected to add some information about stock returns and become a reference for further research. The coefficient of determination of this research still relatively limited in its ability to explain the variability of stock returns in the construction, property and real estate industries in 2015-2017. Therefore, it is suggested for further research should be added another variables such as share ownership, the investment policies and conduct research in more updated period. The future research can also examine the profile of investors in the Indonesian capital market, because the results of this research was indicated that the investors prefered to invest in capital markets that are long-term and riskier than the investments in money markets which are lower risk and short-term by the term.

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