

The Effect Of Liquidity, Profitability, *Price Earning Ratio* and Interest Rates On Company Stock Returns Sub Sector of *Property and Real Estate* Listed on the IDX for the Period 2018 – 2023

*Determinants of
Company Stock
Returns*

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ABSTRACT

This study analyzes the effect of liquidity, profitability, Price Earnings Ratio (PER), and interest rates on stock returns in property and real estate sub-sector companies listed on the Indonesia Stock Exchange (IDX) during 2018–2023. The research is motivated by fluctuations in stock performance within the sector, which are strongly associated with macroeconomic uncertainty and company fundamentals. Using a quantitative approach, six companies were selected through purposive sampling based on specific criteria, and panel data consisting of 36 observations (6 companies × 6 years) was analyzed using multiple linear regression with SPSS version 22. The empirical results indicate that liquidity (CR) and profitability (ROE) have a positive and statistically significant effect on stock returns, while PER shows no significant influence. Conversely, interest rates have a negative and significant impact on stock returns. Simultaneously, all independent variables significantly influence stock returns, as reflected in the regression model ($R^2 = 43.1\%$). These findings suggest that investors should consider the stability of company financial performance and macroeconomic rate movements when making investment decisions. This study contributes theoretically by reinforcing the signaling and market efficiency theories in the context of the Indonesian capital market, and provides practical implications for issuers to optimize financial indicators to enhance investor confidence and stock value. Further research is recommended to incorporate moderating variables such as economic crisis or ESG disclosure, as well as extending the study period to capture post-pandemic recovery dynamics.

Keywords: Capital Market, Interest Rates, Liquidity, Profitability, Stock Returns

ABSTRAK

Penelitian ini menganalisis pengaruh likuiditas, profitabilitas, Price Earnings Ratio (PER), dan suku bunga terhadap return saham pada perusahaan subsektor properti dan real estat yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2018–2023. Latar belakang penelitian didasari oleh fluktuasi kinerja saham sektor tersebut yang banyak dipengaruhi oleh ketidakpastian ekonomi makro dan kinerja fundamental perusahaan. Pendekatan penelitian yang digunakan adalah kuantitatif dengan teknik purposive sampling terhadap enam perusahaan, sehingga diperoleh 36 observasi data panel (6 perusahaan × 6 tahun), yang diolah menggunakan analisis regresi linier berganda dengan

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SPSS versi 22. Hasil penelitian menunjukkan bahwa likuiditas (CR) dan profitabilitas (ROE) berpengaruh positif dan signifikan terhadap return saham, sedangkan PER tidak berpengaruh signifikan. Sementara itu, suku bunga memiliki pengaruh negatif dan signifikan terhadap return saham. Secara simultan, seluruh variabel independen berpengaruh signifikan dengan nilai koefisien determinasi ($R^2 = 43,1\%$). Temuan ini mengindikasikan bahwa investor perlu mempertimbangkan stabilitas kinerja keuangan perusahaan dan pergerakan suku bunga dalam pengambilan keputusan investasi. Secara teoretis, penelitian ini memperkuat teori sinyal (signaling theory) dan teori efisiensi pasar dalam konteks pasar modal Indonesia. Implikasi praktisnya adalah perlunya perusahaan mengoptimalkan indikator keuangan untuk meningkatkan kepercayaan investor dan nilai saham. Penelitian selanjutnya disarankan untuk menambahkan variabel moderasi seperti kondisi krisis ekonomi atau pengungkapan ESG, serta memperluas periode penelitian guna menangkap dinamika pemulihan pascapandemi.

Kata Kunci: Likuiditas; Profitabilitas; Price Earnings Ratio; Suku Bunga; Return Saham

INTRODUCTION

Basically, the capital market is means meeting second split parties who need capital with capital owners, both individual and in groups with type securities different to offer level proper *return* with different risks at each transactions. Every investment started from term short until investment term long, has objective For get the so -called benefits with *return*. Stock *return* is the results desired by investors, then investors need to do study to performance company in order to get *return* high stock *returns* share is income earned during period investment per amount of funds invested in form Stocks. *Return* and risk own positive relationship, the more tall risk so *return* will the more high and vice versa the more low level risk so *returns* obtained will the more small. In case the stock market conditions also affect due to if the capital market is in condition efficient Eat results desired *return* will maximum.

There are some factors that can influence movement share among them that is internal and external factors. Internal factors are factors originating from from in company, with reviewed from report finance and performance company. Report performance company can counted with use ratio finance that is with use ratio Liquidity, Profitability, ratio Activities, etc. Ratios it is very useful for company For create prospects good performance so that can create objective company For interesting investor interest and prosperity holder share company. Internal factors studied in study This is ratio liquidity (*Current Ratio*), ratio Profitability (*Return on Equity*), and *Price Earning Ratio* (PER). In addition to internal factors, the movement of Stocks can also be influenced by factors external. External factors is source factors from external company, which can be reviewed using interest rates, inflation, and exchange rates. In this study, the external factor used is interest rates.

Liquidity measure ability company in fulfilling its obligations term In short, according to Hery (2016), liquidity can be defined as as ratio that shows capacity company in covering obligation term in short. Ratio liquidity also known as ratio that can be used to measure how far the level of capacity company in paying off obligation term In short, the liquidity used in this study is *the Current Ratio*, which is current ratio which compares company's current assets and company's current liabilities.

Profitability show ability companies in making a profit or effectiveness of management management. According to Kasmir (2019) profitability is the one who can assess ability to search profit or profit in one certain period. Profitability also provides a measure of the level of effectiveness management something the company indicated from profit generated from sales or income investment. The profitability used in this study is *Return On Equity* which is used to determine how large the percentage is profit gross over net sales.

Price Earning Ratio used to compare price per share with *Earnings Per Share*. According to Sawir (2018) *the price earnings ratio* compare price shares with expected per share or *real*. *Price earning ratio* used for identify whether the stock valued tall or low compared to the profits generated by the company. Interest rates according to Boedino (2014:76) are price from the use of investment funds (*loanable funds*). The interest rate is one of the indicators in determining whether someone will make an investment or save.

During the 2023–2025 period, the property and real estate sub-sector in Indonesia experienced substantial fluctuations driven by global economic uncertainty, changes in Bank Indonesia's benchmark interest rate, and evolving investment preferences in the post-pandemic era. According to the IDX Market Outlook Report (2024), the average stock return within this sector declined by –3.2% in 2023, although a modest recovery was observed in the second quarter of 2024 following a reduction in the BI rate from 6.00% to 5.75%. This volatility has been exacerbated by rising financing costs due to monetary tightening, leading to a contraction in housing credit demand and increased pressure on corporate liquidity. Additionally, the acceleration of digital market integration and growing investor expectations toward sustainability practices (ESG) have shifted investment behavior, indicating that investors no longer rely solely on traditional financial indicators such as Current Ratio (CR), Return on Equity (ROE), and Price Earnings Ratio (PER), but are increasingly sensitive to macroeconomic risk factors.

However, a critical review of prior studies reveals that most research examining determinants of stock returns in this sector predominantly focused on conventional financial ratios using pre-pandemic data or overlooked the recent impact of interest rate volatility and post-crisis liquidity constraints. Furthermore, previous studies have not sufficiently addressed how shifts in monetary policy affect investment decision-making from a signaling or market efficiency perspective, particularly within a rapidly changing market structure. Accordingly, there remains a *research gap* concerning the need for updated empirical evidence that examines whether liquidity, profitability, PER, and interest rates still significantly influence stock returns in the context of economic stabilization and recovery during 2023–2025, and whether these traditional fundamental indicators are still relevant to modern investors who exhibit increased responsiveness to macroeconomic uncertainty.

The theoretical underpinning of this study draws upon several fundamental financial and investment theories. Signaling Theory posits that companies convey information regarding their internal performance through financial indicators to reduce information asymmetry between management and investors. A higher level of liquidity or profitability (e.g., increased CR or ROE) can act as a positive signal to the market, implying that the company has strong financial capabilities and future growth prospects, thereby potentially increasing investor confidence and stock returns. Conversely, a higher Price Earnings Ratio (PER) may indicate market expectations about future earnings, although excessive valuation may also suggest overpricing, leading to investor caution. From the perspective of the Trade-Off Theory, firms must balance the risks and returns of financing decisions, where higher interest rates increase the cost of capital and reduce the firm's investment potential, negatively impacting profitability and stock performance. Additionally, the Efficient Market Hypothesis (EMH) argues that stock prices reflect all publicly available information, including market fundamentals and macroeconomic conditions such as interest rate fluctuations. In semi-strong form market efficiency, investors react promptly to updated financial and economic data; thus, stock returns adjust in line with both firm-level performance and policy rate changes. Collectively, these theories explain how financial indicators and macroeconomic factors influence investor decision-making and stock performance, serving as the conceptual basis for examining the impact of liquidity, profitability, PER, and interest rates on stock returns in the property and real estate sub-sector.

Based on the problem formulation above, the objectives of this research are:

1. To determine the effect of Liquidity (CR) on Stock Returns in Property and Real Estate companies listed on the IDX for the 2018-2023 period.

2. To determine the effect of Profitability (ROE) on Stock Returns in Property and Real Estate companies listed on the IDX for the 2018-2023 period.
3. To determine the effect of the Price Earning Ratio (PER) on Stock Returns of Property and Real Estate companies listed on the IDX for the 2018-2023 period.
4. To determine the effect of interest rates on stock returns of property and real estate companies listed on the IDX for the 2018-2023 period.
5. To determine the effect of Liquidity (CR), Profitability (ROE), Price Earning Ratio (PER) and Interest Rates on Stock Returns company Property and Real Estate listed on the IDX for the 2018-2023 period.

Based on results study on so hypothesis in study This is as following :

H1: It is suspected that the Current Ratio (CR) has a positive effect on Stock Returns.

H2: It is suspected that Return on Equity (ROE) has a positive effect on Stock Returns.

H3: It is suspected that the Price Earning Ratio (PER) has a positive effect on Stock Returns.

H4: It is suspected that interest rates have a positive effect on stock returns.

H5: It is suspected that Current Ratio, Return on Equity, Price Earning Ratio and Interest Rates have an effect on Stock Returns.

METHODS

Types of research conducted use approach quantitative. According to Creswell, JW (2018) the approach quantitative is something approach research that uses analysis - based methods statistics For solve problems and create generalization. Approach This focuses on collecting data that can be measured and processed in a way mathematical. In the approach quantitative, hypothesis and theory can accepted or rejected through objective and capable data analysis verified. Objects studied in study This is Current Ratio, Return On Equity, Price Earning Ratio (PER) and Interest Rate for the period 2018 – 2023. Meanwhile subject research used in study This is sub- sector companies Property and Real Estate listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 period.

Operational variables is explanation about variables studied, indicators and data scales used in research. The variables used such as variables dependent and variable dependent consisting of on :

1. Variables Independent (Variable Free)

a. Current Ratio

The ratio used For measure ability company in pay obligation term short or immediate debt maturity. Current Ratio can counted with use formula :

$$\text{Current Ratio} = \frac{\text{Assets Fluent}}{\text{Debt Fluent}}$$

b. Return on Equity

The ratio that can be show how much big contribution equity in produce profit clean and can used For measure how much big amount that can be produced of total equity owned. Return On Equity can counted with use formula :

$$\text{Return On Equity} = \frac{\text{Net Profit}}{\text{Total Equity}}$$

c. Price Earnings Ratio

The ratio used For compare price per sheet share with earnings per share or compare with profit per sheet shares that can describe market conditions regarding ability company in produce profit. Price Earning Ratio can be counted with use formula :

$$\text{Price Earning Ratio} = \frac{\text{Share Price}}{\text{Earnings Per Share}}$$

d. Interest rate

It is role important for determination decision investment in the future upcoming changes level interest rates will give influence for financial markets and capital markets.

2. Variables Dependent (Bound Variable)

a. Stock Returns

It is profit or losses incurred from investment share in form dividends and changes price stock. Stock returns can counted with use formula :

$$R_t = \frac{P_t - P_{t-1}}{P_{t-1}}$$

Information :

Rt: Stock Returns

Pt : Stock Price Period Now

Pt- 1 : Stock Price Period Previously

Unit of analysis used in study This is report finance sub- sector companies *Property* and *Real Estate* listed on the Indonesia Stock Exchange for the 2018-2023 period. Population in study im is sub- sector companies *Property* and *Real Estate* that has been *Go-Public* totals 81 companies. Withdrawal technique sample from study This is with use method *purposive sampling* Where technique taking sample done with determination criteria certain. The criteria that become base study This that is company *property* and *real estate* listed on the Indonesian Stock Exchange during period research, company *property* and *real estate* that is not listed (*delisted*) in board main Indonesian Stock Exchange during period research, company *property* and *real estate* recorded in board main Indonesian Stock Exchange during period study. Based on criteria the from total of 81 companies *property* and *real estate* during period research, then amount samples obtained and meet the requirements condition criteria in study This totaling 6 companies *property* and *real estate* listed on the Indonesia Stock Exchange.

Type of data used in study This with using secondary data, which is data obtained in a way No directly and using intermediary media that is report finance annual *report* the company used during the 2018-2023 period through the official websites of each company www.idx.co.id . Data sources used in study This is finances that have been processed by researchers obtained from sub- sector companies *property* and *real estate* through the respective company *websites* and the Indonesian Stock Exchange website (www.idx.co.id) while for the interest rate data obtained through *the website* of the Central Statistics Agency (BPS), namely www.bps.go.id . Data and knowledge collection methods obtained in two ways that is through documentation and studies library. Documentary method use document official company in the form of report finance. Study methods literature used For gather information literature related study Good print and electronics.

The use of multiple linear regression analysis in this study is based on the consideration that the research dataset consists of a relatively small number of observations, namely 36 data points derived from six companies over six years. Although panel data regression models such as Fixed Effects or Random Effects are commonly applied when combining cross-sectional and time-series data, the limited sample size in this research does not meet the minimum requirements for robust panel estimation, which generally assumes a larger number of entities (N) or periods (T) to permit reliable variability across both dimensions. Additionally, preliminary diagnostic testing indicated that the variation across time within each company was relatively homogeneous, and the absence of substantial individual effects suggests that panel modeling may not generate significantly different results compared to linear regression. Therefore, multiple linear regression was selected as it allows precise estimation of the relationship between financial ratios and stock returns without the need to control for unobserved heterogeneity typically addressed in panel regression. This approach is further justified by previous empirical studies on similar topics that employed standard linear regression due to similar sample constraints, confirming its methodological appropriateness for analyzing the impact of liquidity, profitability, PER, and interest rate on stock returns in this context.

RESULTS
Analysis Results Statistics Descriptive

Table 4.2 Descriptive Results Study

	N	Minimum	Maximum	Mean	Standard Deviation
Current Ratio	36	-1.31	1.77	.9861	.53444
Return on Equity	36	-1.90	1.82	.5544	.93650
Price Earnings Ratio	36	-3.77	2.95	1.3156	1.55645
Interest rate	36	3.52	5.81	4.7183	.86254
Stock Returns	36	-1.56	.25	-.2111	.40021
Valid N (listwise)	36				

Source : Data processed by SPSS Ver22

Based on results from testing descriptive in the table above, can known that the data or N is 36 from 6 companies in the sector

Assumption Test Results Classic

1. Normality Test

Table 4.3 Normality Test With Kolmogorov-Smirnov

		Unstandardized Residual
N		36
Normal Parameters ^{a,b}	Mean	.0000000
	Standard Deviation	.30198892
	Most Extreme Differences	
	Absolute	.140
	Positive	.083
	Negative	-.140
Test Statistics		.140
Asymp. Sig. (2-tailed)		.073 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

The results obtained from testing on tables on with using the Kolmogorov-Smirnov non- parametric statistical test shows the results obtained is 0.140 and the result mark Asymp. Sig is 0.073. Can concluded that residual distribution gets normal results. Because the P value is 0.073 which indicates that more big results from mark threshold of 0.05.

2. Multicollinearity Test

Based on the multicollinearity test, it shows that the *tolerance value* of all independent variables (*current ratio*, *return on equity*, *price earning ratio* and interest rate) is > 1. This shows that there is no independent variable value that has a *tolerance value* < 1 and the results of *the variance inflation factor* (VIF) value show a value < 10. This can be interpreted that there is no independent variable that has a VIF value > 10. This can be interpreted that there is no multicollinearity among all variables.

3. Heteroscedasticity Test

Table 4.3 Glacier Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.174	.193		.903	.373
	Current Ratio	-.101	.062	-.296	-1,639	.111
	Return on Equity	-.005	.036	-.026	-.141	.889
	Price Earnings Ratio	.022	.020	.189	1,055	.300
	Interest rate	.029	.039	.135	.741	.464

a. Dependent Variable: ABS_RES

Source : data processed by SPSS Ver 22

Based on table above, the results heteroscedasticity show that all variables independent own sig. value > 0.05, namely CR (0.111), ROE (0.889), PER (0.300), and Interest Rate (0.464) > 0.05. So can concluded that the regression model No occurrence heteroscedasticity.

4. Autocorrelation Test

Table 4.6 Autocorrelation Test

	Unstandardized Residual
Test Value ^a	.07006
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	17
Z	-.507
Asymp. Sig. (2-tailed)	.612

source : processed by SPSS version 22

From the results in table 4.6 above, it can be interpreted that the Autocorrelation Test conducted has an Asymp. Sig (2-tailed) value of 0.612, so it can be concluded that the test conducted on the regression model did not result in Autocorrelation because it exceeded the predetermined value of 0.05.

Test Results Hypothesis

1. Analysis Results Multiple Linear Regression

Table 4.7 Analysis Results Regression

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	.091	.338	
	Current Ratio	.321	.108	.429
	Return on Equity	.134	.063	.314
	Price Earnings Ratio	.054	.036	.215
	Interest rate	-.163	.068	-.351

So based on the regression model said, obtained equality as following :
 $Return = 0.91 + 0.321 CR + 0.134 ROE + 0.054 PER - 0.163 Interest Rate$

Interpretation from equality regression on is as following :

- a. *Current Ratio* (X1) has a value of 0.321 with a positive relationship, which shows that every increase in *the current ratio* of 1 will be followed by an increase in stock *returns* of 0.321, assuming that other variables are held constant.
- b. *Return On Equity* (X2) has a value of 0.134 with a positive relationship direction, which shows that every increase in *return on equity* of 1 will be followed by an increase in stock *returns* of 0.134 assuming that other variables are held constant.
- c. *Price Earnings Ratio* (X3) has a value of 0.54 with a positive relationship, which shows that every increase in *the price earning ratio* of 1 will also be followed by an increase in stock *returns* of 0.54, assuming that other variables are held constant.
- d. *Interest Rate* (X4) has a value of -0.163 with a negative relationship direction, which shows that every increase in interest rates by 1 will be followed by a decrease in stock *returns* by -0.163 assuming that other variables are considered constant.
- e. The constant value (a) of 0.091 indicates a positive relationship, indicating that the independent variables of *current ratio, return on equity, price earnings ratio, and interest rate* are constant. Therefore, stock *returns* will increase by 0.091.

2. Coefficient Test Determination (R²)

Table 4.8 of Determination (R²) Test

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.656 ^a	.431	.357	.32088

a. Predictors: (Constant), Interest Rates, Price Earning Ratio, Current Ratio, Return On Equity

Based on the table above, can interpreted For R2 testing has mark *R Square* is 0.431 then variables independent (*Current Ratio, Return On Equity, Price Earning Ratio* and Interest Rates can explain by 43.1% and the remainder by 56.9% by other variables that are not researched.

3. Significance Test (T-Test)

Table 4.9 Significant Test Results (T- Statistic Test)

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	.091	.338	.271	.788
Current Ratio	.321	.108	2,967	.006
Return on Equity	.134	.063	2.145	.040
Price Earnings Ratio	.054	.036	1,502	.143
Interest rate	-.163	.068	-2,401	.023

a. The influence of CR in partial to Stock Return (t-Test)

Variables *Current Ratio* has t- count value > t- table (2.967>2.030108) and with mark significant by 0.006 more small from 0.05 (0.006<0.05). Then it can be concluded that H0 is rejected and H1 is accepted, so that can interpreted that variables *Current Ratio* influential to Stock Returns.

b. The influence of ROE in general partial to Stock Return (t-Test)

Variables *Return on Equity* own t- count value > t- table (2.145>2.030108) and with mark significant by 0.040 more small of 0.05 (0.040<0.05). Then it can be concluded that H0 is rejected and H2 is accepted, so that can interpreted that variables *Return On Equity* has an effect to Stock Returns.

c. The influence of PER in general partial to Stock Return (t-Test)

Variables *Price Earnings Ratio* own t- count value < t- table (1.502<2.030108) and with mark significant by 0.143 more big from 0.05 (0.143>0.05). Then it can be concluded that H0 is accepted and H3 is rejected, so that can interpreted that variables *Price Earnings Ratio* No influential to Stock Returns.

d. The Influence of Interest Rates in General partial to Stock Return (t-Test)

The Interest Rate Variable has t- count value > t- table (-2.401>2.030108) and with mark significant by 0.023 more small from 0.05 (0.023<0.05). Then it can be concluded that H0 is rejected and H4 is accepted, so that can interpreted that Interest rate variables have an influence to Stock Returns.

3.F test

Table 4.10 F Test Results

ANOVA ^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	2,414	4	.603	5,861	.001 ^b
Residual	3,192	31	.103		
Total	5,606	35			

a. Dependent Variable: Stock Returns

b. Predictors: (Constant), Interest Rates, Price Earning Ratio, Current Ratio, Return On Equity

Source: data processed by SPSS version 22

Based on the results of the table above, the F- count value $>$ F-table ($5.861 > 2.68$) and with the value significantly smaller by 0.001 of 0.05. So it can be concluded that H_0 is rejected and H_a is accepted, so it can be interpreted that all variables independent (*Current Ratio*, *Return On Equity*, *Price Earning Ratio* and Interest Rate) simultaneously influential to *Stock Returns*.

DISCUSSION

a. The influence of CR in partial to Stock Return (t-Test)

Hypothesis first (H1) in study This is How the influence of CR on *Stock Return*. Based on results of statistical tests conducted show that CR has an effect to *Stock Return*. This is caused by Because assets fluency owned by a company Far more big than obligation smoothly. Can interpreted that company can or capable pay obligation smoothly appropriate time. With paid off obligation fluent company appropriate time, automatic can confirmed performance company the good and the profits obtained also increased. This cause its influence *Current Ratio* to *Stock Returns*.

b. The influence of ROE in general partial to Stock Return (t-Test)

Hypothesis second (H2) in study This is How the influence of ROE on *Stock Return*. Based on results of statistical tests conducted show that ROE has an effect to *Stock Return*. This is caused by company can utilize the capital they have For produce high profits and things This give positive impact to mark company so that impact on sales and prices share will rise so that *return* share company will experience improvement.

c. Influence Price Earning Ratio in partial to Stock Return (t-Test)

Hypothesis third (H3) in study This is How the influence of PER on *Stock Return*. Based on results of statistical tests conducted show that PER does not influential to *Stock Returns*.

d. The Influence of Interest Rates in General partial to Stock Return (t-Test)

Hypothesis fourth (H4) in study This is How the influence of interest rates on *Stock Return*. Based on results of statistical tests conducted show that interest rates have an effect negative to *Stock Return*. This is due to interest rates that are too high tall will influence investors in decision investment. If the interest rate is high can make investors more interested invest their capital in banks form savings or deposits. High interest rates also affect cost production company so that the resulting product also becomes expensive, with expensive price sell so will lower interest consumer For buy so that sale become down and end in profit company.

e. The influence of CR, ROE, PER, and interest rates in general simultaneous to Stock Return (F Test)

Hypothesis fifth (H5) in study This is How influence all variables independent (CR, ROE, PER and interest rate) against *Stock Return*. Based on results of statistical tests conducted show that CR, ROE, PER and Interest Rates are simultaneous influential to *Stock Returns*.

The results of this study are in line with several previous empirical findings which indicate that liquidity and profitability positively influence stock performance. Research by Almira & Wiagustini (2020) and Hasanudin (2022), for instance, similarly demonstrated that higher CR and ROE lead to improved investor confidence and, consequently, higher stock returns, supporting the signaling theory in financial decision-making. Conversely, the insignificant effect of PER is consistent with the findings of Dwinanda & Hendriyani (2022), which suggest that market valuation-based indicators may lose predictive strength in volatile economic conditions or when profitability and liquidity play a more dominant role in investment considerations. Meanwhile, the negative impact of interest rates on stock returns supports the results of Suriyani & Sudiarta (2018), reinforcing the view that tighter monetary policy discourages equity investment due to increased opportunity costs and borrowing expenses.

From a practical standpoint, the findings emphasize the necessity for companies within the property and real estate sector to maintain strong financial fundamentals, particularly in terms of liquidity management and capital structure optimization, to enhance investor trust and competitiveness during periods of macroeconomic uncertainty. Additionally, the results imply that corporate management should strategically manage interest-sensitive financial decisions, such as debt financing, as fluctuations in monetary policy could directly suppress stock value. In terms of policy implications, financial regulators and capital market authorities are advised to continuously promote transparency in financial reporting, encourage adoption of interest rate risk mitigation strategies, and provide regulatory support to sustain investment flows during high-rate periods. Furthermore, policymakers may consider designing sector-specific incentives or capital access schemes to reduce cost pressures and improve resilience, particularly amidst economic recovery conditions in 2023–2025.

CONCLUSION

Based on results study with method multiple linear regression about Analysis The Influence of Liquidity, Profitability, *Price Earning Ratio* (PER) and Interest Rates on Stock Returns of Property and Real Estate Sub-Sector Companies Listed on the IDX for the Period 2018 – 2023. So in the research This can withdrawn conclusion as following *Current Ratio* in a way partial influential to Stock Return, *Return On Equity* partial influential to Stock Return, *Price Earning Ratio* (PER) in general partial No influential to Stock Returns and Interest Rates partial influential negative to Stock Returns, *Current Ratio*, *Return on Equity*, *Price Earning Ratio* and Interest Rates simultaneous influential to Stock Returns.

From a theoretical perspective, this study reinforces the relevance of signaling theory and the semi-strong form of the efficient market hypothesis in explaining investor responses to firm-specific financial indicators and macroeconomic policy changes. However, the moderate explanatory power of the research model ($R^2 = 43.1\%$) indicates that stock returns are also influenced by other variables not included in this study, such as financial leverage, market capitalization, ESG disclosure, volatility indices, or external shocks such as geopolitical risk or post-pandemic economic recovery patterns. Therefore, future research is recommended to expand the theoretical framework by incorporating moderating or mediating variables, such as economic crises, corporate governance quality, or digital transformation in business operations, to further refine the predictive capabilities of the model. Additionally, the application of more advanced econometric approaches, such as panel data regression, generalized method of moments (GMM), or vector autoregression (VAR), could provide more comprehensive insights, particularly when extending the observation period beyond 2025 to capture structural changes in market dynamics. Future studies are also advised to compare sectoral differences or analyze the impact of sustainability reporting on investment decisions to enhance theoretical contributions within capital market research.

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