EFFECT OF PROFITABILITY AND LIQUIDITY ON STOCK RETURNS ON INFRASTRUCTURE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FROM 2015-2018

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ABSTRACT. *This study aims to determine the effect of profitability and liquidity on stock returns. The dependent variable is the return on equity (ROE) and current ratio (CR) and uses stock returns as an independent variable. The data collection method used is using purposive sampling, the source of which is secondary data, and obtained from the company's annual or financial statements. This study uses samples from infrastructure sector companies in the energy, toll roads, ports, airports & the like and telecommunications sub-sector that were listed on the Indonesia Stock Exchange in 2015-2018. The analytical method used is the multiple regression method. The results showed that profitability did not affect stock returns and liquidity does not affect stock returns. And the simultaneous effect of return on equity (ROE) and current ratio (CR) on stock returns does not affect infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018.*
Keywords. *profitability, liquidity, stock returns*

INTRODUCTION

In this era of economic development, it is not strange for investors to invest through the capital market by buying shares. Supported also by the opening of public awareness that saving money in a safe-deposit box, in a savings or bank does not produce more profits. The factor of administrative costs also cuts profits from money in bank savings accounts of savers. In saving money, some factors must be overcome, namely inflation. If investors only keep their money quiet, it will all diminish over time due to inflation. The performance of the composite stock price index (CSPI) is far better compared to other investment instruments such as gold, bonds, even property (Prasetio, 2019). From the data submitted by Niky Hogan, Director of Development of the Indonesia Stock Exchange (2015-2018) stated that the average return through shares reached 11.36% in the last 10 years as of December 2017 which can beat inflation by 5.66% with a comparison of savings investments, time deposits, gold, and bonds do not reach 9% (Planner, 2017).

Investment through shares makes it easy for investors to access and channel funds to companies that they consider to provide promising returns. By assisting companies in buying shares in the capital market, of course, there are rewards obtained by investors. The reward is in the form of stock returns. Stock returns are capital gains obtained from investments made, consisting of dividends or capital gains/losses (Halim, 2015). It can also be said as the rate of return on a stock investment that an investor expects. Calculating the difference in the value of shares in companies from before and after is a way to measure stock returns. Of

course, investors want a greater return than paid-in capital and have an ever-increasing profit growth.

Investing in company shares must be chosen well because not all companies promise high stock returns. The ups and downs of shares are very vulnerable to the economic and political situation also the demand and supply of shares in the capital market. But it should be noted also the higher benefits generated, the higher the risk obtained. If there is a stock that rises out of the ordinary, it is usually given the term of fried stock. It can be seen from the volume and daily transactions that are not reasonable, to the bid and offer that are also not reasonable. The reason for the occurrence of fried stocks can be due to market participants engineered. So one of the things that can be done to choose a company that will become an investment place is by analyzing or measuring the company's performance.

Information about the financial position and performance of a company can be seen from the company's financial statements. Data from the financial statements are processed into financial ratios and these ratios can be used as a basis for investors to make decisions. A financial ratio is a calculation of the information obtained from financial statements that serve as a measuring tool in assessing the condition of a company and financial performance (Hery, 2015). We can calculate financial ratios with the information provided to be a company's financial analysis tool. Calculating ratios are useful for assessing future risks and opportunities based on conditions and previous period data. This can be a reference for measurable investor decision making. In this study, profitability and liquidity ratios will be used to measure the company's performance.

The profitability ratio is used to see the profit (loss) or success of a company's operations from the use of its capital in a certain period. Profit (loss) from a company can affect the ability to finance debt and equity. This also influences the company's liquidity position and growth capability. Therefore, both creditors and investors are interested in assessing acquisition power through profitability ratios. Analysts also often use this ratio to determine the effectiveness of management operations (Weygant et al., 2012).

There are several types of profitability ratios that can be measured, namely net profit margin, return on assets, return on equity, and payout ratio. What researchers use is the return on equity (ROE) as a profitability ratio. Return on equity is usually used by managers to measure company performance by dividing net profit (loss) by total company equity (Brealey, et al., 2001). In other words, the return on equity is used to determine the return on the total amount of equity listed in the company's balance sheet. This ratio can see how much the company's performance in utilizing the equity to be the company's revenue.

Liquidity ratios can be used to measure a company's ability to pay short-term obligations and to meet unexpected cash needs. There are several types of liquidity ratios, namely the current ratio, the acid-test ratio, receivables turnover, and inventory turnover (Weygant et al., 2012). This study uses the current ratio (CR) as a liquidity ratio. The current ratio is a ratio that calculates a company's ability to pay current liabilities by liquidating

current assets. This ratio can indicate a company's ability to avoid bankruptcy in the short term (Bodie et al., 2010).

Stock returns can be seen from the movement of the Composite Stock Price Index (CSPI). The composite stock price index as of April 8, 2020, was declared down due to 159 shares weakening, dragging the CSPI into the red zone. If the stock price goes down, stock returns will go down for investors. Of the 10 sectors that make up the CSPI, all are in the red zone. The weakening was led by the consumer goods sector, which fell 2.61 percent. Followed by the manufacturing sector which fell 2.48 percent and the infrastructure sector fell 2.42 percent (Deny S, 2020).

Nurjanah's research (2017) shows that profitability and liquidity ratios simultaneously have a significant effect on stock returns. In contrast to research Febrioni, et al (2016) which states that the profitability and liquidity of each partially no effect on stock returns. With the problems and differences in the studies previously described, this study will examine the problem of how the state of each variable is profitability, liquidity and stock returns in infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018. And also look at the effect of profitability on stock returns, the effect of liquidity on stock returns, and simultaneously how the effect of profitability and liquidity on stock returns on infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018.

REVIEW OF RELATED LITERATURE

Profitability

The ability of a company to generate profits is illustrated by the company's management performance. Financial management is demanded to use effective and efficient ways to obtain corporate profits. In financial theory, an indicator that measures a company's ability to make a profit is the profitability ratio. There are several definitions expressed according to experts, namely profitability ratios are tools used to measure the ability of a company to earn profits through its normal business activities within a certain period, and also used as a measure of management effectiveness in running company operations (Hery, 2015). Profitability ratios are also used to determine the effectiveness of the company in getting rewards or investment returns through overall company activities and balance in the ratio of liabilities and capital (Sugiono & Untung, 2016). Also, profitability ratios are interpreted as the use of how much return ability that can be obtained from existing resources in the company such as assets, liabilities, capital, and sales activities to get profit (Harahap, 2018). From some of the definitions above it can be concluded that profitability is a measuring tool used to find out how much the company's ability through management performance on returns from sales and investment of the company.

In general, 5 types of profitability ratios can be used, namely, gross profit margin, net profit margin, cash flow margin, return on assets, and return on equity (Sugiono & Untung 2016).

1. Gross Profit Margin

This ratio can measure the ability of the company by comparing the percentage of gross profit from company sales. The way to measure this ratio is to reduce sales with all expenses including taxes and then sales. Companies that show high-profit margins indicate the company can generate profits exceeding the cost of goods sold (Sartono, 2016).

Gross profit margin: (Net sales - Cost of goods sold) / Sales

2. Net Profit Margin

Net profit margin is a ratio used to analyze how much net profit from sales the company makes. If the percentage ratio is lower than average, it means that the company's selling price is lower and the selling price of goods sold is higher than that of the company's competitors or caused by one of the factors above (Sugiono & Untung, 2016).

Net profit margin: Net Profit / Net Sales

3. Cash Flow Margin

Cash flow margins are used to measure how much a company can turn sales into cash flow. This ratio uses mainly the percentage of cash flow from operating results to the company's sales (Sugiono & Untung, 2016).

Cash flow margin: Operating cash flow / net sales

4. Return on Assets

The ratio of returns on assets is how much the contribution of assets owned by the company so that it can generate a net profit. It shows how much net profit is created from each rupiah invested in the total assets. (Hery, 2016)

Return on assets: Net income / total assets

5. Return on Equity

Return on equity is used to measure the fate of shareholders in a certain period of the year. Because the welfare of shareholders is the company's goal, in accounting, this performance can be measured well with this ratio. Measure To find out how much net income is obtained from each rupiah in total equity (Ross et al., 2010).

Return on equity: Net income / Total equity

Liquidity

Liquidity ratio is the ratio used to find out how much the company's ability to pay the short-term debt. To measure to what extent the company's ability to repay the debt that will

soon be due. If it cannot pay it off, it means the company can be said to be an illiquid company and vice versa (Herry, 2015). Liquidity is an analysis of a company's ability to meet short-term obligations. Measure whether the company is able or difficult to pay off the debt at maturity in the following year. The company's liquidity analysis is by looking at how much cash and other current assets with current liabilities (Brigham & Houston, 2010). Liquidity is also used by short-term creditors to measure a company's capacity to meet the short-term debt. Creditors are more interested in seeing how well cash flow and working capital management are compared to how much profit the company can make. Because creditors pay attention to the company's prospects in paying short-term obligations (Prastowo, 2014). From some of the definitions above, it can be concluded that a liquidity ratio is a measuring tool used to measure the ability of a company to meet obligations that are immediately due to creditors. Creditors see the liquidity of a company through this ratio. This is seen from the availability of cash and other current assets as the most liquid means of payment of current liabilities.

The liquidity ratio is very useful for many parties, not only companies but also parties outside the company. Such as company management, as well as other stakeholders, namely investors, creditors, and suppliers. From the management can be useful to monitor the availability of cash, especially to pay short-term obligations. The company's external parties, namely investors, are also very interested in liquidity ratios, especially in the case of distributing cash dividends, while suppliers in terms of repayment of the principal amount equal to creditors, plus loan interest payments. This ratio can measure the company's ability to generate profits in a certain period, assess the company's profit position the previous year with the current year, assess the development of profits from time to time, measure how much the amount of net profit that will be generated from each rupiah of funds embedded in total assets and total equity, and calculates gross, operating profit and net profit margin on net sales (Hery, 2015).

Types of liquidity ratios are divided into three, namely the current ratio, quick ratio, and cash ratio. Divided into three because current liabilities can be financed with all current assets, current assets are reduced by inventory, and current assets are only cash (Bodie et al., 2010).

1. Current Ratio

The current ratio can be calculated by dividing current assets consisting of cash, tradable securities, trade receivables, and inventories with current liabilities consisting of trade payables, short-term notes receivable, long-term current debts, taxes, and accrued salaries. It is assumed that all current assets can be used to pay current liabilities. It should be noted that high current ratio numbers are not necessarily good in terms of company profitability, depending on the type and nature of the industry. It should also be seen that high current assets are affected by receivables. Uncollectible receivables cannot be used to pay debts (Prastowo, 2014).

Current Ratio: Current assets / Current liabilities

2. Quick Ratio or Acid Test Ratio

Another liquidity ratio that is often used is the quick ratio or acid test ratio which is calculated by reducing the inventory of current assets, then divided by current liabilities. Inventories, in general, are current assets that are considered the least liquid because they have to sell in advance so that the inventory can become cash. Therefore, this ratio is important to analyze to determine the liquidity of a company without relying on inventory sales (Brigham & Houston, 2010).

Quick ratio or Acid test ratio: (Current assets - Inventory) / Current liabilities

3. Cash Ratio

The ratio that provides the calculation of financing to current liabilities of the most liquid assets is the cash ratio because this ratio only compares how much cash and securities or current or savings accounts in a bank can pay current liabilities. It can be said that this ratio shows the real ability of a company to pay its short-term debt (Samryn, 2015).

Cash ratio: Cash or cash equivalents / Current liabilities

Stock Returns

In general, the capital market is a meeting place between companies that sell shares and bonds to investors with the aim of the sale can be used as additional funds or strengthen the company's business capital running (Fahmi, 2015). In providing funding for a company's capital, an investor has a mark of ownership over the company and means he has the right to elect directors who will, in turn, choose the people who will manage the company. Voting is done at the general meeting of shareholders (GMS), which each share has one vote. So the strength of the vote depends on the number of shares that investors have. (Brigham & Houston, 2001). Shares are used as a means of ownership of a company by attaching capital or funds to the company in the form of paper listed with nominal value, the name of the company accompanied by the rights and obligations of shareholders (Fahmi, 2015).

Shares that describe a person's ownership in a corporation have two characteristics, namely (Brigham & Houston, 2001): Shares that are indicative of ownership of dividends, but only if the company has excess profits to pay dividends, and only if management chooses to pay dividends rather than hold or turn all profits back into the capital. Investors can expect dividends, but may not be realized because the company may have profits that will be used as capital to meet the operational costs of the company.

Stocks can be sold in the future by expecting a price level higher than the purchase price. If a stock is sold at a price higher than the purchase price, then the investor will receive a capital gain (capital gain). When investors buy shares, they will expect capital gains,

otherwise, they will not buy the shares. In reality, capital losses can also occur or the level of stock prices is lower than the stock purchase price.

The value of shares is determined by the fundamental conditions of the company, and there are several values, namely book value, market value, and intrinsic value. Book value is the value of a business based on financial statements that are the value of assets that remain after deducting company liabilities if distributed. Book value can be a guarantee for investors to find out how many net assets for shares owned by investors. Market value is the price of shares contained in the Indonesia Stock Exchange (as a market) formed by the demand and supply of investors. The difference between book value and market value is book value is the value that is recorded when the shares are sold by the company, while the market value is the price of the shares that occur on the stock exchange at a certain time determined by market participants. And the last is the intrinsic value which is the actual stock value for a common stock so it is not too expensive considering the main factors of the company (Jogiyanto, 2015).

The results obtained from what investors invest are returns (Jogiyanto, 2015). Just like the second nature of the stock that has been explained above that the amount of return that investors get depends on how big the initial stock price margin is and the current stock. By wanting a high return, investors will also be at high risk of the funds they have invested in the company. Stocks can be sold in the future by expecting a price level higher than the purchase price. If the shares are sold at a price higher than the purchase price, then the investor will receive capital gains (Tandelilin, 2017).

Total return consists of capital gain (loss) and yield. Where this total return is the overall return obtained from an investment in a certain period. Total return can be stated as follows: Total Return = Capital gain (loss) + yield. Capital gain (loss) can be calculated by looking at the difference between the current investment price and the price of the previous period.

Capital gain (loss) = Pt - (Pt - 1) / (Pt - 1)

Yield is a percentage of periodic cash receipts from an investment against the investment price of a certain period. For ordinary shares that make periodic dividend payments of Dt rupiah per share.

Yield = Dt / (Pt - 1)

So that the total return can be formulated as follows:

Return total = Pt - (Pt - 1) + Dt / (Pt - 1)

But given that companies do not always distribute cash dividends periodically to their shareholders, then in this study stock returns can be calculated as follows:

Return total = Pt - (Pt - 1) / (Pt - 1)

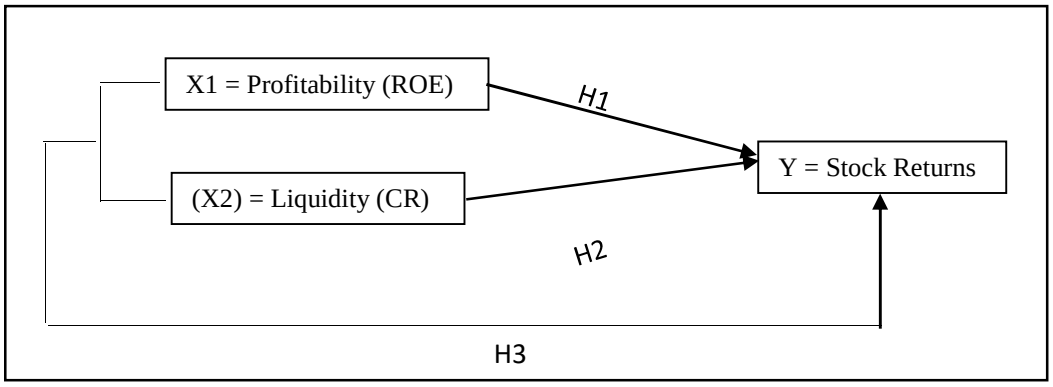
Theoretical Thinking and Hypothesis Framework

Profitability can affect stock returns because it shows the level of profit company by looking at how much the contribution made by equity (ROE) and assets (ROA) also its management to get profit (net income). This means the higher the profitability, the higher the profits obtained by the company. With high profits (net income), the company can distribute higher rewards to investors (dividends). Vice versa, the smaller the profitability of a company the more likely the dividend will be given to investors the less.

The indicator that used to measure the level of profitability in this study is the ratio of return on equity. This ratio measures the ability of a company's equity where each rupiah of equity can generate how much net profit. This ratio can be a measure for investors to find out how efficiently the company can manage equity to fund operations and grow the company so that stock returns will increase.

This study uses the current ratio as an indicator to measure liquidity ratios. The current ratio can measure how much the ratio between current assets and short-term debt. This ratio is used by companies to find out how current assets can be used to pay the short-term debt. By knowing this ratio, investors can see how well the company operates and cover its short-term obligations so that when the current ratio increases, the value of stock returns will also increase. In this study the authors describe the flow of thought through the framework of thought as follows:

Figure 1 Research Framework
Profitability and Liquidity on Stock Returns



Based on the theories that have been outlined and some previous studies, the authors provide a provisional hypothesis from the research as follows:

H1: Profitability has a significant effect on stock returns.

H2: Liquidity has a significant effect on stock returns.

H3: Profitability and liquidity have a significant effect on stock returns.

RESEARCH METHODOLOGY

Population and Sample Determination Procedure

In this study, the population was taken from the infrastructure sector companies in the energy, toll roads, ports, airports & the like and telecommunications sub-sector which were listed on the Indonesia Stock Exchange in 2015-2018. The number of companies that registered 19 companies but there are 8 companies do not publish annual or financial reports in the 2015-2018 period and share prices in the 2014-2018 period so there are 11 companies that used in this research.

Table 1 List of Research Samples

No	Company Code	Name of Company
	LAPD	Leyand International Tbk
	PGAS	Perusahaan Gas Negara (Persero) Tbk
	RAJA	Rukun Raharja Tbk
	CMNP	Cipta Marga Nusaphala Persada Tbk
	JSMR	Jasa Marga (Persero) Tbk
	META	Nusantara Infrastructure Tbk
	BTEL	Bakrie Telecom Tbk
	EXCL	XL Axiata Tbk
	FREN	Smartfren Telecom Tbk
	ISAT	Indosat Tbk
	TLKM	Telekomunikasi Indonesia Tbk

Type and Data Resources

This study uses secondary data from infrastructure companies listed on the Indonesia Stock Exchange (IDX) and the data taken are stock prices, net income, total equity, total liabilities, and total assets. Data is obtained from the annual financial statements of companies listed on the Indonesia Stock Exchange by downloading on the official website of the IDX, www.idx.co.id, and the price of shares viewed from the websites www.idx.co.id and www.duniainvest.com and ask for approval and permission from the authorities who are the object of research. The research data includes data on infrastructure companies in the energy sub-sector, toll roads, ports, airports & the like and telecommunications which were listed on the Indonesia Stock Exchange in the 2015-2018 period.

Operational Variables

a. Independent Variables (X)

Profitability is used to find out how much the company's ability to get revenue based on sales, assets, and equity-based on certain measurements. Profitability has several ratios

but what is used in this study is return on equity (ROE) with the following formula (Ross et al., 2010):

Return on equity = Net income (NI) / Total equity (TE)

Liquidity is a ratio used to see a company's ability to pay off the debt immediately (smoothly) using its assets or current assets. The ratio used in this study is the current ratio (CR) with the following formula (Prastowo, 2015):

Current Ratio = Current assets / Current liabilities

b. Dependent Variable (Y)

In this study, the dependent variable is stock return as a variable (Y). Return is the level of profit enjoyed by investors for their investment. The type of return used in this study is the actual return which is a capital gain that is the difference between the current period stock price with the stock price in the previous period divided by the share price of the previous period. The formula is (Jogiyanto, 2015):

Return total = Pt - (Pt - 1) / (Pt - 1)

Information:

Pt = share price of the period to be investigated

Pt-1 = Share price of one period before which will be examined

RESULT AND DISSCUSION

Descriptive analysis of the data in this study aims to find out how the state of each variable is profitability, liquidity, and stock returns in infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018. Descriptive statistics is one part of data analysis that serves to provide an initial overview of the research variables as seen from the minimum value, maximum value, average value, and standard deviation of each variable.

Tabel 2 Statistical Results of Profitability, Likuidity and Return of Share of Perusahaan Sektor Infrastruktur yang Tercatat di BEI 2015-2018

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
ROE	44	-.54465	2.91635	.099074	.47292
CR	44	.00016	3.11323	1.19319	1.07092
RS	44	-.74452	.77027	-.04482	.341727
Valid N (listwise)	44				

From the Table 2, profitability (ROE) in infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018 shows that there were 44 valid data with minimum profitability of -0.54465 ie at Leyand International Tbk in 2018. And the maximum amount of profitability was 2.91635 was in the Telekomunikasi Indonesia Tbk company in 2017. The average profitability was 0.099074. The standard deviation of this data is 0.47292. Descriptive analysis results from the table above show the average (mean) which is smaller than the standard deviation value, this indicates that the results are less good. Because the standard deviation is a reflection of very high storage so that the spread of data shows abnormal results for profitability data on infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018.

The minimum amount of liquidity is 0,00016, namely in the Bakrie Telecom Tbk company in 2018. The maximum amount of liquidity is 3.11323 in the Nusantara Infrastructure Tbk company in 2016. The average liquidity is 1.19319 and the standard deviation of this data is 1.07092. The results of the descriptive analysis show an average value (mean) that is greater than the standard deviation value, and this indicates that the results are quite good. That is because the standard deviation is a reflection of a very high deviation so that the spread of data shows normal results and does not cause bias.

The independent variable is stock returns has a minimum amount of -0.74452 (-74.452%), namely in the Rukun Raharja Tbk company in 2016. And the maximum number of stock returns is 0.77027 (77.027%) in the Nusantara Infrastructure Tbk company in 2016. The average stock return is -0.04482 (-4.482%) The standard deviation of this data is 0.341727 (34.1727%). Descriptive analysis results from the table above show the average (mean) which is smaller than the standard deviation value, this indicates that the results are less good. Because the standard deviation is a reflection of very high storage, so the spread of data shows abnormal results.

Effect of Profitability on Stock Returns

To see the effect of profitability on stock returns partially, in this study the researcher will conduct correlation coefficient analysis, coefficient of determination analysis, simple linear regression analysis, and partial significance test (t-test).

Tabel 3 **Hasil Analisis Koefisien Korelasi dan Determinasi Profitabilitas pada Perusahaan Sektor Infrastruktur yang Tercatat di BEI 2015-2018**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.056[a]	.003	-.021	.34523425

a. Predictors: (Constant), ROE

Source: Data processed, 2020

Correlation coefficient analysis is done to find out how big the relationship between profitability with the indicator of the ratio of return on equity to stock returns. Researchers use coefficient analysis by looking at the value of r in the table. Profitability measured using ROE has a correlation coefficient value between 0 - 0.2, 0.056, which means there is a very low correlation between profitability to stock returns, and a positive relationship occurs between the two, which means that the greater the profitability, the greater stock returns.

The results of the coefficient of determination analysis are used to determine the size of the presentation of the dependent variable explained by the independent variable. The coefficient of determination of profitability on stock returns shows a contribution of 0.3% and the remaining 99.7% is influenced by other factors not examined in this study. The contribution of profitability to stock returns states there is a correlation between profitability and stock returns, even though the correlation is very low.

For the results of the calculated t value obtained in profitability is 0.362 and a significance value of 0.719. This value is greater than the 0.05 significance level which means that profitability has no significant effect on stock returns. And from these results, it can be concluded through this t-test that Ha is rejected.

The results of simple linear regression analysis are used to see the causal relationship between variables in this study. Simple regression analysis is used to determine the changes that occur in stock returns based on the value of profitability. Obtained the regression equation as follows: **Stock Return = -0.049 + 0.040 Profitability**

Based on the above equation, it can be explained that if profitability is 0, then the stock return to the infrastructure sector companies listed on the 2015-2018 IDX is already -0.049. If there is an increase in profitability of 1, then the stock return will increase by 0.040. This happens because the profitability coefficient in the above equation is positive. So that

stock returns will increase when profitability has increased and vice versa. This supports the research of Tarmizi et al. (2018), Manik et al. (2017), and Dewi (2016) which states that profitability has a positive effect on stock returns

Effect of Liquidity on Stock Returns

Tabel 4 Hasil Analisis Koefisien Determinasi Likuiditas pada Perusahaan Sektor Infrastruktur yang Tercatat di BEI 2015-2018

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.037[a]	.001	-.022	.34553218

a. Predictors: (Constant), CR

Source: Data processed, 2020

According to Table 4 above, liquidity measured using CR has a correlation coefficient (r-value) that is between 0 - 0.2, 0.037, which means there is a very low correlation between liquidity and stock returns and is positive between the two, which means greater liquidity will the greater the stock return. And for the coefficient of determination (r square) shows the contribution of profitability to stock returns is 0.1% and the remaining 99.9% is influenced by other factors not examined in this study. The contribution of profitability to stock returns states there is a correlation between profitability and stock returns, even though the correlation is very low.

The value of t calculates the liquidity of the stock returns obtained is 0.241 and a significance value of 0.810. This value is greater than the 0.05 significance level which means that liquidity has no significant effect on stock returns. And from these results, it can be concluded through this t-test that Ha is rejected.

The results of simple linear regression analysis are used to see the causal relationship between variables in this study. Simple regression analysis is used to determine changes in stock returns based on liquidity values. Obtained the regression equation as follows:

Stock Return = -0.059 + 0.012 Liquidity

Based on the above equation, it can be explained that if liquidity is 0, then the stock return on infrastructure sector companies listed on the Indonesia Stock Exchange 2015-2018 is already worth -0.059. If there is an increase in the liquidity of 1, then the stock return will increase by 0.012. This happens because the liquidity coefficient in the above equation is positive. So that stock returns will increase when liquidity has increased and vice versa. This supports the research of Dewi (2016) which states that liquidity has a positive effect on stock returns.

Effect of Profitability and Liquidity on Stock Returns

Tabel 10 Hasil Uji F (Uji Signifikan Simultan)

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.021	2	.010	.086	.918[a]
	Residual	5.001	41	.122		
	Total	5.021	43			

a. Predictors: (Constant), CR, ROE

b. Dependent Variable: RS

Source: Data processed, 2020

The value of *F* on the effect of profitability and liquidity on stock returns is 0.086 and the significant value of 0.918> 0.05, then Ho is accepted and Ha is rejected that there is no significant effect between profitability and liquidity on stock returns on infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018.

Tabel 11 Hasil Uji Regresi Linear Berganda Profitabilitas dan Likuiditas Terhadap *Return* Saham

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.061	.080		-.767	.447
ROE	.038	.113	.053	.338	.737
CR	.010	.050	.033	.209	.836

a. Dependent Variable: RS

Source: Data processed, 2020

For multiple linear regression shows the value $b0$ = -0.061, $b1$ = 0.038, $b2$ = 0.10 so that the multiple linear regression equation can be formed as follows:

RS = -0.061 + 0.038 PROF + 0.10 LIQ

From the above equation, it can be stated that if profitability (X1) and liquidity (X2) are 0, then stock returns (Y) -0.061. While the profitability variable regression coefficient (X1) of 0.038 means that if other independent variables have a fixed value and profitability has increased by 1, then the value of stock returns will increase by 0.038. A positive coefficient means that there is a positive relationship between profitability and stock return, the more profitability increases, the more stock returns. The liquidity coefficient (X2) of 0.10 means that if other independent variables have a fixed value and the liquidity has increased by 1, then the value of stock returns will increase by 0.10. The coefficient has a positive relationship between liquidity and stock returns, the more liquidity increases the more the value of stock returns.

DISCUSSION

Based on the statement above, the results can be summarized as follows:

a. Profitability (ROE) has a correlation coefficient between 0 - 0.2, 0.056, which means there is a very low and positive correlation between profitability and stock returns. The coefficient of determination of the contribution of profitability to stock returns is equal to 0.3%. The results of a simple linear regression analysis explain that if profitability is 0, then the stock return on infrastructure sector companies listed on the 2015-2018 IDX is already -0.049. If there is an increase in profitability of 1, then the stock return will increase by 0.040. The t value obtained is 0.362 and a significance value of 0.719. This value is greater than the 0.05 significance level which means that profitability has no significant effect on stock returns and through this t-test concluded that Ha is rejected.
b. Liquidity measured using CR has a correlation coefficient value between 0 - 0.2, 0.037, which means there is a positive and very low correlation between liquidity and stock returns, which means the greater the liquidity, the greater the stock return. The coefficient of determination of the contribution of profitability to stock returns is 0.1%. The results of the linear regression analysis explain that if liquidity is 0, then the stock return on infrastructure sector companies listed on the 2015-2018 IDX is already -0.059. If there is an increase in the liquidity of 1, then the stock return will increase by 0.012. The t value obtained is 0.241 and a significance value of 0.810. This value is greater than the 0.05 significance level which means that liquidity has no significant effect on stock returns. And from these results, it can be concluded through this t-test that Ha is rejected.
c. The overall effect of profitability and liquidity on stock returns through the F test which produces a value of F_{hitung} of 0.086 and significant value of 0.918> 0.05, then Ho is accepted and Ha is rejected that there is no significant effect between profitability and liquidity on stock returns.

CONCLUSION

Profitability does not influence stock returns on infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018. Likewise, liquidity does not affect stock returns on infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018. And the simultaneous effect of return on equity (ROE) and current ratio (CR) on stock returns does not affect infrastructure sector companies listed on the Indonesia Stock Exchange in 2015-2018.

RECOMMENDATION

Investors want a large stock return, so when choosing stocks to invest, it must be seen in advance whether the value of the company is good or not. For prospective investors who want to invest with shares, first ratios from companies that will become investment targets as a reference for investment decisions that can show the value of a company. And further researchers are advised to add independent variables, samples, and year periods so that they can get a clearer picture of capital market conditions.

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