

**FINANCIAL PERFORMANCE, MACRO ECONOMY, AND
MARKET RETURN IMPACT ON STOCK RETURN: STUDY
OF CONSUMER CYCLICAL INDONESIA PERIOD 2014-2023**



THESIS

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A THESIS

Submitted in a partial fulfillment of the requirement for the degree of

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NON-PLAGIARISM DECLARATION FORM

This Thesis is a presentation of our original research work. Wherever contribution of others are involved, every effort is made to indicate this clearly, with due reference to the literature, and acknowledgement of collaborative research and discussions.

Also, this work is being submitted in partial fulfillment of the requirements for the Master of Business Administration degree and has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Jakarta, 20 February 2025

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ABSTRACT

The consumer cyclical industry is significant for supporting the country's economic development and creating job opportunities, helping the country escape from the middle-income trap by attracting domestic and foreign investment, considering Indonesia's large market and growth potential. Consumer cyclical industries contribute 20% of job creation and 21.3% of Indonesia's GDP. This research aims to determine the relationship and impact of financial performance (asset efficiency, liquidity, and profitability), macroeconomic factors (exchange rate and interest rate), and market return on the stock return of the consumer cyclical industry in Indonesia for the period 2014-2023. This research used a sample of consumer cyclical companies with ESG Scores listed on the Indonesia Stock Exchange from 2014 to 2023. The sampling technique used is purposive, consisting of ten cyclical companies—the analysis method used is panel regression data analysis and path analysis. This study found that profitability and market return have a positive and significant impact on the stock return of the consumer cyclical industry in the period 2014-2023, while asset efficiency, liquidity, exchange rate, and interest rate do not significantly impact the stock return. COVID-19 moderating exchange rate and interest rate effect on stock return. Investors need to understand the company's financial statement (especially regarding the profitability) and market return before investing in the consumer cyclical industry's stock. The government and economic regulator need to create a conducive environment to keep the country's interest rate stable and create regulations that support investment in the stock listed in IDX, which will give confidence to the investor and can favor economic growth which will finally create economic and social stability.

Keywords: Consumer Cyclical, Financial Performance, Macro Economy, Market Return, Stock Return

