

**THE INFLUENCE OF STOCK RETURN, INFLATION, AND OWNERSHIP
STRUCTURE TO THE INVESTMENT RISK
(The studied on manufacture industry which listed at Indonesian Stock Market
2003-2009 Period)**

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ABSTRACT

Economic development in Indonesia is currently facing the risk increases even during the global financial crisis. The global financial crisis affects the economy of a country including Indonesia. The economic crisis in Indonesia have an impact on the declining performance of the company's fundamentals on the stock market. This degradation caused by a failure in risk management, especially the unsystematic risk. Many companies can't manage they debt policy, investment decisions, earnings management, liquidity and ownership structure that has implications for the risk. The objective of this research is to investigate the effect of stock return, inflation and ownersip stucture to investment risk of Manufacturer Industries in 2003-2009. This research used fourmultiple regression model, and the models are: 1st model to investigate effect of the stock return factors to stock return ; 2nd model used to investigate effect of the inflation factors to the inflation ; 3rd model used to investigate effect of the ownership structure factors to the ownership structure ; 4th model used to investigate effect of the stock return factor, inflation as the regional monetary factor, and ownership structure factors to investment risk.

Population of this research is manufacturing companies listed in BEI. The sampling method used in this research is purposive sampling and the results are 126 companies according to the criteria of the sample. Pooling data method and judgment sampling is used to collect the data and two stage least squares (2 SLS) as the analysis method.

Base on the hypothesis test it can be summarized that all predictor have significant effect simultaneously. Result of the 1st Model, Only Investment and Profitability Effect to stock return partially ; 2nd model, SBI, KURS, and M2 effect to the inflation partially; 3rd model only Diividend Payout Ratio and Debt to Equaity Ratio Effected to Ownership Structure partially ; 4th model, only return variable significantly influence to Investment Risk partially.

Keywords : *Stock Return, Inflation, Ownership Structure, Investment Risk*

I. INTRODUCTION

It is very important for the investors to understand the problem around the investment. Beside the stock return, there is a national factor which can influence the investment risk. The inflation will be influence money value that have been invested by the investors. The inflation problem will grind the profit for investors. The bad economical combination and cost production increasing will make the bad work ability for the company. The survey that had been done at the Indonesian stock market mostly influence by the experiment from another country, like Tandelilin experiment (1997) who want to proof that the makro variable will influence the risk. Another experiment also proof that the economic variable will influence the investment risk like shown by Widjaya (2004). Widjaya (2004) shown that the inflation variable ive influence to the investment risk.

Beside the stock return factor and inflation, the ownership structure also give an influence to the rate of investment risk. Effect of the ownership structure where insider and institutional stand together as the majority stock holding can make the public stock holding in weak position as minority stock holding. The management, generally is representation of majority stock holding it self. Within 30% average of ownership, the stock holding from insider holding is stock holding ownership by the insider (Management it self) is relative to all the stock in market. More bigger the percentage of stock holding ownership by the insider hopely can make least conflict of interest between the management an the stock holding as it indicated in agency theory, it because the insider holding represented merge of the management and the stock holding (The management also as an owner of the company). In other hand, institutional holding percentage which is the owner from institution investor reach 49,9% average, it's mean almost a half from the total of stock in public.

The stock holding, through the management, can make the company decide to carry out a new investmen project with a higher level of investment risk, higher than the expectation of creditors and with higher expectation of profit too. Rise of investment risk causes the expected return (Required rate of return) on debt that make the obligation value decrease. If the project succsed, the profit is in stock holding hand, because the return for the creditor is still not change. But if the project is failed, the creditor also take the risk. It because the creditor through the memorandum mostly will make a boundary of dividen so it expected there is a negative correlation between the agency problem that will happen between the creditor and stock holder with dividen. But Titman & Wassels (1998) said that the company which have a lot of collateral assets (Collateralizable assets) only have a few agency problem between the stock holder an creditor because the assets can be assurance for a debt. Considering the collateralizable assets can make an agency problem more decrease so hopely it bigger.

May be the manufacture industry can representing an Indonesian economic problem nowadays. In this flat world era with causes by globalization dan liberalization factor, the manufacture industry is the leader on industrial competition. It because the manufacture industry is the one from three sectors of tradables, and the another two sectors is mine and pit excavation.

II. HYPOTESIS AND LITERATUR REVIEW

A. The influence of Debt to Equity Ratio (DER) To Stock Return

According to De Angelao & Masulis (1980), said that the fund can increase the company value. If the resource of fund coming from debitur the increasing is because an effect of tax deductible. It means the company wich have a debt have to pay the loan that which decrease the tax deductible profit. Not only that, used of external loan will increase the company profit that will use in investment project that will give the profit for the company. It said too by the experiment of Pribawati (2007). But different from sentences abouve, Modigliani & Miller (1958) concluded that the market value from every company undepending to the capital structure it self, with assumption that is a perfect stock exchange, it's mean theres no arbitrase, competitive and effiencie without tax distortion and bankruptcy. This sentence according to Haruman (2006) and Ulupui (2006). From sentence above, the writter make a hypotesis as below :

H₁ : Debt to Equity Ratio (DER) is influence to the Stock return.

B. The Influence Of Investment to The Stock Return

Myeres (1997) said that the company value formed through the indicator at stock exchange point influenced by the opportunities of investment dan future discretionaty. Fama (1978) said that the company value is only charge by the invesment decision. It's mean that the invesment decision is very important, because to reach the company goal setting is only can achieve by company investment activity (Modigliani & Miller, 1958). So far, relationship beetwen investment and stock return is positive it's related to Yuniningsih (2002) and Haruman (2006). From the sentence above, writter make a hypotesis as below :

H₂ : The investment is influence to stock return

C. The influence of Dividen Policy To Stock Return

More bigger dividen which shared to stock holders means the emiten workability or the company assumed good achievement and finally the company which assumed have a good workability will be judge as a good company (Sujoko & Soebiantoro, 2007 & Murhadi, 2008). That investors perceptions will affected to company value. This sentence supported by Gordon (1963) and Bhattacharya (1979) with the Bird in the hand theory which said that the investor likely a higher dividen. Difference with Bird in the hand Theory, Modigliani and Miller have an oppinion that dividen is not relevan to the company value. From sentence above writter mak hypotesis as below :

H₃ : Dividen Payout Ratio influnece to the stock return

D. The Influence of liquidity to Stock Return

If the company liquidity higher, the investor perception more better. If this perception lasting longer it will increase the demang for company obligation an increase the value of company obligation too. If the price of obligation increase in every year, it's mean the stock return is also higher (Agung, 2004 & Zulvita, 2006). The influence of liquidity to stock return also observe by Ulupui (2007) with result is a positive influence. This indicated that the investors will get a higher return if the company have ability to they short term obligation. From the sentence above, writer make a hypothesis as below:

H₄ : A Liquidity influence to stock return

E. The influence of profitability to stock return

Haryanto dan Toto Sugiharto S. (2003) said that profitability of the company is one of way to quick judgement to see how far the grade of return can be effort from the invesment activity. If the company condition is positive or can give a profit in a future there will be a lot of investro who wwent to invest their money by buying that company obligation or stock. And of course it will make a higher price for the obligation or stock. Because the stock is a company value reflection, so if theres a higher price for the stock it also mean the value of company is higer too. That's mean profitability have a positive influence to stock return according to Kennedy (2003), Sujoko & Soebiantoro (2007), Soejoto (2001) and Pribawanti (2007). From the sentence above, writter make a hypothesis as below

H₅ : A profitability influence to stock return

F. The influence of interest rate to stock inflation

Until this day inIndonesia the central bank interest rate (SBI) still the only one of reference to the cultivation at exchange market especially at the Inter Bank Exchange Market. Considering that the domestic interest rate is so high and can causes capital flow from offshore to Indonesia. This capital flow in the time will causes the increases demand of Indonesian Rupiah (IDR) and it increase the rupiah value it self and of course it will make an inflation. This shown that the interest rate give positive influence to infaltion. It's also mention by Ardhiansyah (2003), Andrianus & Niko (2006) and Endri (2008). From the sentence above, writter make hypothesis as below :

H₆ : An Interest Rate influence to inflation

G. The influence of rupiah (IDR) exchange rate to inflation

Changes of the exchange rate directly influence a domestik price trough the change of imported goods price, mean that exchange rate changes directly influence product price, whereas the impact of raw material import and capital goods is deforming a product sell price through the

production process it self first. Mean a while, increases of the imported price or increases foreign exchange rate causes increasing of the domestic export producen profit whereas increase the demand for goods and sevice at domestic area. The impact of demand increases finally rise the price. Rising price at the same time causes the infaltion. It's also said by Sasana (2004), Angga (2008), Endri (2008). From the sentence above, writter mak a hypothesis as below :

H₇ : An Exchange Rate of Rupiah to US\$ influence the inflation

H. The influence of money supply (M2) to Infaltion

Change of money supply ill influence the public demand to goods and services in agregat. Beside that, if there's a surplus of money supply in economicaly which according to flexible exchange rate system will give a depresiation to exchange rate of domestic currency to foreign currency. The depreciation currency cuases import substitution and increase foreign demand for domestic product. Agregat demand can not be balanced by offering agregat condition will causes rise of price (Sasana, 2004 : Angga, 2008 : Yunan, 2003). From the sentence above, writter make a hypothesis as below :

H₈ : An ammount of money supply influence to inflation

I. The influence of Debt to Equity Ratio (DER) to Ownership Structure

The ownership structure used to shown that the important variables in capital structure not only decide by amount of debt and aquity but also by manager and institutional owner percentage (Jensen and Meckling, 1976). Chen and steiner (1999), who added, that manager ownership causes debt decreasing because there's a monitoring substitution. Friend and Lang (19980, shown that debt ratio have a negative relation with managerial ownership. Kim and Sorensen (1986), also Mehran (1992) tested influence of manager ownership with company debt ratio, result of that test shown there's a positive relation beetwen manager ownership with debt ratio. But from reseach of Jensen, at al (1992) said that there is a negative relation beetwen percentage of manager ownership and debt ratio. This result stil consistent with Mardiyah (2004).Institutional investor can effectifly monitoring to the company management whereas tendency to decrease debt ratio and increase of manager ownership can reduce a debt factor to solve the agency problem. It's different with Suranta (2003) and Rahayu & Faisal (2005). They research shown a positive relation beetwen capital structure and ownership. Form the sentence above, writter make a hypothesis as below :

H₉ : A Debt to Equity Ratio (DER) influence to ownership structure

J. The influence of Dividend Policy to ownership structure

Rozeff (1982) and Easterbrook (1984) said that dividen shared to stock holders will decrease fund resource which controlling by a manager, whereas decrease a manager power and make the dividen payment like a monitoring capital market where it happen if the company have a new fund. Jensen et al. (1992) tested the influence of insider ownership and Debt to Equity Ratio to debt ratio, another result said that insider ownership will cause decrease of dividen payment ratio. Chen an Steiner (1999) said that managerial ownership have a negative relation with debt and dividen. This result indicated that debt an dividen as a monitoring agent which reduction agency cost. Another research by Turiyasungura (2000) said that the relation beetwen managerial ownership significantly has a positive relation. But in opposite Murhadi (2008) said that Debt to Equity Ratio not influence to the ownership. From the sentense above, writtet mak a hypothesis as below :

H₁₀ : A Dividend Payout Ratio (DPR) influenced to ownership structure

K. The influence of agency cost to ownership structure

Jensen & Meckling (1976) said that owner can convince they self that the agent will make an optimal decision if they gave a good insentive. He said too that agencies cost in a company which under control by an owner manager will lower because there is a same interest between stock holder and management. Demsetz and Lehn (1985) conclude that ownership concentration used by a company to erase the agency problem. Crutchly and Hansen (1989), Bathala, Moon dan Rao (1994) conclude that the higher level of owner managerial can used to reduce the agency problem. But according to faisal (2005), agency cost can measured by the cycle of activa which not related to ownership. From the sentnce above, writter make a hypotesis as below :

H₁₁: The agency cost influenced to ownership structure

L.

M. The influence of stock return to investment risk

Prasetyo (2003) In his research conclude that stock return from companies and also that risk level if we invest in that, and level of average return syariah stock in Juli – Desember 2003 period as 7,61% and with risk level average to 12,4%. The similar result also give by Limbong (2007): Marsono (2009) hich explain that stock return will increase the risk level inside that. From the sentence above, writer make a hypothesis as below :

H₁₂: A stock return influenced to Investment risk

N. The influence of inflation to investment risk

Aliya (2002) has a study with concluded that free variable which have a significant effect to investment risk of property stock is a macro factor which include is dollar exchange rate, inflation ratio, and interest rate. The research that been done by Tandelilin (1997) about the ibfluences factors to systematic risk in Indonesia. Result of this research is macro economy variables like, inflation rate, interest rate and change or GDP stand along not influence significantly to sistematik risk. From the sentence above, writer make ahypothesis as below:

H₁₃: The infalction influenced to investment risk

O. The influence of ownership structure to investment risk

At the company there is always an agency conflict between managemen an owner. Sometime theres different view. The management mostly make an oportunis decision which disregard the owner willing. This problem can influence directly to the value of company stock. If stock price is rise, it will influence to stock return and will increase investment risk. To reduce the risk e have to make an agency conflict management. Agency conflict manajemnt can apply wit reduce an agency cost and equality ownership by management. From the sentence above, writer make a hypothesis as below:

H₁₄: An ownership sturcture influenced to investment risk

III. RESEARCH METHOD

A.Population and sample

Population in this research is the manufacture industry which listed at Bursa Efek Indonesi (BEI) 2003-2009 period. The criteria is : (1) company that listed at BEI since 2003 and still listed until 2009, and (2) they give a financial report and another report in Indonesia Capital Market Directory (ICMD). Based on that criteria there is 128 compny I have.

B.Variable

The variables in Table 1 is all variable that include in hypothesis. This research have 7 major variable : (1) Investment Risk (RISK) (2) Stock Return (RETURN) (3) Inflation (INF) and (4) Ownership structure (OWN). The other variable which as control variable is ()Debt Equity ratio (DER) (2) Dividend Payout Ratio (DPR) (3) Profitability (PRO) (4) Investation (INVST) (5) Liquidation (LIQ) (6) interest rate (SBI) (7) Exchange Rate (KURS) and (8) Money supply (M2) (9) Agebcy cost (COST)

Table 1

VARIABEL	MEANING	CALCULATION	SCALE	REFERENCE
<i>Investment Risk</i>	Potency of lost caused by error of expected return with actual return level	$\sqrt{\frac{\sum (R_{it} - E(R_{it}))^2}{n - 1}}$	Rasio	Makaryanawati & Ulum (2009) ; Habbiburrahman ; Limbong (2007) ; Marsono (2009) ; Aliya (2002)
<i>Stock Return</i>	Profit level from stock price fluctuation	$\frac{P_n - P_{n-1}}{P_{n-1}}$	Rasio	Hasnawati (2005) ; Pribawanti (2007) ; Sujoko & Soebiantoro (2007) ; Gunawan & Manurung ; (2008) ; Haruman (2009)
<i>Managerial Ownership (OWN)</i>	Degree of stock ownership, measure by %	Persentase kepemilikan saham oleh manajerial perusahaan	Rasio	Iturriaga dan Sanz (2000) ; Suranta (2003) ; Rahayman & Faisal (2005) ; Mardiyah (2004) ; Faisal (2005) ; Murhadi (2008) ; Haruman (2009)
<i>Investasi (INV)</i>	Growth total assets	$\frac{Total\ Assets - Total\ Assets_{t-1}}{Total\ Assets_{t-1}}$	Rasio	Adedeji (1998); Fama, et al, (2000); dan Yuniningsih (2002) ; Hasnawati (2005) ; Haruman (2006) ; Haruman (2009)
<i>Debt to Equity Ratio (DER)</i>	Ratio to decide active buying also describe a debt regulation	$\frac{Total\ Debt}{Total\ Equity}$	Rasio	Adedeji (1998) ; Fama, et al, (2000); Bacon, et al, (2000); Yuniningsih (2002); Soliha & Taswan (2002) ; Haruman (2006) ; Soebiantoro (2007). Puspitasari (2004), Pribawanti (2007)
<i>Dividend Payout Ratio (DPR)</i>	Shared profit distribution to stock holder	$\frac{Dividen\ Per\ Lembar\ Saham}{EPS}$	Rasio	Adedeji (1998); Fama, et al, (2000); Ravit (1988); Sutrisno (2001); Yuniningsih (2002) ; Haruman (2006) ; Murhadi (2008), Sujoko & Soebiantoro (2007)
<i>Profitability (PRO)</i>	Company ability to make profit from their investation.	$\frac{EAT}{TA}$	Rasio	Adedeji (1998), Yuniningsih (2002) ; Sutrisno (2005) ; Haruman (2006) ; Sujoko & Soebiantoro (2007), Soejoto (2001), Pribawanti (2007).
<i>Liquidity (LIQ)</i>	The ability to pay theye obligation to investors	$\frac{Current\ Assets - Inventory}{Current\ Liabilities}$	Rasio	Adedeji (1998), Yuniningsih (2002) ; Sutrisno (2005)
<i>Inflation (INFL)</i>	Comparisson of price in one year to another year	$\frac{P_1 \times 100}{P_0}$	Rasio	Zubaidah (2003) ; Charistianta (1996) ; Utami & Rahayu (2003) ; Hadi & Azmi (2005)
<i>Interest Rate (SBI)</i>	The interest rate received by the Bank on the supply rate of daily or weekly auction participants	$\sum M_i \cdot W_i$	Rasio	Silalahi (1991) ; Sulistiono (1994) ; Sulaiman (1995) ; Charistianta (1996) ; Leki (1997) ; Sodikin (2004) ; Utami & Rahayu (2003) ; Hadi & Azmi (2005) ; Mulyono (2000)
<i>Foreign Exchange</i>	Foreign exchange rate is the price of a country's currency in units of commodities (like gold and silver) or the currency of another country	Middle Rate	Rasio	Zubaidah (2003) ; Sodikin (2004) ; Utami & Rahayu (2003) ; Hadi & Azmi (2005)
<i>Money Supply</i>	the product of base money (monetary base) with the money multiplier (money multiplier)	$M2 = M1 + TD + SD$	Rasio	Charistianta (1996)
<i>Agency Cost</i>	costs by shareholders to encourage managers to maximize long-term stock price rather than act according to their own interests.	$\frac{Operation\ Expenses}{Net\ Sales}$	Rasio	Jensen & Meckling (1976) Demsetz dan Lehn (1985) Eisenhardt (1989) Haris (2004), Ali, (2002).

C. Simultaneous Equation Model

This research uses two-stage least square (2SLS) here equation at model 1 and model 2 and model 3 regressed to model 4. Based on mainstream and research hypothesis, the link between variable in this research can be prepared in 4 analysis models with formulas below :

Model 1

$$\text{RETURN} = \beta_{10} + \beta_{11}\text{DER} + \beta_{12}\text{INV} + \beta_{13}\text{DPR} + \beta_{14}\text{PRO} + \beta_{15}\text{LIQ} + \varepsilon_1$$

Model 2

$$\text{INFL} = \beta_{20} + \beta_{21}\text{SBI} + \beta_{22}\text{KURS} + \beta_{23}\text{M2} + \varepsilon_2$$

Model 3

$$\text{OWN} = \beta_{30} + \beta_{31}\text{DER} + \beta_{32}\text{DPR} + \beta_{33}\text{COST} + \varepsilon_3$$

Model 4

$$\text{RISK} = \beta_{40} + \beta_{41}\text{E_RETURN} + \beta_{42}\text{E_INFL} + \beta_{43}\text{E_OWN} + \varepsilon_4$$

where :

RISK = Investment risk (variabel endogenous)

RETURN = *Stock return* (variabel endogenous)

INFL = Inflation (variabel endogenous)

OWN = managerial ownership (variabel endogenous)

DER = Debt to Equity Ratio (variabel eksogenous)

INV = Invest decision (variabel eksogenous)

DPR = Dividend Payout Ratio (variabel eksogenous)

PRO = *Profitability* (variabel eksogenous)

LIQ = *Liquidity* (variabel eksogenous)

COST = Agency cost (variabel eksogenous)

SBI = Interest rate (variabel eksogenous)

KURS = Exchange rate to US\$ (variabel eksogenous)

M2 = Money supply (variabel eksogenous)

β_{i0} = intersep / constanta at eq n-i

β_{ij} = regression coef for regressor n-j at eq n-i

ε_i = error term for eq. N-i

Shown at formulas above, variables of stock return (RETURN), Inflation (INFL) and Ownership structure (OWN) is explained each other or as endogenous (jointly dependent variables). It's mean that endogenous variables create a simultaneous equation model.

IV. RESULT AND DISCUSSION

A. Classic assumption test

From that four models at Table 2, it's free from Normality, Linearity, Multicollinearity, Autocorrelation and Heteroscedasticity. Whereas regression test model can be done.

Table 2

<i>Test</i>	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>	<i>Model 4</i>
Normalitas	Normal Distribution	Normal Distribution	Normal Distribution	Normal Distribution
Linieritas	Linier	Linier	Linier	Linier
Multikolinieritas	VIF < 5	VIF < 5	VIF < 5	VIF < 5
Autokorelasi	Being in the region of rejection	Being in the region of rejection	Being in the region of rejection	Being in the region of rejection
Heterokedastisitas	Scatterplot spread	Scatterplot spread	Scatterplot spread	Scatterplot spread

B. Statistical Descriptive

According to data analysis, result of statistic analysis shown below:

Table 3
Variabel Dependen ; Return Saham

Variabel	Correlations	Coefficients	t value	Sig.t
<i>Const</i>	-	0,188	7,178	0,000
Investasi	0,073	0,050	1,960	0,004
DER	-0,009	-0,002	-0,256	0,5998
DPR	0,033	0,003	0,106	0,159
LIQ	0,003	0,0000558	0,014	0,789
ROI	0,092	0,017	2,352	0,029

Source: Data analysis

In stock return model it's seem that variables of Investation, DER,DPR Liquidation an ROI influence to stock return simultaneously. Whereas in partially only investation and ROI which influence to stock return.

The investation give a positive influence to stock return. If invest level at a company is higher enough it will increase the investors trust to the company because that instment growth indicated as a perception as good news for investors. Beside that, the investment increasing will assumed as company growth at the future. **Myers (1977)** said that company value which form through the indicator is value of stock market really influence by investment opportunities anddiscretionary expense in the future. **Fama (1978)** said that value of company only decide by investment decision. This opinion can be assume that investment decision is important, because to reach the company goal setting only can reach through the investment activity (Modigliani & Miller, 1958).For that achievement the company have to keep they workability to increase the investment program by increase a numbers of total activa. Growth of total activa indicated that investment program succed and it ahown by numbers of company assets which always increase. And it will make an investors more interest to invest.

DER not influenced ti company value if proofed that company debitur lower and not influence stock return fluctuation. Commontly stock return become stabil even there is an increase potency. Higher debt ratio not always seem a negative issue for investor. Oppositly, lower debt doesn't mean that company leak of capital. The investor only see that manufacture industry it self. It proofed at the manufacture industry, especially food and beverage have a higher contributions to IHSG compared with anothers.But it's doesn't mean that investor ignoring debt ratio in a company. Commontly, financial distress condition in a company caused by failed to pay a debt. Higher proportion of debt causes fixed payment increase and it's become bankrupt potency. **(Natarsyah, 2002)**.

The DPR Not influence to stock return. It show that fluctuation shared dividend for investor not significantly influence the stock return. From the result before, investor see the investment as as good news. Investment higher growth indicated a positive sign which will increase their profit. This appropriate to Modigliani & Miller (MM) which said that value of company wont' be influence by dividend payment, but it will influence by investment program it self.

Liquidittion won't influence to stock return. The fluctuation of liquidation tidak won't be influence to stock return. Liquidation is a company ability ratio to pay their obligation in short term.Like before, investors wont' see to the funding source of the company but they'll see to the company investment. At the manufacture industry, liquidation realized to buy an permanent active to take a change an investment chance.

Profitability give an positive influence to stock return. It's indicated that higher profitability equal to higher stock return. This result is consistent with opinion of Mogdiliani & Miller (MM) whose said that company value based on higher earning power company assets. Positive sign shown when the earnings power hgier more efficient the assets life cycle and or higher profit margin for the company.It will impact to increasing of company value in this matter is stock return in year a head. This result support the signallyng theory, Battacharya (1979) which said that tha company which have growth earning it sound that the company have a great prospect in a future. This conclusion also supported research result before, e.d Silalahi 2001), Natarsya (2002) Kennedy (2003) and Sujoko & Soebiantoro (2007).

Table 4
Variabel Dependen ; Inflation

Variabel	Correlations	Coefficients	Nilai t	Sig.t
Const	-	-30,732	-69,609	0,000
M2	-0,202	-0,0000244	-21,633	0,000
SBI	0,917	1,657	76,668	0,000
Kurs	0,549	0,003	45,817	0,000

Sumber : Data Diolah

At inflation model we can see that money supply variable, SBI and exchange rate influenced to inflation in simultaneous an partial.

The amount of money supply affected significantly to inflation in negative direction. This result opposite with the sentence of Hadi Sasana (2004), Angga (2004), Yunan A (2003) and with "Teori Kuantitas dan Sisa Tunai" and "Model Monetarist" which mention that basically inflation caused by money expansion.

The SBI give an influence in positive direction to the inflation. This result appropriate with sentence bank Indonesia (2009), T.B. Rully Ferdian (2001), Yunan A (2003). Indonesian Central Bank regulation decide that interest rate SBI will be response by banks which issued a deposit interest rate, whereas the movement of interest rate appropriate to SBI. The increasing of SBI will caused the decreasing of investment in sector riil and it will be impact to decreasing of output whereas interest rate have a positive relation to the inflation rate. This inflation caused by Cost Push Inflation. Inflasi yang terjadi karena *Cost Push Inflation*. Used of expectation interest rate inline with needed of an instrument effectively explain the inflation phenomena as the end to monetary regulation.

The exchange rate to US\$ have a positive relation. This appropriate to sentence of Hadi Sasana (2004) and Angga (2008). The impact of exchange rate changes to inflation is through the consumption goods import it because the import price can directly influenced domestic goods price for that goods. Where impact through raw material import and capital goods is the forming of price through the production process first. Mean a while, the transmission track not directly happened through the demand pull, where rise of foreign price or rise of foreign exchange rate causes the increases of domestic exporter profit whereas increase their demand for goods and services in domestic area. The impact from this manners also will rise the price. For most country which still have to import a raw material or capital goods from foreign, the depreciation of domestic exchange rate will give a negative influence to their domestic economic, that is there will be a rise of cost production caused by rise of raw material or capital goods whereas raises goods price and can be cause of inflation.

Table 5
Variabel Dependen ; Ownership Structure

Variabel	Correlations	Coefficients	Nilai t	Sig.t
Const	-	1,756	8,463	0,000
DPR	-0,032	0,050	2,889	0,029
DER	0,002	0,001	3,007	0,040
Agency Cost	-0,005	-0,064	-0,143	0,886

Source : Data Analysis

In ownership structure model seem that DPR variables, DER and agency cost affected to ownership simultaneously. Whereas DPR and DER affected in partial. The DPR Influence to the ownership in positive direction. It show that higher dividend share will increase the ownership structure. The institutional investor want higher share dividend, because dividend is one of their occupation for the investors. But it's opposite with research of Werner R. Murhadi (2008).

The DER affected to ownership in positive direction. It shown that higher debt ratio will increase the ownership structure by an institutional. The debt ratio not always indicated as a bad news for the institutional investors. The higher of debt ratio can give some profit, it is increase a capital for investment, and there's tax deductible effect too.

The Agency Cost won't be influence to the ownership. It's mean that higher or lower agency cost not influence to institutional ownership in the company. Based on study before, the institutional

owner only interest in amount of capital that company have and how much profit they can get. The investor won't see conflict cost because the investor only want to get a profit and increase their capital from debitor for their investment has fulfilled.

Table 6
Variabel Dependen ; Investment Risk

Variabel	Correlations	Coefficients	Nilai t	Sig t
Const	1,000	0,574	19,032	0,000
Return Saham	0,042	0,063	3,9973	0,045
Inflasi	0,011	0,006	0,210	0,834
Struktur Kepemilikan	0,035	0,043	1,354	0,176

Sumber : Data Diolah

In Investment model seem that stock return variables, ownership and inflation effected simultaneously to ownership. Whereas in partial only stock return which affected to investment risk.

Stock return influence in positive direction to investment risk. Higher stock return will increase investment risk. Thias appropriate with monetary portofolio prinsip which is high risk high return as well as reverse. In stock investment the return that we expected higher than another investment, e.d deposit. But the risk of investment is greater than the other. It's appropriate to Habbiburahman, Limbong (2007) and Marsono 920090.

The Inflation won't be effected to stock return. The inflation which represent monetary variables not influence to stock return. The investment risk mostly affected by the stockbroker or the ability of company it self. It is appropriate to Zubaidah.

The ownership won't be affected by investment risk. It's shown that investment risk not influenced by amount of ownership managerial percentage. Investment risk influence by fluctuation of stock price. This fluctuation really influenced the return especially for the investors who have short objective is capital gain.

V. CONCLUSION & SUGGESTION

A. CONCLUSION

According to research and discussions, writter can make some conclusion as below :

1. Investment, DPR, DER Liquidity and ROI along together simultaneously affected to stock return. In partial each variables mentioned as below :
 - a. The investment influence to stock return positively. The increase of investment will assume as the growth of company in future. If the investment level in the company is higher so it will increase trust to the company because the increase of investment is a goos news perception for the investors.
 - b. The DER not influence to stock return. More higher debt ratio not always asuumsed as a fail of company. The investors will only see the manufacture industry it self..
 - c. The DPR not influence to stock return. It's appropriate to theory by Modigiliani & Millerr (MM) who said that the value of company not influenced by sahred of dividend but it influence by the investment program it self.
 - d. The Liquidity not influence to stock return. At the manufacture sector, Liquidity will realized an buying the permanent activa.
 - e. The investment positively influence to stock return. The company who have earning increasing it's mean a sign that the company have a good prospect in the future. Higher the earning power more efficient life cycle assets nd or higher profit will get by the company.
2. The interest rate SBI, exchange rate to US\$ and amount of money supply simutaniously affected the inflation. The partial influence for each variables as below :
 - a. Amount of money supply (M2) influence in negative direction to infalction.it indicated that more money supply on public will rise the inflation rate. Money supply in this research is M2 which is the money supply on public it self. Whereaas for industry indicated with M1.

- b. The Interest rate variable SBI influence positively to inflation. Used of expectations interest rate inflation in line with needed of instrument to explain effectively the phenomena that the inflation is the end of monetary regulation.
 - c. The exchange rate to US\$ influence positively to inflation. Rise of exchange rate to US\$ impact to increasing cost production caused by rise of the raw material price and make the cost of goods also rising and it can make an inflation.
3. The DPR, DER and Agency Cost along together simultaneously influence to stock return. The partial influence for each variables shown below :
- a. The DPR influence positively to ownership. Institutional investor want share of dividend is higher, because it is one of their occupation that will accept by investors.
 - b. The DER influence positively to ownership. The higher of debt ratio not always indicated as a bad news for institutional investors. Because it can make some profit for the institutional investors, like tax deductible effect..
 - c. The Agency Cost not influence to ownership. The investors won't see the conflict cost because the willing of investors to get a profit and added new capital has fulfilled.
4. The stock return, inflation and ownership along together simultaneously influenced to investment risk. The partial risk for each variables as shown below :
- a. The stock return influence to investment risk. It's according to the monetary portfolio principle which is high risk high return as well as reverse.
 - b. The inflation not influenced to the investment risk. Investment risk at the stock market more influence by stockbroker and ability of the company itself.
 - c. The ownership not influence to investment risk. The investment risk influenced by the fluctuation of stock price.. For the investor this fluctuation is to get their short term profit which is capital gain. Whereas for the managerial have the long term profit which is dividend.

B. SUGGESTION

According to the conclusion above, writer can give some suggestion below:

1. For Emiten. If we read the result of research, the emiten is better to watch the factors which will give influence to stock return. It's appropriate to high risk high return principle..
2. For government. The government should more careful to rule the monetary regulations, because it can influence to the inflation.
3. For researcher. Who want to make another review, suggested to make advance research because this research have a lot of boundary even in variables, observation unit or the instrument. In advance research can be added this point ::
 - a. The company which has observe not only in one industry, but in variative industry so we can observe all the industry which listed in BEI..
 - b. The company value variables can use another standard not only in investment risk but from another risk.
 - c. For ownership variables, it's better to observe some kind of ownership like institutional and public owner so we have a comparison.
 - d. Use a complex method than regression, because this research used a lot of variables and research model.

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