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THE EFFECT OF FINANCIAL PERFORMANCE, COMPANY SIZE, AND GROSS DOMESTIC PRODUCT ON ABNORMAL STOCK RETURNS Abstract The focus of this study is to the effect of financial performance, firm size, and gross domestic product on stock abnormal return. Financial performance is measured by proxy liquidity (CR), profitability (ROE), earnings per share, leverage (DER), and market value (MBR).

The object of this research manufacturing company listed on the Indonesia Stock Exchange in 2016-2020 and sampling using purposive sampling technique so as to obtain a research sample of 114 manufacturing companies. The analysis techniquie in the study uses multiple linear regression analysis. The result showed that liquidity (CR), earnings per share, leverage (DER), market value (MBR) and firm size had no effect on abnormal return.

Profitability (ROE) had a positive effect on abnormal return, and gross domestic product had a negative effect on abnormal return. Keyword : Financial Performance, Abnormal Return, Firm Size, Gross Domestic Product

INTRODUCTION The company is a forum for carrying out business activities both in the form of goods and services.

Every company must have a future plan so that the company's goals can be achieved, the most important goal of a company is to maximize profits. In achieving this goal, the company needs funding so that the company's operational activities can run smoothly, usually the company's desire to obtain large enough funding but accompanied by relatively low costs so that the company can do so by trading its shares in the capital market. According to Sambelay et al.,

(2017) the capital market is a meeting between parties who need funds and parties who have excess funds by trading securities. The capital market is a fairly cheap source of funding and has good prospects for companies that want their company's value to increase. In increasing the value of the company, it is not only limited to maximizing profits, but the company must also pay attention to ongoing operational activities and the risk of uncertain future profits.

According to Rahmi (2016), funding sources from the capital market will be more prospective if the company is already running, because companies that are just starting investment will have difficulty in obtaining funding through the capital market. One of the securities that are easy to trade in the capital market is shares, shares are proof of ownership or part of the investment that has been made.

The ease with which shares are traded in the capital market, so that it can cause fluctuations in stock prices, this also affects investors in making investment decisions. Investors invest in the capital market other than because it is easy and safe, of course, they have another goal, namely getting a return on the funds that have been invested.

According to Pratama (2021) in Indonesia, the number of investors has experienced very rapid growth, even in 2021 the number of stock investors increased by one million SIDs. According to Lyman (2021) in the last five years the number of stock investors in Indonesia has shown an increase, according to the data on the number of stock investors per Single Investor Identification (SID) in 2016-2020. Table 1.

Number of Stock Investors Per Single Investor Identification (SID) Year _Number of Investors _ _2016 _534.261 _ _2017 _628.491 _ _2018 _852.240 _ _2019 _1.104.610 _ _2020 _1.695.268 _ _ Source : BPS has managed www.pintu.co.id Table 1. shows that the number of stock investors from 2016-2020 continues to increase, this means that investment for the Indonesian people always experiences a positive trend every year.

The increase is due to the public knowing that there is a return on the funds that have been made because for investors the main purpose of investing is to get a return on the funds that have been invested. According to Hotimah & Astawinetu (2020) return is a reward for funds that have been invested, returns can be in the form of actual returns and expected returns.

The difference between actual return and expected return is called abnormal return. Abnormal returns can be both positive and negative depending on the difference between expected return and actual return. According to Ulfah & Paramu (2017) the high and low abnormal returns depend on aspects that are directly related to financial performance, because the better the financial performance, the stock price and return will automatically increase.

In the last five years, the abnormal value of returns of manufacturing companies has fluctuated, even some large manufacturing companies, the abnormal return value is negative. The following is presented data on the abnormal value of returns of manufacturing companies in 2016-2020. Table 2. Abnormal Return Value in 2016-2020 issuer code _2016 _2017 _2018 _2019 _2020 _ _ASII _22,6% _-19,7% _1,6% _-17,5% _-8,8% _ _GGRM _0,9% _11,1% _2,3% _-38,3% _-18,5% _ _HMSP _-111,2% _3,5% _-19,0% _-45,1% _-24,2% _ _ICBP _-51,7% _-16,2% _20,0% _5,0% _-34,4% _ _INDF _37,8% _-23,8% _0,2% _4,7% _25,0% _ _JPFA _113,8% _-30,6% _67,9% _-30,3% _-0,4% _ _KAEF _200,8% _-21,8% _-1,2% _-53,6% _244,2% _ _SMGR _-34,8% _-12,1% _18,7% _2,7% _7,7% _ _TKIM _32,2% _280,0% _282,7% _-9,1% _0,0% _ _UNVR _-10,5% _24,1% _-16,2% _-9,2% _-78,3% _ _Source : www.idx.go.id has been managed In table 1.2

the abnormal value of return obtained from the manufacturing company, where the value indicates fluctuations. Abnormal returns in 2016-2018 the average value showed positive, then in 2019 and 2020 the average value showed negative. This condition is caused by economic growth in Indonesia not reaching the predetermined target and in 2019-2020 the Indonesian economy has decreased, resulting in abnormal return values. experienced fluctuations and some companies got negative scores. The following is presented data on economic growth in Indonesia in 2016-2020.

Table 3. Economic Growth in Indonesia Year _Economic Growth (%) _Target _ _2016 _5,02 _5,2 _ _2017 _5,07 _5,2 _ _2018 _5,17 _5,4 _ _2019 _5,02 _5,3 _ _2020 _-2,07 _2.3% to -2.2% _ _Source : www.kemenkeu.go.id has been managed In table 3.

Economic growth in Indonesia in the last five years has not reached the target that has been set and can be said to be pegged at 5%, while the cause of economic growth in Indonesia is pegged at 5%, namely in 2016-2018 there was global economic uncertainty,

slowing exports, and rising electricity costs, causing people to limit consumption levels.

Then in 2019 Indonesia's economic growth experienced a decline due to simultaneous elections which caused political uncertainty in Indonesia which had an impact on economic growth. In 2020, Indonesia's economic growth weakened again due to the Covid-19 virus outbreak which impacted all fields and all companies so that economic growth declined drastically.

This condition will certainly have an impact on financial performance, because according to Ulfah & Paramu (2017) the high and low abnormal returns depend on factors directly related to financial performance. Abnormal returns are also influenced by the size of the company, because the size of a company will affect the risks of various situations.

Gross domestic product is also known to be one of the factors that can affect the rate of return, because the GDP output is the sale of the company both goods and services produced by the company so that it will increase the profit and rate of return obtained. This study refers to the research of Carter et al., (2021) which discusses cumulative abnormal return and shows the results that the liquidity ratio, market to book ratio, and size have a significant positive effect on cumulative abnormal return while leverage ratio negatively affects cumulative abnormal return.

The results of the study contradict the research of Chendrawan (2012) and Ulfah and Paramu (2017) which states that liquidity (CR) has no effect on abnormal stock returns . Other studies have also shown different results, according to Chendrawan (2012) and Felicia & Salim (2019) stating that company size has no effect on abnormal returns.

Basically, similar research has been carried out a lot, but in this study it has carried out several developments, namely adding variable profitability (ROE), Earning Per Share (EPS) and Gross Domestic Product (GDP) and using different objects, namely manufacturing companies in all sectors. On the basis of this gap, it is necessary to conduct further research on the effect of financial performance, company size, and Gross Domestic Product on abnormal returns.

Based on the background description, the formulation in this study is: Does liquidity affect abnormal returns Does profitability affect abnormal returns Does earnings per share affect abnormal returns Does leverage affect abnormal returns Does market value affect abnormal returns Does the size of the company affect the abnormal return Whether gross domestic product affects abnormal returns.

The objectives of this study are to: Knowing the effect of liquidity on abnormal returns

Knowing the effect of profitability on abnormal returns Knowing the effect of earnings per share on abnormal returns Knowing the effect of leverage on abnormal returns Knowing the effect of market value on abnormal returns Knowing the effect of company size on abnormal returns Knowing the effect of gross domestic product on abnormal returns.

BIBLIOGRAPHY REVIEW Stock Returns According to Herlianto (2013) returns are rewards for investors' courage to spend funds and bear risks and one of the motivations for investors to invest Abnormal Return According to Ulfah and Paramu (2017) abnormal return is the difference between the actual return and the expected return , where the high low abnormal return depends on the fact that it is directly related to financial performance.

Financial Performance According to Ulfah & Paramu (2017) financial performance can be used to determine the condition of the company which can usually be measured by certain indicators. Liquidity (Current Ratio) Husnan & Pudjiastuti (2012) states that liquidity can be used to assess a company's ability to meet short-term financial obligations.

Profitability (ROE) According to Ulfah & Paramu (2017) ROE can be used to show the strength of the company in obtaining profits that will be distributed to shareholders. Earning Per Share According to Cahyani et al, (2016) Earning Per Share (EPS) can be a proportion used to see the profit earned by shareholders of each share. Leverage (DER) Husnan & Pudjiastuti (2012) explains that leverage is used to assess a company in using its debt.

Market Value (Market Book Ratio) Market value gives an idea of fundamental performance with business prospects viewed through stock prices. Sari (2020) explained that this market value can be seen from the stock price. Company Size Chendrawan (2012) states that the size of a company has an influence in dealing with risk, companies that have easy access to capital markets are usually large companies that are considered to have less risk. Gross Domestic Product Yuniati et al.,

(2021) explained that GDP is a value that shows all merchandise and administration made in a country in a certain period. METHODS Types of Research This type of research, namely quantitative research, Siyoto & Sodik (2015) explained that quantitative research is research that demands the use of numbers, from data collection to presentation.

Data Types and Sources Data in this study used secondary data in the form of financial

statements obtained by accessing the https://www.idx.co.id/ website. Population and Sample The population in this study is manufacturing companies listed on the Indonesian stock exchange for the 2016-2020 period, with sampling techniques using purposive sampling techniques.

The sampling criteria are: manufacturing companies listed on the Indonesia stock exchange for the 2016-2020 period and issuing annual financial statements successively. Operational Definition of Variables The indicators used in this study are: Abnormal return ARi,t = Ri,t - Rmt Calculation of actual return according to Rahmi's research (2016) Ri,t= Pi,t-Pi,t-1 Pi,t-1 Calculation of expected return according to Rahmi's research (2016) Rm= IHSGt-IHSGt-1 IHSGt-1 Liquidity (CR) The calculation of the current ratio according to Husnan & Pudjiastuti (2012) is as follows.

Current Ratio= Current Asset Current Liabilities Profitability (ROE) The calculation of ROE according to Husnan & Pudjiastuti (2012) is as follows. ???????????? ???? ????????????= Laba setelah pajak ekuitas Earning Per Share (EPS) The calculation of EPS according to Rahmi (2016) is as follows. ??????= Laba Bersih Setelah Pajak JSB Leverage (DER) The calculation of DER according to Husnan & Pudjiastuti (2012) is as follows.

Debt Equity Ratio= Total Hutang Total Ekuitas Market Value (MBR) The calculation of MBR according to Husnan & Pudjiastuti (2012) is as follows. ???????????? ???? ????????= Harga Saham Nilai Buku Per Saham Company Size The calculation to determine the size of the company according to Rizqiyana & Arfianto (2019) is as follows.

Ukuran perusahaan= ???? ?????????????????? Gross Domestic Product Gdp measurement can be seen from the data contained on the website of the Central Statistics Agency (BPS). Nthe value of GDP can be determined by the following calculations. PDB= C + GFCF + ?I + X-M Data Analysis Techniques The analytical tool used in this study is to use linear regression analysis, the equations of the multiple linear regression model are as follows. ARit = a +ß 1CR + ß2 ROE + ß 3 EPS + ß 4 DER + ß 5 MBR + ß 6 UP + ß 7 GDP + e RESULTS AND DISCUSSION

Table 4.

Regression Analysis Test _ _Type _Unstandardized Coefficients _Standardized Coefficients _t _Sig. _ _ _B _Std. Error _Beta _ _ _ _ _(Constant) _-.050 _.311 _ _-.159 _.874 _ _ _Cr _.003 _.012 _.014 _.281 _.779 _ _ _Roe _.564 _.127 _.239 _4.439 _.000 _ _ _.EPS _9.482E-005 _.000 _.040 _.754 _.451 _ _ _Der _.020 _.014 _.071 _1.406 _.160 _ _ _MBR _-.002 _.009 _-.009 _-.172 _.864 _ _ _Up _.002 _.011 _.011 _.195 _.846 _ _ _.PDB _-2.436 _.637 _-.176 _-3.825 _.000 _ _a.

Dependent Variable: AR _ _

Source: secondary data processed

Based on the table above, the regression equation formed in this study is: ARit = -0.050 + 0.003 CR + 0.564 ROE + 9.482E-005 EPS + 0.020 DER – 0.002 MBR + 0.002 UP – 2.436 PDB + e Information: -0.050= if CR, ROE, EPS, DER, MBR, UP, GDP IS EQUAL TO ZERO THEN AR BECOMES -0.050. 0.003= if CR increases by 1 unit, then AR will increase by 0.003, while ROE, EPS, DER, MBR, UP, GDP is fixed. 0.564= if ROE increases by 1 unit, then AR will increase by 0.564, while CR, EPS, DER, MBR, UP, GDP is fixed. 9.482E-005 = if EPS increases by 1 unit, then AR will increase by 9.482E-005, while CR, ROE, DER, MBR, UP, GDP is fixed. 0.020= if DER increases by 1 unit, then AR will increase by 0.020, while CR, ROE, EPS, MBR, UP, GDP is fixed. -0.002= if the MBR increases by 1 unit then the AR will decrease by -0.002, while CR, ROE, EPS, DER, UP, GDP are fixed. 0.002= if UP increases by 1 unit then AR will increase by 0.002, while CR, ROE, EPS, DER, MBR, GDP is fixed.

-2,436= if GDP increases by 1 unit, then AR will decrease by -2,436, while CR, ROE, EPS, DER, MBR, UP are fixed. Discussion Effect of Liquidity (CR) on Abnormal Returns The results of this study show that variable liquidity (CR) has no effect on abnormal reurn, because a high CR indicates that the company is able to meet its short-term obligations, investors also consider that companies listed on the IDX are companies that have good liquidity values, while in reality not all companies have good liquidity values, but even though the value A high CR does not necessarily mean that the company has a high revenue value that can also be shared with shareholders, so this variable cannot affect abnormal returns.

This study has similarities with the research of Chendrawan (2012) and Ulfah & Paramu (2017) which states that liquidity (CR) has no effect on abnormal returns. Effect of profitability (ROE) on Abnormal Returns The results of this study show that variable profitability (ROE) affects abnormal returns, because the size of ROE describes how much profit will be obtained by shareholders, a high ROE indicates that the company can manage its capital well so that shareholders will get good profits as well.

In addition, ROE will also be considered by investors because ROE has a positive influence on abnormal returns, so that when ROE increases abnormal returns will also increase. This study has similarities with Halima et al., (2019) and Permana (2017) which state that profitability (ROE) has a positive influence on abnormal returns.

Effect of Earnings Per Share (EPS) on Abnormal Returns The results of this study show that the Earning Per Share (EPS) variable has no effect on abnormal returns, because investors consider that EPS is less relevant if used in decision making, because EPS is only a small part of the information and the market in Indonesia is still inefficient so that an event is easy to guess, it makes investors who already know will be less pay attention

to the value of EPS.

This research has similarities with the research of Cahyani et al., (2016) which states that Earning Per Share (EPS) has no influence on abnormal returns. Effect of Leverage (DER) on Abnormal Returns The results of this study show that the variable leverage (DER) does not affect abnormal returns, because the higher the value of DER, the riskier a company will be, so that when the company gets a profit, it will be used to cover its obligations first compared to shareholders.

This study has similarities with the research of Felicia & Salim (2019) and Sari (2020) which states that leverage (DER) has no influence on abnormal returns. Effect of Market Value (MBR) on Abnormal Returns The results of this study show that the market value variable (MBR) has no effect on abnormal returns, because a high MBR value describes the company's high market value, but there is no definite measure or level of reasonableness of the stock price as measured by MBR, so investors pay less attention to the MBR value in making investment decisions.

A high MBR value is also not necessarily able to provide high returns also because there are companies that prefer to hold their profits rather than share their returns, so this variable cannot affect abnormal returns. This research has similarities with the research of Ulfah & Paramu (2017) and Octavianus (2012) which states that market value (MBR) has no influence on abnormal returns.

Effect of Company Size on Abnormal Returns The results of this study show that the variable company size does not affect abnormal returns, because investors' assumptions that a large company size will provide a high level of abnormal returns is a wrong assumption because the company size is less informative in assessing company performance, so that not always large companies will provide abnormal levels of return which is high, it is even possible that small companies do not rule out the possibility of providing abnormal high returns.

This research has similarities with the research of Chendrawan (2012) and Felicia & Salim (2019) which states that company size has no influence on abnormal returns. Effect of Gross Domestic Product on Abnormal Returns The results of this study show that the variable gross domestic product affects abnormal returns, because when gross domestic product increases, it indicates an increase in income and an increase in people's welfare, which has an impact on increasing consumption of products and services.

This increase in public consumption does not indicate an increase in trading in company stocks, so it indicates that this GDP has a negative influence on abnormal returns, so

that when GDP increases, the abnormal rate of return will decrease. This research has similarities with the research of Utami (2022) and Wiradharma (2016) which states that gross domestic product has a negative influence on abnormal returns. Conclusion Based on the data that has been collected and carried out statistical tests, it can be concluded as follows.

Liquidity (CR) has no effect on the abnormal return on shares of manufacturing companies. Profitability (ROE) affects the abnormal return on shares of manufacturing companies. Earnings Per Share (EPS) has no effect on the abnormal return on shares of manufacturing companies.

Leverage (DER) has no effect on the abnormal return on shares of manufacturing companies. The market value (MBR) has no effect on the abnormal return on shares of manufacturing companies. The size of the company has no effect on the abnormal return on shares of the manufacturing company.

Gross domestic product affects the abnormal return on shares of manufacturing companies. Suggestion For companies, companies need to improve financial performance by paying attention to factors that investors consider in investing, because good financial performance can increase the company's stock price.

For investors, if they are going to invest in a company, it would be better to pay attention to fundamental factors and technical factors, besides that investors can also see the lowest rate of return from the company's abnormal returns. For academics who will conduct similar research, it would be better to add macroeconomic variables, and also carry out developments related to their research methodology so that the research results get a better percentage.

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