

SUMMARY

RANGGA GALUH SONIWAN. Fundamental Analysis of Stock Return of Insurance Company in BEI Period 2012-2016. Supervised by ANNY RATNAWATI and TONY IRAWAN.

The insurance sector is one of the promising sectors for investment activities. Insurance is a place or form of risk control, which is done by transferring or giving a number of risks from one party to another, in this case the insurance company. The economy in Indonesia itself can't be separated from risk or an uncertainty, which if not controlled will caused unstable economy.

Stock is one of the most favored investment instruments, but investment in stocks also has a high risk because stock prices are very sensitive to many factors. Increased stock demand will caused the rising of stock prices. Therefore, investors expect to get a stock return in the form of capital gains or gains obtained due to rising stock prices. However, this is not followed by an increase in stock returns generated by the company. Stock return conditions tend to fluctuate.

The purpose of this research is to analyze the influence of fundamental factors of company to stock return of insurance company in Indonesia Stock Exchange, and also want to determine how strategy of priority of investment decision of share in Indonesia Stock Exchange. The method of analysis used is panel data regression and hierarchy analysis process to be able to see alternative priority strategy to invest.

The results showed that fundamental factors such as debt equity ratio and return on asset variables have a significant effect on stock returns. In addition, the rupiah exchange rate has a significant effect on stock returns. An alternative strategic priority strategy that should be done by investors in making investment decisions is that investors must be able to make rational decisions by considering the level of risk to be taken as to how much time will be taken by investors to invest, in addition to seeing the movement of stock prices is assessed one an important priority strategy when viewed from existing technical criteria.

Keywords: analysis process hierarchy, panel data, priority strategy, insurance sector