

SUMMARY

IMAM ZAKY MUBAROK. The effect of CPO prices world, macroeconomy, Capital structure on profitability Palm oil company. Supervised by SRI HARTOYO and TB. NUR AHMAD MAULANA.

Agriculture is the primary sector in Indonesia, plantation as one of the subsector of agriculture contributed 3.45 percent of the GDP. Palm oil gained the first rank in the prime plantation commodity which contributed in Indonesia's economy through exports than other commodity. There was a phenomenon where the CPO commodity price experienced its lowest rank until percent for the last five years. Another external factor which could affect the companies' financial performances was Indonesia's macroeconomy, such as exchange rate, interest rate and inflation rate and internal factor will be analyse the effects of the world CPO prices, macroeconomy condition and capital structure to profitability of palm oil companies.

The population of this research is oil palm company, based on the criteria there are 7 companies which are the research samples. Data source of world CPO prices for the three months were obtained from index mundi, data source of the exchange rate of the rupiah against the dollar, the interest rate, the inflation rate obtained from Bank Indonesia. Data source of total debt to total assets, total debt to total assets, size, growth and sales growth obtained from financial report. The profitability used return on equity and return on assets from the financial report of palm oil companies which listed on the Indonesia Stock Exchange for period 2012 to 2017.

This study uses panel data regression analysis with the Fixed Effect Model to determine the external and internal factors of ROE and ROA in the palm oil subsector. The estimated double linear regression would result on the positive significance of the world CPO prices towards the ROE and ROA, the negative significance of the inflation rate towards the ROE, the negative significant of Debt to total Assets towards ROE and ROA, the positive significance of Growth towards the ROE, and the negative significance of Size towards the ROE and ROA.

Keywords: world cpo price, macroeconomics, profitability, capital structure