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Original Article

Exploring the Impact of Excise Tariff, Exchange Rate, Inflation, EPS & DPR on Stock Returns: A Case Study of Cigarette Companies Listed on the Indonesian Stock Exchange from 2012 to 2022

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Abstract: *This study aims to analyze the impact of excise tax, exchange rate, earnings per share, and dividend payout ratio on the stock returns of cigarette companies in the Indonesian Stock Exchange throughout the period spanning 2012 to 2022. The method used in this research is the descriptive quantitative method. Using panel data regression. The study found that excise tax, exchange rate, and inflation have no significant effect on stock returns. However, earnings per share (EPS) and dividend payout ratio have a significant effect on stock returns. Furthermore, the F-test conducted on the panel data regression analysis demonstrates that excise tax, exchange rate, EPS, and DPR collectively yield a substantial effect on stock returns. The coefficient of determination test on the dependent variable, stock return, yields an adjusted R-squared value of 0.391169, indicating that the independent variables (Excise Tariff, Exchange Rate, Inflation, EPS, and DPR) can elucidate 39.11% of the dependent variable stock return, while 60.89% may be influenced by other factors. Consequently, it can be inferred that a robust relationship exists between the independent variables and the dependent variable.*

Keywords: *DPR, EPS, Excise, Exchange Rate, Inflation, Stock Return.*

I. INTRODUCTION

The main purpose of an investment is to get the expected benefits in the form of a return on investment. Investors are inclined to favor shares with higher stock returns. Zikra and Safuridar (2018) assert that companies with elevated stock prices demonstrate robust market demand for their shares, while those with lower stock prices exhibit weaker market demand. Bodie et al. (2008) expound in investment theory that the uncertainty surrounding asset returns from a company is attributable to the influence of environmental factors, encompassing both external and internal environments. The cigarette industry is significantly influenced by the excise tax, an external factor with direct implications. The yearly rise in excise tax affects production costs, leading to an increase in the retail price of cigarettes. According to a Ministry of Finance report, cigarette production in Indonesia totaled 323.9 billion cigarettes in 2022, marking a 3.26% decrease from the previous year's production of 334.8 billion cigarettes. This decline in domestic cigarette production in 2022 can be attributed in part to the heightened excise tax on tobacco products.

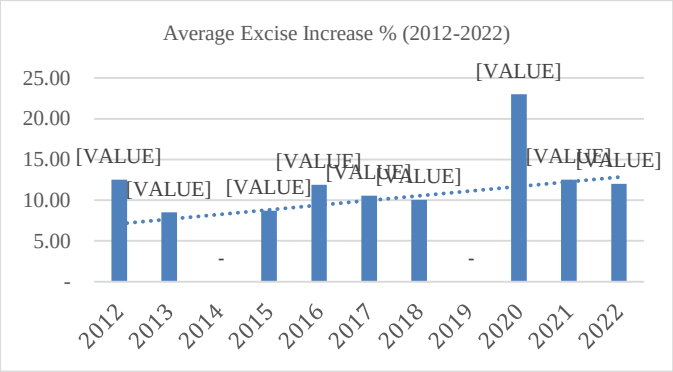


Figure 1: Average Excise Price Increase

Source: www. beacukai.go.id (data processed by the author)

According to the Ministry of Finance, the price of cigarettes in Indonesia is projected to reach IDR 23,361 per pack (16 sticks) in 2022, reflecting a 13.8% increase from the 2021 price of IDR 20,523 per pack. Additionally, the cigarette price index

experienced a slight uptick to 12.2% in 2022 (Annur, Cindy; 2021). Further declines in cigarette production in the upcoming years are anticipated and attributed to the government's planned 10% increase in the cigarette excise tax rate for 2023 and 2024. In addition to excise tariffs, Widoatmojo (2009:144) posits that exchange rates and inflation represent systematic investment risks that persist continuously and cannot be circumvented. Given that the value of a company's shares is susceptible to the impact of these factors, this risk can be mitigated by deferring share purchases or temporarily exiting the market.

Furthermore, Haryanto (2007:12) contends that external factors, particularly exposure to exchange rate fluctuations, will have a major impact on firm value. This is due to the potential for exchange rate variations to engender shifts in a company's revenue and expenses, consequently impacting its profit and loss.

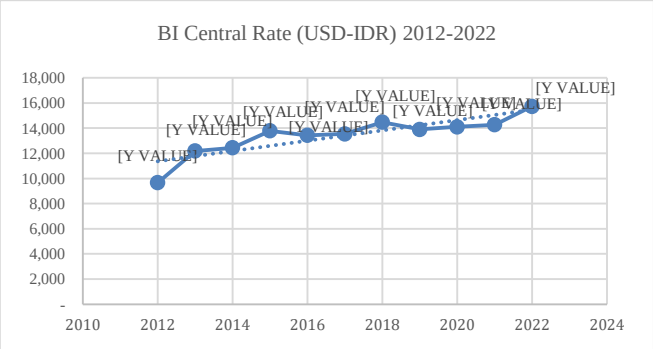


Figure 2: USD-IDR exchange rate movement for the period 2012-2022

*Source: Bank Indonesia (*www.bi.go.id)

Figure 2 illustrates a consistent weakening of the rupiah against the dollar, with the exchange rate declining from 9,670 in 2012 to 15,731 in 2022, marking a 61% depreciation. This ongoing depreciation of the rupiah has implications for the cigarette industry, particularly concerning imported tobacco raw materials. According to Ministry of Industry reports, Indonesia still relies on imports to fulfill 40% of its domestic tobacco requirements, as domestic tobacco production only ranges from 180,000 to 190,000 tons annually, falling short of the national demand of 330,000 tons per year (RI Still Imports Tobacco; www.kemenperin.go.id). The Central Statistics Agency (BPS) report indicates that Indonesia's tobacco imports amounted to US$586.68 million in 2021, reflecting a 6.58% increase from the previous year's value of US$550.41 million. Internal environmental factors contributing to the uncertainty of asset returns from an investment encompass the company's performance, as evidenced by business growth in terms of revenue performance, asset expansion, cash flow, debt management, and profitability. Companies with strong financial performance demonstrate robust asset and revenue growth.

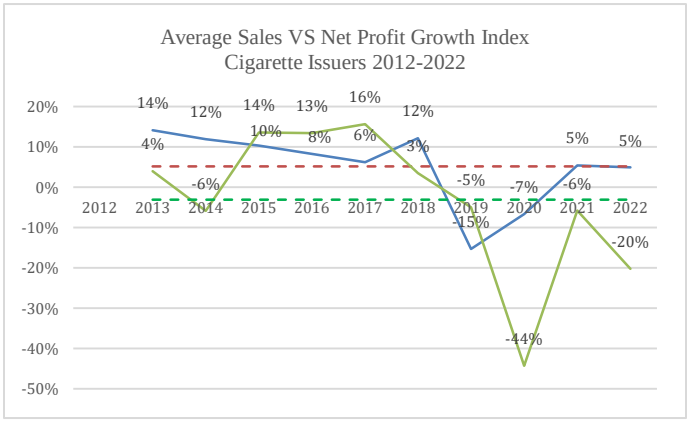


Figure 3: Average Sales Growth Index VS Net Profit of Cigarette Issuers 2012-2022

Source: www.idx.co.id (financial statements of cigarette issuers, data processed 2023)

The average growth index of net income for cigarette issuers over the period 2012-2022 reveals fluctuating trends, as illustrated in Figure 3. Subsequently, in 2013, there was an approximate 4% increase, followed by a negative growth of -6% in 2014, and a subsequent increase of 14% in 2015. However, in 2016, it declined to 13%, and in 2018, it experienced a

substantial drop, growing by only 3%. The subsequent years continued to exhibit negative growth, reaching -5% in 2019, -44% in 2020, -6% in 2021, and plunging back into negative growth at -20% in 2022. Comparatively, the average sales growth index for cigarette issuers from 2012-2022 has increased by 5%. However, when contrasted with the average net profit growth index, it has decreased, showing negative growth of -3%. Over the last decade, the average sales growth index has grown positively by around 58%, while the average net profit growth index has experienced negative growth of -40%.

The fluctuating stock prices of cigarette companies over the years have been notable. Companies such as GGRM reached their highest price in 2017 at 83,800 and in 2018 at 83,625, subsequently recording their lowest price in 2022 at 18,000. HMSP experienced its highest price in 2017 at 4,730 and 2018 at 3,710, then saw its lowest price in 2022 at 840. RMBA underwent a continuous decline in price after reaching its highest price in 2012 at 590 and its lowest price in 2018 at 312, followed by an increase until 2022 at 306. WIIM experienced fluctuations in stock prices, with the highest price since 2012 at 750, falling to the lowest in 2018 at 141, and subsequently increasing until 2022 at 640. Meanwhile, ITIC experienced a significant decline in share price since its IPO release in 2019 at 2650, continuously decreasing in subsequent years to its lowest price in 2022 at 640. On average, the cigarette stock price index from 2012-2022 has significantly decreased.

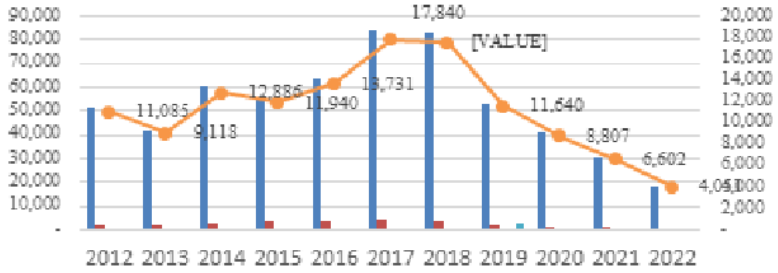


Figure 4. Stock Price Data of Cigarette Issuers 2012-2022

Source: https://finance.yahoo.com/ (data processed, 2023)

II. LITERATURE REVIEW

A. Investment Theory

According to Herlianto (2013:1), investment is a commitment to allocate a certain amount of money value into one or more certain assets over a period of time to realize a future profit. Investors seek to achieve profits in the form of capital gains and company dividends (Tandelilin, 2001). Investors evaluate the impact of changes in a country's macroeconomic conditions, both favorable and unfavorable, on the performance of the company concerned and then decide whether to buy or sell shares of the affected company. Muthia (2010) notes that fluctuations in macroeconomic variables lead to diverse reactions in stock return movements. The macroeconomic environment consistently influences stock prices and returns. Faisal (2001) identifies three categories of variables that signify macroeconomic factors: the inflation rate, indicators of aggregate economic activity (such as aggregate sales, currency exchange rate, and GNP), and the interest rate. Analysts seeking to make investments often utilize various macroeconomic indices to assess macroeconomic conditions, including GDP, inflation rate, interest rate, exchange rate, and government budget.

B. Signal Theory

Spence (1973) initially introduced Signal Theory, which explains the rationale behind businesses' inclination to provide external parties with access to financial statement information. Moreover, according to signal theory, managers transmit signals to mitigate information asymmetry. Jogiyanto (2010) emphasizes that the primary step in interpreting and analyzing the information received by investors from the company is to ascertain whether it constitutes a positive or negative signal. These information signals from companies can manifest in the form of financial statements and public information.

C. Dividend Theory

Bird-in-the-hand Theory

According to *Myron J. Gordon* and *J. Lintner* in Sartono (1997), shareholders prefer to see profits distributed as dividends rather than *retained earnings*. This is because, unlike *capital gains*, dividend payments are guaranteed income.

D. Excise

The amount of tax imposed by the government on specific products, known as excise, serves as a tool utilized to regulate goods in society and the environment that have adverse effects. Furthermore, excise funds derived from tobacco products are allocated to the community in accordance with laws that determine their use and distribution (BPPK Journal Volume 15 Number 2, 2022).

$$= \frac{Tax\ Rate\ t - Tax\ Rate\ t-1}{Tax\ Rate\ t-1}$$

E. Exchange Rate

The rupiah exchange rate represents the value of one rupiah currency exchanged for another country's currency. On the other hand, the real exchange rate is the value utilized when exchanging goods and services of a country with those of other countries. It shows how quickly economic actors can exchange goods from one nation for goods from another. (Mankiw, 2007: 84).

$$= \frac{Value\ of\ 1\ Rupiah}{Exchange\ Rate\ USD}$$

F. Inflation

Inflation refers to the general rise in the price level of goods, commodities, and services over a specific period. It also signifies the ongoing decrease in the value of a currency (Karim, 2007:210).

$$= \frac{Inflation\ Rate\ t - Inflation\ Rate\ t-1}{Inflation\ Rate\ t-1}$$

G. Earning Per Share (EPS)

According to Tjiptono Darmadji (2001: 139), Earning Per Share (EPS) serves as a metric for comparing a company's profit with the number of outstanding shares. This ratio provides insight into the amount of earnings generated for each share of common stock, thereby demonstrating the level of profit (return) obtained by investors or shareholders per share.

$$= \frac{laba\ bsh - dividen\ saham\ pref}{Rata2\ jml\ lmbr\ saham\ biasa}$$

H. Dividend Payout Ratio

According to Sartono (2015: 491), the dividend payout ratio represents the percentage of profit distributed in the form of dividends or the ratio between dividends paid and the total profit accessible to shareholders. This ratio plays a crucial role in determining the portion of profit that can be retained for funding purposes. Consequently, a higher level of retained earnings implies a reduced allocation of earnings for dividend payments.

$$= \frac{Dividend\ Per\ Share}{Earning\ Per\ Share}$$

I. Stock Return

Stock returns, as defined by Hartono (2014), encompass the outcomes derived from an investment. These returns are categorized into two types: yield and capital gain/loss. The components of stock returns can be classified into two categories. Firstly, current (or current) income represents the earnings from payments made within a specific period, such as dividends. Secondly, capital income denotes the income generated from the price difference of an investment instrument between its purchase and sale.

$$= \frac{(\mathrm{P1} - \mathrm{P0}) + \mathrm{D}}{\mathrm{P0}}$$

Where:
P1= Price for time t
P0= Price for the previous time
D = Dividend D = Dividend

In a study conducted by Zulhadi (2018), the impact of excise tax increases, net sales, and company profits on stock price increases was examined. The findings indicated that excise rates, net sales, and profits collectively exerted a significant influence on stock price formation. Furthermore, Pasaribu, Akbar, and Budiyanti (2019) investigated the effects of the rupiah exchange rate, inflation, interest rates, and GDP on stock returns within the cigarette industry sub-sector listed on the Indonesia Stock Exchange for the 2012-2018 period. Utilizing the panel data regression method, the T-test results revealed a statistically significant negative effect of the rupiah exchange rate on stock returns, particularly in relation to company size.

Additionally, Badruzzaman's research focused on the impact of earnings per share and return on equity on stock prices, employing multiple regression research methods. The results demonstrated a significant positive effect of EPS on stock prices. Lastly, Akuba and Hasmirati's study delved into the impact of the payout ratio for dividends and yield on 2021 IDX stock

prices for Chemical Sub-Sector businesses. Their findings suggested that neither dividend yield nor dividend payout ratio, individually or collectively, had a significant effect on the companies listed in the Chemical Sub-Sector on the IDX.

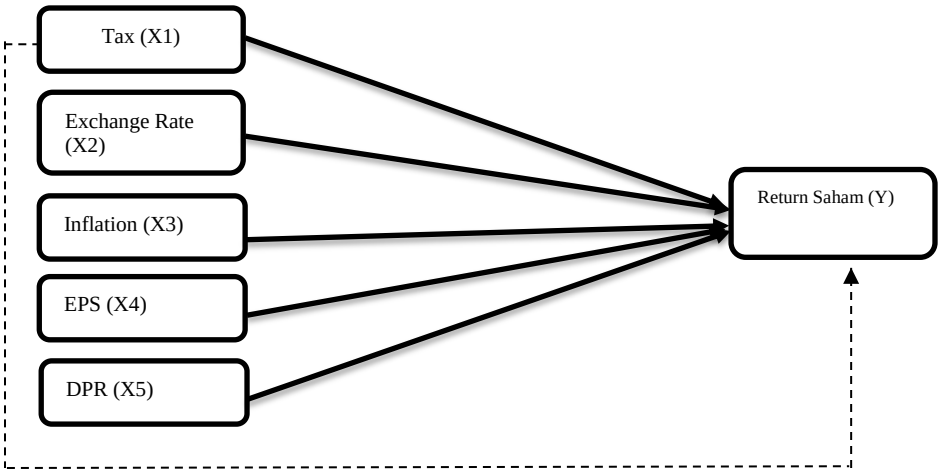
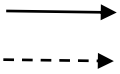


Figure 5: Conceptual Framework

Source: Processed by the author (2023)

a) Description:



J. Hypothesis Formulation

Based on the framework in the figure above, the hypothesis in this study is as follows:

H1: The increase in excise tax rates has a significant effect on stock *returns* in the cigarette industry sub-sector on the Indonesia Stock Exchange.

H2: The rupiah exchange rate has a significant effect on stock *returns in* the cigarette industry sub-sector on the Indonesia Stock Exchange.

H3: The inflation rate has a significant effect on stock *returns* in the cigarette industry sub-sector on the Stock Exchange.
Indonesia Stock Exchange.

H4: EPS has a significant effect on stock *returns* in the cigarette industry sub-sector on the Indonesia Stock Exchange.

H5: DPR has a significant effect on stock *returns* in the cigarette industry sub-sector on the Indonesia Stock Exchange.

H6: The increase in excise tax, rupiah exchange rate, inflation, *earnings per share,* and *dividend payout ratio* simultaneously have a significant effect on stock *returns* in the cigarette industry sub-sector on the Indonesia Stock Exchange.

K. Research Methods

This study employed quantitative methods, utilizing stock returns as the dependent variable and excise rates, rupiah exchange rates against the dollar, inflation, earnings per share, and dividend payout ratio as independent variables. The study's population comprises companies in the cigarette sector listed on the Indonesia Stock Exchange during the period 2012-2022. Purposive sampling techniques were employed, involving the selection of samples based on specific criteria set by the researcher (Sugiyono, 2013). A total of 3 samples were obtained from 5 companies. The criteria for sample selection included the companies' consecutive publication of financial reports from 2012 to 2022, active stock trading on the IDX during the research period, continuous listing on the stock exchange throughout the observation period, and regular distribution of annual dividends from 2012 to 2022. Additionally, all companies selected for the sample were required to use the rupiah currency to ensure uniformity in currency value across the sampled measurements.

Table 1: List of Cigarette Company Sample Names

No.	Stock Code	Issuer Name
1	GGRM	PT Gudang Garam Tbk
2	HMSP	H.M. Sampoerna Tbk
3	WIIM	Wismilak Inti Makmur Tbk

Source: Processed by the author (2023)

The research data used secondary data with literature and documentation studies. Financial reports were obtained from the official IDX website, while company stock prices were sourced from Yahoo Finance. Excise data was obtained from the Customs website, exchange rate data from the Bank Indonesia website, and inflation data from BPS. Panel data regression analysis was conducted using Eviews 12 software. The data analysis encompassed descriptive statistical tests, classical assumption tests, selection of regression model estimates, determination coefficient tests, simultaneous F tests, and partial t-tests.

III. RESULTS AND DISCUSSION

Table 2: Descriptive Statistical Analysis

	RS	TC	NT	INF	EPS	DPR
Mean	0.050245	0.099727	13415.00	0.041755	1492.6420	0.466439
Median	-0.054180	0.105400	13795.00	0.033500	118.0000	0.353870
Maximum	2.220770	0.230000	15731.00	0.083800	5655.000	1.037700
Minimum	-0.513790	0.000000	9670.000	0.016800	12.99000	0.000000
Std. Dev.	0.473734	0.060721	1518.112	0.022516	1643.825	0.396181
Skewness	2.998163	0.114804	-1.103017	0.964809	0.640417	0.214130
Kurtosis	14.44600	3.463724	4.200340	2.623370	2.245130	1.428980
Jarque-Bera	229.5795	0.368169	8.672674	5.314758	3.039254	3.645827
Probability	0.000000	0.831865	0.013084	0.070132	0.218794	0.161554
Sum	1.658090	3.291000	442685.0	1.377900	49257.11	15.39249
Sum Sq. Dev.	7.181567	0.117985	73749240	0.016223	86469094	5.022708
Observations	33	33	33	33	33	33

Source: Processed by the Author (2023)

The results of the descriptive statistical analysis presented in Table 1.2 indicate that the standard deviation values for the stock return, exchange rate, and EPS variables exceed the average value, suggesting heterogeneity in the variable data. Conversely, the standard deviation values for the excise tariff, inflation, and DPR variables are smaller than the average value, signifying limited variability in the data.

A. Model Estimation Test

a) Chow Test

Chow test is one of the methods used to determine whether the Common Effect Model or Fixed Effect Model is most appropriate to use in estimating panel data. The hypothesis in the Chow test is:

Table 3: Chow Test Result Data

Effects Test	Statistic	D.f	Prob.
Cross-section F	1.654368	(2,15)	0.2243
Cross-section Chi-square	4.584547	2	0.1010

Source: Data Processed by the Author (2023)

The Redundant Fixed Effect or Likelihood Ratio results for the independent variables in this model have an F probability value of 0.1010, greater than alpha> 0.05 (0.1010> 0.05); it can be concluded that the more appropriate model from these results is the *Common Effect Model* (CEM).

b) Lagrange Multiplier Test

The Lagrange Multiplier test is conducted to determine whether the Random Effect Model is better than the Common Effect Model.

Table 4: LM Test

Test Hypothesis			
	Cross-section	Time	Both
Breusch-Pagan	0.235067	0.991306	1.226373
	(0.6278)	(0.3194)	(0.2681)

Source: Data Processed by the Author (2023)

The results of the *Lagrange Multiplier Tests* for *Random Effects* for the independent variables in this model have a *Breusch-Pagan* value of 0.6278 greater than alpha 0.05 (0.6278> 0.05, it can be concluded that the more appropriate model from these results is the *Common Effect Model* (CEM).

B. Classical Assumption Test

a) Multicollinearity Test

Table 5: Multicollinearity Test Results Independent Variable

	Coefficient	**Uncentered**	**Centered**
Variables	Variance	VIF	VIF
C	4.356484	454.9353	NA
TC	0.592308	6.168439	1.235603
NT	0.000264	370.4634	1.242242
INF	5.151842	22.46362	1.416042
EPS	1.79E-05	2.566802	1.036347
DPR	0.088312	4.282195	1.154039

Source: Data Processed by the Author (2023)

Based on the findings presented in Table 1.5, the criteria for the value of each Independent variable, if the value of *Centered* VIF is above (>) 10, then there is Multicollinearity. Based on the table above, the results of the analysis between the 5 independent variables in this study are as follows: The TC variable has a Centered VIF value of 1.235603 < 10, which can be said to be free from Multicollinearity problems. The NT variable has a Centered VIF value of 1.242242 < 10; it can be said to be free from multicollinearity problems. The INF variable has a Centered VIF value of 1.416042 < 10; it can be said to be free from multicollinearity problems. The EPS variable has a Centered VIF value of 1.036347 < 10; it can be said to be free from multicollinearity problems. The DPR variable has a Centered VIF value of 1.154039 < 10; it can be said to be free from Multicollinearity problems. As each of these values is less than 10, it can be concluded that the independent variables under scrutiny do not exhibit multicollinearity issues.

b) Heteroscedasticity Test

Table 6: Heteroscedasticity Test Results in Glesjer Method

F-statistic	2.126680	Prob. F(5,27)	0.0928
Obs*R-squared	9.324222	Prob. Chi-Square(5)	0.0968
Scaled explained SS	5.277104	Prob. Chi-Square(5)	0.3830

Source: Data Processed by the Author

Based on the table of heteroscedasticity test results above, it can be explained that Obs * R-Squared has a Probability Chi. The square of 0.0968 is greater than 5% (0.0968> 0.05), and it can be concluded that the independent variable is free from heteroscedasticity problems.

C. Panel Data Regression Test

Based on the model testing conducted, the model used in the panel data regression in this study is the *Common Effect Model.* Based on the *Common Effect Model* test that has been carried out, the test results data are obtained as follows.

Table 7: Regression Analysis of Common Effect Method

Variables	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	-1.375356	2.157998	-0.637330	0.5324
TC	3.375690	2.701053	1.249768	0.2283
NT	0.009490	0.014597	0.650158	0.5243
INF	-2.702784	1.980416	-1.364756	0.1901
EPS	0.008522	0.003073	2.773692	0.0130
DPR	-0.888163	0.346645	-2.562167	0.0202
Root MSE	0.419495	R-squared	0.529540	
Mean dependent var	-0.083960	Adjusted R-squared	0.391169	
SD dependent var	0.641776	SE of regression	0.487940	
Sum squared resid	4.047449	F-statistic	3.826967	
Durbin-Watson stat	1.444643	Prob(F-statistic)	0.016634	

Source: data processed by the author (2023)

The following regression equation uses the findings of the Common Effect Regression Method:

RS= -0.26307 -0.17610*TC -0.00207*NT -0.50026*INF +0.00176*EPS + 0.40530*DPR

The equation explains the relationship between the research variables as follows: the constant coefficient for stock return (RS) is -0.26307, indicating that when the variables excise tariff (TC), exchange rate (NT), inflation (INF), earnings per share (EPS), and dividend payout ratio (DPR) remain constant, the stock return of cigarette issuers will be -0.26307. The

regression coefficient for the excise tax rate (TC) is -0.17610, signifying that a unit increase in the TC variable will lead to a decrease of -0.17610 in stock returns. This negative coefficient suggests a non-linear relationship between excise tax rates and stock returns. Similarly, the regression coefficient for exchange rate (NT) is -0.00207, indicating that a unit increase in the NT variable will result in a decrease of -0.00207 in stock returns, implying a negative or non-linear relationship between exchange rates and stock returns. Furthermore, the regression coefficient for inflation (INF) is -0.50026, denoting that a unit increase in the INF variable will lead to a decrease of -0.50026 in stock returns. The positive coefficient suggests a non-linear relationship between inflation and stock returns. Additionally, the regression coefficient for earnings per share (EPS) is 0.00176, indicating that a unit increase in the EPS variable will result in an increase of 0.00176 in stock returns, suggesting a linear relationship between EPS and stock returns. Lastly, the regression coefficient for dividend payout ratio (DPR) is 0.40530, meaning that a unit increase in the DPR variable will lead to an increase of 0.40530 in stock returns, indicating a linear positive relationship between DPR and stock returns.

D. F Test:

Table 8: F-Test

Root MSE	0.419495	R-squared	0.529540
Mean dependent var	-0.083960	Adjusted R-squared	0.391169
SD dependent var	0.641776	SE of regression	0.487940
Sum squared resid	4.047449	F-statistic	3.826967
Durbin-Watson stat	1.444643	Prob(F-statistic)	0.016634

Source: Data Processed by the Author (2023)

Based on the results of the simultaneous impact test for the stock return variable (RS) in table 8, the probability value is 0.016634. Given that the probability value of 0.016634 is less than 0.05, indicating that H1 is accepted. Therefore, it can be inferred that collectively, there exists a significant influence of the five independent variables—excise tariffs, exchange rates, inflation, earnings per share, and dividend payout ratio—on the dependent variable, namely stock returns (RS), within the cigarette sector companies listed on the Indonesia Stock Exchange (IDX) during the period of 2012 to 2012.

E. T-Test

Table 9: T-test

Variables	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.375356	2.157998	-0.637330	0.5324
TC	3.375690	2.701053	1.249768	0.2283
NT	0.009490	0.014597	0.650158	0.5243
INF	-2.702784	1.980416	-1.364756	0.1901
EPS	0.008522	0.003073	2.773692	0.0130
DPR	-0.888163	0.346645	-2.562167	0.0202

Source: Data Processed by the Author (2023)

The analysis results from Table 9 reveal that excise tariffs (X1), exchange rate (X2), and inflation (X3) do not have a significant partial effect on stock returns, as evidenced by the probability values of 0.2283, 0.5243, and 0.1901, respectively, all of which are greater than 0.05. Conversely, earnings per share (EPS) (X4) exhibits a significant partial effect on stock returns, with a probability value of 0.0130, which is less than 0.05. Similarly, the dividend payout ratio (DPR) (X5) also demonstrates a significant partial effect on the stock returns of cigarette sub-sector companies, as indicated by the probability value of 0.0202, which is less than 0.05.

F. Determination Coefficient Test

Table 10: Determination Coefficient Test

R-squared	0.529540
Adjusted R-squared	0.391169

Source: Data Processed by the Author (2023)

Based on the coefficient of determination test results presented in Table 1.10 for the dependent variable stock return (RS), the adjusted R-squared value is 0.391169. This indicates that the independent variables—excise rates, exchange rates, inflation, earnings per share, and dividend payout ratio—can collectively explain 39.11% of the variation in the dependent variable, stock return (RS), while the remaining 60.89% (100.00% - 39.11%) of the variation can be attributed to other external factors not encompassed in this study. Consequently, it can be inferred that the correlation between the independent variables and the dependent variable is relatively robust.

IV. CONCLUSION

In conclusion, the results of the hypothesis testing indicate that hypotheses 1, 2, and 3 are rejected, while hypotheses 4, 5, and 6 are accepted. The study elucidates that the variables of excise tariffs, exchange rates, and inflation have no significant partial effect on stock returns, whereas the variables of earnings per share (EPS) and dividend payout ratio (DPR) each exhibit a significant partial effect on stock returns. Furthermore, the independent variables (excise tariffs, exchange rates, inflation, EPS, and DPR) collectively impact stock returns. The coefficient of determination test for the dependent variable stock return (RS) reveals that the independent variables can explain 39.11% of the variation in the dependent variable. In comparison, the remaining 60.89% can be attributed to other external factors not encompassed in this study. Consequently, it can be inferred that the correlation between the independent variables and the dependent variable is quite strong.

A. Originality/Value:

I, Dodi Sukmawan, declare that this study is my work and has not been submitted in any form for another degree or diploma at any university or other unpublished work of others has been acknowledged in the text, and a list of references is given in the bibliography. The data that support the findings of this study are available from the corresponding author upon reasonable request.

B. Interest Conflicts

"The author(s) declare(s) that there is no conflict of interest concerning the publishing of this paper,"

C. Funding Statement

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