ABSTRACT

The capital market can be a place for companies to fulfill their needs. The company first issues securities on the primary market before issuing them on the secondary market. The difference in stock prices between the primary market and the secondary market can lead to a stock phenomenon, one of which is stock underpricing, which occurs because the stock price in the primary market is lower than the price in the secondary market. The level of underpricing that occurs in Indonesia is quite high every year, there are as many as 51 companies in 2019 and 49 companies in 2020 that experience this phenomenon.

This study was conducted to determine the effect of inflation, proceeds, profitability, and solvency with stock underpricing in companies that went public on the Indonesia Stock Exchange (IDX) in 2019-2020.

This study tested a population of 101 companies that went public on the Indonesia Stock Exchange (IDX) in 2019-2020, from which 97 companies were sampled using the purposive sampling method. The research data were analyzed using SPSS software with descriptive analysis methods, classical assumption test, and multiple linear regression analysis.

The results in this study conclude that the level of inflation, proceeds, profitability, and solvency simultaneously affect stock underpricing. While the results of the partial test show that the inflation rate and profitability have a positive effect, proceeds have a negative effect, and solvency has no effect on stock underpricing.

Suggestions that can be given for further research are to use other variables that can have an effect and also add research references from the latest year.

***Keywords** : Go public, underpricing, stocks, inflation, proceeds, profitability, solvency.*