

ABSTRACT

The uncertainty of the exchange rate conditions above will have an impact on the country's economy, especially Indonesia. The economic situation in the United States also affects the uncertainty of the condition of the IDR exchange rate against the USD. Based on this, the existing issuers have hedged to mitigate the risk of uncertainty. Hedging is a way to protect value which will result in losses due to changes in prices or exchange rates that occur.

This study aims to determine the effect of leverage, profitability, and firm size decisions hedging simultaneously or partially with the object of research being banking companies listed on the Indonesia Stock Exchange in 2017-2020.

The data used in this study is secondary data obtained from the financial statements and annual reports of banking companies listed on the Indonesia Stock Exchange for the 2017-2020 period. The population in this study are banking companies listed on the Indonesia Stock Exchange. The sample selection of this research used purposive sampling method so that 26 companies were sampled in this company with a total of 92 samples that could be studied. The data analysis techniques used in this study were descriptive statistical analysis and logistic regression analysis.

The results of the research using the logistic regression method showed that the variable leverage had a positive effect on hedging decisions, profitability had a negative effect on hedging decisions, and firm size had a positive effect on hedging decisions. to make hedging decisions.

Keywords: Firm Size, Hedging, Leverage, Profitability