

ABSTRACT

The share price is the price set by a company or issuer for share ownership in their company. Where this stock price affects the JCI or the Composite Stock Price Index as a whole. The increase and decrease in stock prices in the capital market is directly proportional to the performance of a company. Stock prices determine shareholder wealth so that the information becomes important for investors in the capital market. With the multiple linear analysis method, the purpose of this study is to determine the effect of Return on Equity (ROE) and Debt to Equity Ratio (DER) on stock prices of pharmaceutical sub-sector companies listed on the IDX for the period 2019-2021.

The population in this study are pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period. By purposive sampling technique, 7 pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period regularly publish quarterly financial reports. The results of the research that were tested using the simultaneous test showed that ROE and DER had a simultaneous effect on stock prices of pharmaceutical sub-sector companies listed on the IDX for the period 2019-2021. Partial tests showed that ROE had no effect on stock prices of pharmaceutical sub-sector companies, and DER partially has a negative effect on stock prices of pharmaceutical sub-sector companies. Then ROE and DER affect the share price of pharmaceutical sub-sector companies by 14.3%. It is recommended that further researchers replace the object with another sub-sector and increase the research period. Investors need to be careful because DER has a negative effect on stock prices.

Keywords: *Return on Equity (ROE), Debt to Equity Ratio (DER), Stock Price*