The Impact of Return On Assets, Return On Equity, Return On Investment, Gross - Net Profit Margin, Profit - Loss Profitability On Stock Liquidity: An Evidence from LQ45 Listed Companies

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Abstract: - The principal purpose of this study is to assess the impact of return on assets, return on equity, return on investment, gross profit margin, net profit margin, profit and loss profitability on stock liquidity of the company listed in the 2017-2020 joint fund fund. The study's population is 45 companies registered to the Indonesia stock exchange for 2017-2020, with data processing using version 9 of eviews. The sample retrieval technique used is a sampling method and selected 20 companies as a sample. The study USES quantitative descriptive methods and regression data panel tests. The study explained that return on equity has a significant link to stock liquidty in the liquidty of companies registered in the combined lq45 in 2017-2020, as well as to return on assets, return on equity, return on investment, gross profit margin, net profit margin, profit and loss returned returned ability to currently affect stock liquidity by 35.2%, the rest being affected by variables not used in the study. Return on equity is one of the considerations of a company or an investor in trusting a company to invest it.

Keywords: Stock Liquidity, Return on Asset, Return on Equity, Return on Investment, Gross Profit Margin, Net Profit Margin, Profitability, Profit and Loss Profitability

1 Introduction

Companies that carry out their operations are in constant need of funds, both for operations and for expansion. Such funds can be generated from capital and from creditors. Large firms, however, are usually insufficient if they have to rely on the capital of both owners and creditors. Bank Indonesia bi governor burhanuddin abdullah said here on Monday the central bank would continue to maintain its key rate at 8.25 percent. Stocks emitted by companies traded in stock markets or capital markets [1].

Investors tend to prefer the company that has a liquidable share because it is likely to gain substantial dividends in the future, and investors will also profit through dividends, besides the share of stocks in circulation, investors base their decisions on the various information they have, both public and private [1]. The significant impact on the decision on

investment in a stock is not only generated by expected returns, corporate stability, openness to investors, but also liquidity. Investors prefer liquidity stocks and in unliquidable stocks, they require a certain bonus that makes liquidity a risk factor [2].

In other words, if an investor wants to sell shares, then there is another investor ready to buy and if an investor wants to buy stock, then there is an investor who is willing to sell. The liquidity of the shares is further fueled by the liquidity of the shares. The higher corporate value seems to come from a better operational performance, which is an increase in revenue ratios to other assets of stock liquidity and an industry's proportionate value size [3]

Stock liquidity is a measure of the number of stock transactions in the capital market in a certain period. The higher the frequency of transactions, the higher the liquidity of the shares, this means that the

shares are increasingly in demand by investors and this will affect the price level of the shares concerned. Norvaišienė and Stankevičienė [2], proposed that liquidity can be treated as the frequency of trading shares in the market. The generalization of these considerations shows that stock liquidity is the ability to buy or sell shares quickly and in high volume without a significant impact on prices and without incurring high transaction costs. Profitability is the ratio of management capabilities based on the returns obtained from sales and investments. Profitability ratio is divided into: basic earning power, profit margin, return on equity dan return on assets [4]. The higher the frequency of the transaction, the higher the price of the shares, the higher the price of the shares, the higher the price of the shares [5].

According to Balasem et al [6] Describe liquidity as the purchase and sale of a security security without any significant change in price. Liquidity has proved difficult to observe, which has led to a number of measures defined in academic literature including trade volumes, spread bid-ask, zero trade, zero return day and various price-impact models such as the amihud ratio [7]. The liquidity of a stock is driven by the transactions made against stocks. The more a stock exchange rate indicates a high rate of mobility and the easier the stock traded and the more likely the liquidity of the stock [8].

According to Brigham and Houston [9] Probability theory is a theory that defines the possibilities that may occur, be it profit or loss in a company. The purpose of this theory is to estimate the probability for each possible outcome by listing each possible event and assigning the probability to each event, hence the list is called a probability distribution. Extreme price swings occur in stocks with low liquidity and in stocks with high turnover, where the demand for liquidity from uninformed traders is high. The biggest price reversals occur precisely in high-volume, low-liquidity stocks as the initial price changes are reversed [10].

Several previous studies have conducted empirical studies on the effect of profitability and profit and loss probability on stock liquidity. Stock liquidity is a measure of the number of stock transactions in the capital market in a certain period. Then according to Butter et al., [11], that the difference in investment banking costs for the most liquid firms can reduce the cost of raising capital by increasing their stock market liquidity. According to Choi dan Cook [12] found that stock liquidity is significantly affected by the ratio of short-term liabilities to assets, the ratio of other liabilities to assets, the ratio of liquid assets to total assets, total assets, market ratios to book value assets, return on

equity, asset growth and sales. According to Lipson dan Mortal [13] examined the impact of the company's financial ratios on stock liquidity and found that the liquidity of individual companies' shares was influenced by the ratio of earnings before interest and taxes to assets, the ratio of market to book value of assets, R & D ratio of expenditures to assets.

Given the various kinds of empirical findings about the impact of profitability and probability of profit and loss on stock liquidity. So that this research is interesting to conduct an in-depth study, especially to answer the problem of how much influence profitability and profit and loss probabilities have on stock liquidity in companies listed on the Indonesia Stock Exchange.

2. Literature Review

One standard measure of liquidity is the bid-ask spread, which is the difference between the lowest quotation available for sale and the highest bid available for purchase [14]. Liquidity can be summarized as a daily zero return proportion. According to Wang et al., [15] Indicates that the zero return day will occur when the transaction costs are high enough, compared to the value of information held by informed traders or liquidity requirements by liquidity motivated traders. Bhide [16] analyzing the relationship between share liquidity and information asymmetry in companies in the US concluded that liquidity is a driving factor for shareholders who will sell their shares, liquidity of other active shareholders squeeze shares by creating information asymmetry problems Stock liquidity has a negative effect on firm value, which means that the share The lack of liquidity from the Company is only one of the considerations in making an investor's decision to buy shares [17].

Brennan et al., [18], found that stock volume had a significant negative effect on the cross-section of stock returns and it included a negative effect size. Another related measure is turnover, the ratio of trading volume to number of shares outstanding. According to Amihud dan Mendelson [19] turnover is negatively related to the cost of liquidity, then according to Atkins and Dyl [20] found a strong positive relationship across stocks between the bid-ask spread and the reciprocal of the turnover ratio which measures the hold period. According to Shwartz dan Francioni [21], Liquidity can be treated as the frequency of trading shares in the market, the generalization of this consideration shows that stock liquidity is the ability to buy or sell shares quickly and in high volumes without a significant impact on prices and without incurring high costs.

Transaction costs Firm level factors not only affect the return on investment, but also stock liquidity which is an important factor to investors when valuing stocks. Because in the same economic condition, the liquidity of individual companies' shares is different, the importance of ownership structure to stock liquidity is emphasized in the study Attig, Gadhoumn & Lang [22]. Investors who make short-term investments are better off choosing liquid stocks with the aim of obtaining capital gains, so that they can be used to anticipate irregular income and financing patterns as well as to meet sudden needs [23].

According to Norvaišienė & Stankevičienė [2], Stock Liquidity Bid-ask spread is the ratio between the selling price of shares represented by the highest closing price minus the purchase price of shares represented by the lowest closing price with the selling price of shares and stock liquidity is positively influenced by return on assets and the probability of profit and loss. According to Marietta dan Sampurno [24] the company's ability to earn profits is one of the main indicators of the company's ability to pay dividends so that profitability is a determining factor for dividends. This study uses return on assets, return on equity, return on investment, gross profit margin, net profit margin as proxies for profitability ratios.

Return on equity is the ratio of net income to the equity of common stock to measure the return on investment of common stockholders [9]. The company's profitability is evaluated by the selected indicators: EBITDA, net profit margin (NPM), and gross profit margin (GPM). EBITDA is of particular interest to manufacturing companies that have heavily depreciated fixed asset costs. NPM and GPM are used to determine how well the company's management is generating profits [25], [26].

Company returns are measured by the following performance indicators: ROI, ROA, and ROE [26]–[29]. First, ROI attempts to directly measure the amount of return on a particular investment, which can be easily compared with returns from other investments. Second, ROA reflects how companies use total assets to generate revenue (Brealey et al., 2011). Third, ROE shows how much profit each dollar makes from common stockholders' equity. According to Brigham and Houston [9], The probability of profit and loss will be 1 if the company earns a profit, it will be worth 0 if the company makes a loss.

3. Methodology

3.1. Population and Sample

This study uses secondary data sources that refer to data that has been collected by financial institutions such as the Indonesian Stock Exchange and IDN Finance by using the financial statements of companies listed on the Indonesian Stock Exchange in LQ45 joint stock. The population in this study amounted to 45 companies and the sample in the study was conducted on LQ45 companies listed on the Indonesia Stock Exchange with an observation period during the 2017-2020 period.

The sample was taken by applying the purposive sampling method, namely the sampling method with an assessment based on the category according to the object or subject to be observed. Criteria for sampling on this observation with the following criteria:

1) Companies listed in LQ45 joint stock and attaching complete financial reports annually on the Indonesia Stock Exchange during the 2017-2020 period
2) LQ45 companies that are registered and still active on the Indonesia Stock Exchange for the period 2017-2020.
3) Companies are required to publish financial statements in rupiah for the 2017-2020 period and include the values of the variables studied such as CR, ROI, ROA, ROE, GPM, NPM, and the company's profit and loss.

Based on these criteria, a sample of 20 companies with a data collection period of 4 years and companies that always report their financial statements on the Indonesia Stock Exchange.

3.2.Research Model

The variables used in this study were to analyze the effect of Stock Liquidity on ROI, ROA, ROE, GPM, NPM, and Profit and Loss Profitability. For understanding purposes, we propose the framework of this research can be described as
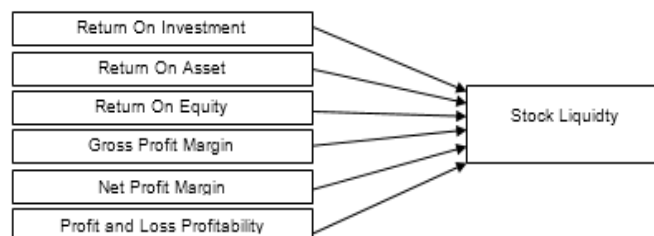

Figure 1, where the X is the variable for Stock Liquidity, and the Y is the variable for ROI, ROA, ROE, GPM, NPM, and Profit and Loss Profitability. The external factor that is representative for the effects on the PER is (ε_1) the other hand, for the external factor tor the PBV as (ε_2).

Table 1. Research samples

NO	Code	Company Name	NO	Code	Company Name
1	ASII	Astra International Tbk	20	PGAS	Perusahaan Gas Negara (Persero) Tbk
2	GGRM	Gudang Garam Tbk	21	PTBA	Bukit Asam (Persero) Tbk
3	HMSP	Hanjaya Mandala Sampoerna Tbk	22	PTPP	Pembangunan Perumahan (Persero) Tbk
4	ICBP	Indofood CBP Sukses Makmur Tbk	23	SCMA	Surya Citra Media Tbk
5	INDF	Indofood Sukses Makmur Tbk	24	SMGR	Semen Indonesia (Persero) Tbk
6	INTP	Indocement Tunggal Prakasa Tbk	25	TLKM	Telekomunikasi Indonesia (Persero) Tbk
7	JSMR	Jasa Marga (Persero) Tbk	26	UNTR	United Tractors Tbk
8	KLBF	Kalbe Farma Tbk	27	UNVR	Unilever Indonesia Tbk
9	LPPF	Matahari Department Store Tbk	28	WIKA	Wijaya Karya (Persero) Tbk
10	MNCN	Media Nusantara Citra Tbk	29	WSKT	Waskita Karya (Persero) Tbk

In this study the authors use quantitative methods and descriptive analysis then for data analysis techniques using panel data regression techniques which are a combination of time series and cross section data in order to estimate the relationship between the dependent variable and one or more independent variables and The data analysis technique in this study uses the E-views version 9 software application

Classical assumptions consist of several tests of assumptions that must be met, including normality which is used to determine whether a data set is modeled properly by a normal distribution and to calculate how likely it is that the random variables underlying the data set are normal. distributed. Then the multicollinearity test, which refers to a situation where more than two explanatory variables in the multiple regression model are highly linearly related.

Then, autocorrelation analysis measures the observed relationships between different time points, and thus looks for patterns or trends over the time series (Sukono et al., 2019). Then the heteroscedasticity test was carried out to see whether there was a model dissimilarity in the observed variables and this test should not allow heteroscedasticity to occur. If all classical assumption tests have been met, then the next testing stage can be carried out, namely the panel data regression analysis test with the regression coefficient formula, namely:

$$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + \beta_4.X_4 + \beta_5.X_5 + \beta_6.X_6 + e \qquad (1)$$

Description:

Y = Stock Liquidty

α = Constants

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Partial Coefficient Regression

X_1 = Return on Investment

X_2 = Return on Asset

X_3 = Return on Equity

X_4 = Gross Profit Margin

X_5 = Net Profit Margin

X_6 = Profit and Loss Profitability

e = Error

The value of the regression coefficient is a fundamental method because it can be used as a basis for research analysis. A positive coefficient value indicates that the independent variable affects the dependent variable, while a negative coefficient value indicates that the independent variable does not affect the dependent variable and this causes the dependent variable to decrease in value. From this regression analysis test shows or tests whether these variables have a relationship or not. In testing the significance of all independent variables having an effect or not on the dependent variable, it is necessary to use the ANOVA approach (F test) and to test the significance level of each variable, it is necessary to do a t test. The path analysis research framework model has been shown in Figure 1
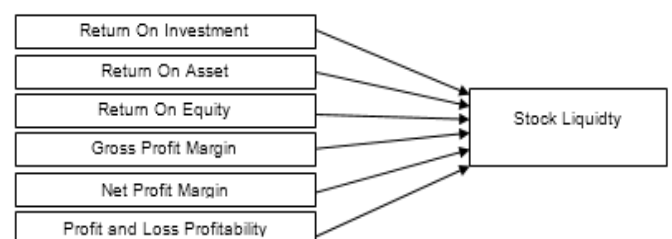

Figure 1. Research framework.

4. Results and Discussion

4.1. Analysis Descriptive

The annual report from IDX LQ45 in August 2019 for the ROE, PER, and PBV values of 20 companies. The Analysis Descriptive, with the results as presented in Table 2

Table 2. Analysis Descriptive

	SL	ROA	ROE	ROI	GPM	NPM	LP
Mean	1.998975	0.146975	0.203363	0.110233	0.660238	0.118363	0.950000
Maximum	5.272000	0.623000	1.451000	0.466000	1.122000	0.296000	1.000000
Minimum	0.280000	-0.148000	-1.503000	-0.138000	0.041000	-0.587000	0.000000
Standard Deviasi	1.218114	0.138775	0.364658	0.105739	0.185553	0.113008	0.219320

Based on Table 2, it shows the descriptive figures of each variable. The explanation of the descriptive analysis includes:

1) For Stock Liquidty as the dependent variable, the minimum value of 0.280 indicates that the company Jasa Marga (Persero) Tbk in 2019 that the company has a weak liquidation level, while for the maximum value of 5,272 which shows that the company Hanjaya Mandala Sampoerna Tbk in 2017 The company has a high level of liquidation and is respected by investors. The average stock liquidity value of 1.999 has a value above 0 which means the company's ability to pay short-term obligations using current assets is greater. compared to using current debt and the standard deviation of stock liquidity is 1,218 which shows a smaller spread of data because the value is lower than the average value.

2) For Return on Assets which is an independent variable in the study which has a minimum value of (-0.148) it shows that the Matahari Department Store Tbk company in 2020 with the company's ability to rotate assets owned by the company is deemed unable to satisfy investors, then for the value of a maximum of 0.623 shows that the Unilever Indonesia Tbk company in 2018 with the company's ability to rotate the assets owned by the company is felt to satisfy its investors. The average value owned is 0.147, which means that above 0 it means that the company's profit turnover is greater than the assets issued. The standard deviation value is 0.139 which indicates a smaller spread of data because the value is lower than the average value.

3) For Return on Equity which is an independent variable in the study which has a minimum value of (-1.503) shows that the Matahari Department Store Tbk company in 2020 with the company's ability to manage its capital to earn profits is considered detrimental to investors while the maximum value of 1.451 shows that Unilever

Indonesia Tbk company in 2020 with the company's ability to manage its capital to earn a profit, it feels very good and satisfies its investors. The average value owned is 0.203, which means that above the number 0, it means that the company's profit turnover is greater than the investment value issued. The standard deviation value is 0.364 which indicates a larger spread of data because the value is greater than the average value.

4) Return on Investment which is an independent variable in the study which has a minimum value of (-0.138) shows that the Matahari Department Store Tbk company in 2020 with the company's ability to manage investments to earn profits is felt to be detrimental to investors while the maximum value of 0.466 indicates that Unilever Indonesia Tbk company in 2018 with the company's ability to manage investments to earn a profit, it feels very good and satisfies the investors. The average value owned is 0.110, which means above the number 0 means that the company's profit turnover is greater than the capital issued. The standard deviation value is 0.106 which indicates a smaller spread of data because the value is smaller than the average value.

5) For Gross Profit Margin which is an independent variable in the study which has a minimum value of 0.041, it shows that the Matahari Department Store Tbk company in 2017 with the ability to generate profits from the company is considered less than optimal while the maximum value of 1.112 shows that the company Waskita Karya (Persero) Tbk in 2020 with the ability to generate profits from the company very optimally and satisfy its investors. The average value owned is 0.660, which means above the number 0 means the ability to generate profits from the company is greater than the company's expenses incurred. The standard deviation value is 0.186 which indicates

a smaller spread of data because the value is smaller than the average value.

6) For the Net Profit Margin which is an independent variable in the study which has a minimum value of (-0.587) it shows that the Waskita Karya (Persero) Tbk company in 2020 with the ability to generate profits from the company through a comparison of expenses and taxes issued is considered less than optimal while the maximum value of 0.296 shows that the company Surya Citra Media Tbk in 2017 with the ability to generate profits from the company is very optimal with the expenses incurred along with taxes so that it can satisfy its investors. The average value owned is 0.118, which means that above the

number 0 means the ability to generate profits from the company is greater than the company's expenses incurred. The standard deviation value is 0.113 which indicates a smaller spread of data because the value is smaller than the average value.

4.2. Panel Data Regreession Estimation Results

In the panel data for selecting the best model, the analysis stage is carried out by estimating the Common Effect (CEM), Fixed Effect (FEM), and Random Effect (REM) models. The statistical results obtained in estimating the CEM, FEM, and REM models will be presented in Table 3

Table 3. Estimation CEM, FEM and REM

Variable	Common Effect		Fixed Effect		Random Effect	
	t-stat	probability	t-stat	probability	t-stat	probability
ROA	-1.044	0.299	-0.988	0.326	1.070	0.288
ROE	-5.634	0.000	-5.605	0.000	-2.267	0.026
ROI	1.699	0.093	1.634	0.107	-0.296	0.768
GPM	-0.407	0.685	-0.434	0.666	0.413	0.681
NPM	-0.020	0.984	-0.050	0.961	0.640	0.524
LP	1.836	0.070	1.889	0.063	0.064	0.949

Based on Table 3, shows the estimation results which explain that each model has a different significant value. To determine which model is the best, further analysis is carried out using the Chow test and Hausman Test which will be presented in Table 4.

Table 4. Chow Test

Effects Test	Statistic	d.f.	Prob.
Period F	0.326958	(3,70)	**0.8059**

The Chow test aims to determine which model is better to use between the Common Effect and Fixed Effect models. Based on Table 4, the prop value in the Chi-square cross-section is smaller than alpha (α) (0.8059 > 0.05), then H0 is accepted, which means that the Common Effect model is better to use than the Fixed Effect model. Next will be testing classical assumptions such as normality, multicollinearity, and heteroscedasticity tests using the Common Effect model.

Table 5. Normality Test

Jarque-Bera	Probability
0.666	0.717

Based on Table 5, the results of the Jarque-falla test have a value of 0.666 with a probability of 0.717.

The probability value is greater than alpha (0.717 > 0.05), so it can be said that the residuals in the Common Effects model of this study are normally distributed. Furthermore, multicollinearity test will be carried out which will be presented in Table 6.

Table 6. Multicolinearity Test

	GPM	LP	NPM	ROA	ROE	ROI	SL
GPM	1	0.0034	-0.497	-0.394	-0.315	-0.381	-0.072
LP	0.0034	1	0.667	0.351	0.466	0.378	0.206
NPM	-0.497	0.667	1	0.553	0.537	0.572	0.243
ROA	-0.394	0.350	0.553	1	0.844	0.797	0.213
ROE	-0.315	0.466	0.537	0.845	1	0.838	-0.044
ROI	-0.381	0.378	0.572	0.997	0.838	1	0.215
SL	-0.0727	0.206	0.243	0.213	-0.044	0.215	1

Based on Table 6, it shows that the results of the classical assumption of multicollinearity which aim to test whether the panel data regression model in this study found a high or perfect correlation between the independent variables. In the multicollinearity test output above, it can be seen that all correlation coefficients between independent variables are less than 0.85 which is a requirement that all independent variables of a regression model are said to have no multicollinearity problems. Furthermore,

Heteroscedasticity testing will be carried out which will be presented in Table 7.

Table 7. Heteroskedastisitas Test

Variable	Coefficient	Std Error	t-Statistic	Prob
ROA	-12.91386	6.562967	-1.967687	**0.0529**
ROE	-1.388656	0.320356	-4.334725	**0.0000**
ROI	20.43025	9.013955	2.266513	**0.0264**
GPM	-1.756214	0.439761	-3.993566	**0.0002**
NPM	0.459800	0.961632	0.478146	**0.6340**
LP	-0.754032	0.401692	-1.877141	**0.0645**

Based on Table 7, it shows that the heteroscedasticity test output that needs to be considered is the probability value. The results show that the variables ROA, ROI, NPM, and LP have prob values. more than 0.05 while only ROE and GPM variables have prob values less than 0.05. This means that there is no heteroscedasticity problem in the research regression model.

4.3. Coeffecient Regression

This aims to explain how much influence the dependent variable has on the independent variables presented in Table 8.

Table 8. Coefficient Test

Variable	Coefficient	Std Error
ROA	-13.30808	12.73622
ROE	**-3.803200**	**0.675054**
ROI	29.69488	17.47634
GPM	-0.357782	0.879979
NPM	-0.039594	2.022177
LP	1.642922	0.894952
C	0.122493	0.764188

Based on the formula for equation no (1), the equations obtained include:

$$Y = 0.123 - 13.308 - 3.803 + 29.695 - 0.358 - 0.040 + 1.643$$

The number in the Panel Data Regression Equation is obtained from the variable coefficient value. This constant value of 0.123 explains that if it is assumed that the value of the independent variable is 0 (none), then the stock liquidity value is fixed at 0.123 points.

1) The ROA (Return on Assets) coefficient is -13,308, meaning that every increase in the ROA variable by 1 unit means it will decrease the stock liquidity value variable by -13,308 points.
2) The ROE (Return on Equity) coefficient is -3,803 meaning that every 1 unit increase in the ROE variable means that it will decrease the stock liquidity value variable by -3,803 points.
3) The ROI (Return on Investment) coefficient is 29,695, meaning that every increase in the ROI variable by 1 unit means that it will increase the stock liquidity value variable by 26,965 points.
4) The coefficient of GPM (Gross Profit Margin) of -0.358 means that every increase in the GPM variable by 1 unit means that it will decrease the stock liquidity value variable by -0.358 points.
5) The coefficient of NPM (Net Profit Margin) is -0.040, meaning that every increase in the NPM variable by 1 unit means that it will decrease the stock liquidity value variable by -0.040 points.
6) The Profit and Loss Profitability coefficient is 1,643, meaning that every increase in the ROA variable by 1 unit means it will increase the stock liquidity value variable by 1,643 points.

Structural capital in Data Panel Regression is evaluated using R2 or R Square. This aims to explain how much influence the dependent variable has on the independent variables presented in Table 9.

Table 9 R-Square Value

Construct	R-Square	Adjusted R-Squared
Stock Liquidity	0.352	0.299

Based on Table 9, the R-Square value for the stock liquidity is 0.352, which means that ROI, ROE, ROA, GPM, NPM, Profit and Loss Profitabilitas can influence stock liquidity by 35.2% and the remaining 64.8% can be explained by other variables.

4.4. Hypothesis Analysis

For the dependent variable and the path coefficient value (β), the significance value is then assessed based on the t-statistic value of each path as presented Table 10.

Table 10 Hypothesis Testing Results

Variable	t-Statistic	Prob
ROA	-1.044900	0.2995
ROE	-5.633917	0.0000
ROI	1.699148	0.0935
GPM	-0.406580	0.6855
NPM	-0.019580	0.9844
LP	1.835766	0.0705

Based on the Table 10, the results of testing the data analysis of hypothesis testing, the following explanation is obtained:

a) **Effect of Return on Asset to Stock Liquidty**

The results of the hypothesis test show analysis return on asset and stock liquidity has a beta coefficient value of 0.2995 > 0.05. This shows that return on asset has a not significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

b) **Effect of Return on Equity to Stock Liquidty**

The results of the hypothesis test show analysis return on equity and stock liquidity has a beta coefficient value of 0.000 < 0.05. This shows that return on equity has a significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

c) **Effect of Return on Investment to Stock Liquidty**

The results of the hypothesis test show analysis return on investment and stock liquidity has a beta coefficient value of 0.0935 > 0.05. This shows that return on investment has a not significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

d) **Effect of Gross Profit Margin to Stock Liquidty**

The results of the hypothesis test show analysis gross profit margin and stock liquidity has a beta coefficient value of 0.6855 > 0.05. This shows that gross profit margin has a not significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

e) **Effect of Net Profit Margin to Stock Liquidty**

The results of the hypothesis test show analysis net profit margin and stock liquidity has a beta coefficient value of 0.9844 > 0.05. This shows that net profit margin has a not significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

f) **Effect of Profit and Loss Profitability to Stock Liquidty**

The results of the hypothesis test show analysis profit and loss profitability and stock liquidity has a beta coefficient value of 0.0705 > 0.05. This shows that profit and loss profitability has a not significant influence on stock liquidity on Company listing LQ45 2017-2020 period.

5. Conclusion

In this study, researchers have studied and can determine the effect of ROA, ROE, ROI, GPM, NPM, LP on Stock Liquidity in companies listed in LQ45 joint stock. The main findings are ROA, ROE, ROI, GPM, NPM, LP simultaneously affect Stock Liquidity by 35.2%, the rest is influenced by variables that are not used in this study.

Based on the results of the hypothesis testing that has been carried out, it shows that ROE has a significant relationship with Stock Liquidity in companies listed in the LQ45 joint stock in the 2017-2020 period, this means that Return on Equity is one of the considerations for companies or investors in trusting in investing their investments. on companies listed in the LQ45 joint stock in the 2017-2020 period to get bigger dividends.

ROA, ROI, GPM, NPM, Profit and Loss Profitability have no significant relationship to Stock Liquidity in companies listed in the LQ45 joint stock in the 2017-2020 period, this means that ROA, ROI, GPM, NPM, Profit and Loss Profitability are less have an impact on the considerations of companies or investors in investing their capital in various companies listed in the LQ45 joint stock in the 2017-2020 period.

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