



Regular article

The Effect of Stock Price Volatility, Stock Trading Volume and Market Capitalization on Stock Returns with The Moderation of The Company's Reputation in Banking Sector Companies That Listed on The Indonesia Stock Exchange

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ABSTRACT

This study aims to analyze the influence of stock price volatility, trading volume, and market capitalization on stock returns in banking companies listed on the Indonesia Stock Exchange during the 2019–2023 period. In addition, this study also examines the role of company reputation as a moderation variable. The research sample was determined using the purposive sampling technique, so that 22 companies were obtained as a research sample. The analysis method used in this study is Moderate Regression Analysis (MRA). The results of the study show that stock price volatility has a positive and significant effect on stock returns, and stock trading volume has a negative but insignificant effect on stock returns. In addition, market capitalization has a negative but not significant effect on stock returns. Other results show that the company's reputation moderates the effect of stock price volatility on stock returns negatively and significantly, but the company's reputation does not moderate the effect of stock trading volume on stock returns positively and significantly, and the company's reputation also does not moderate the effect of market capitalization on stock returns negatively and significantly. These findings imply that the management of stock price volatility and the development of a company's reputation need to be considered strategically in order to increase stock returns, while trading volume and market capitalization require a more comprehensive analytical approach in investment decision-making in banking companies.

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Introduction

The banking sector plays a crucial role in Indonesia's economy, functioning as a driver of investment, a source of financing, and an instrument of economic stabilization. The presence of a sound banking sector strengthens the economy's resilience to global dynamics and promotes the growth of the real sector. In the era of globalization, banking faces both opportunities and challenges, such as rapid capital flows, changes in international monetary policies, and competition among countries. Its role is not limited to intermediation, but also

includes serving as an important instrument in maintaining exchange rate stability, inflation, and market liquidity. As stated by Dalimunthe & Lubis (2023), the banking sector functions as a driver of investment, a source of financing, and a pillar of economic stability, which forms an important foundation for the national economy.

In Indonesia, the banking sector continues to experience significant growth, driven by increased financial literacy, the digitalization of services, and broader access to the capital market. The Indonesia Stock Exchange (IDX), as the center of stock trading, serves as an important indicator in assessing the performance of listed banks, as seen from the

growing number of banks going public and the rising participation of both institutional and retail investors (Inggrid, 2018). This growth cannot be separated from the role of the government and regulators such as the Financial Services Authority (OJK) and Bank Indonesia (BI) in maintaining the stability and competitiveness of the national banking sector. Supportive regulations, adaptive monetary policies, and strict supervision have become key factors in the sustainability of this sector (Meirinaldi & Sudijo, 2018). The sustainability of banking growth is also influenced by financial technology (fintech) innovation as well as investors' level of confidence in the national financial system.

Stock return is a measure used to assess the level of profit or loss obtained by investors from owning shares within a certain period (Fahmi, 2015). In the context of the banking sector listed on the Indonesia Stock Exchange, stock returns are often influenced by various internal factors. According to Bhuntar et al. (2023), these internal factors include stock price volatility, trading volume, and market capitalization, which reflect a company's performance and liquidity. Therefore, analyzing stock returns in the banking sector is essential to understanding the attractiveness and investment risks in the capital market. The following is the stock return data of the banking sector, which has experienced fluctuations, presented in Table 1.1:

Table 1. Banking Sector Stock Return Data

Company name	2019	2020	2021	2022	2023
Bank Danamon Indonesia Tbk.	-0.48	-0.21	-0.25	0.16	0.02
PT Bank Ganesha Tbk.	-0.20	-0.26	3.76	-0.63	-0.11
PT Bank Maybank Indonesia Tbk.	0.01	0.68	-0.04	-0.31	0.06
PT Bank Permata Tbk.	1.02	1.09	-0.42	-0.34	-0.09
Bank BTPN Tbk.	-0.06	-0.04	-0.16	0.01	-0.01

Source: processed data (2025)

Table 1 presents the annual stock return data of five banking sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019–2023. Stock returns reflect the percentage of profit or loss earned by investors, where positive values indicate capital gains, while negative values represent investment losses. The data show significant fluctuations across companies and across periods, as seen in PT Bank Ganesha Tbk., which recorded the highest return of 3.76 in 2021 but declined to -0.63 in 2022. Meanwhile, Bank BTPN Tbk. exhibited relatively stable return movements with small value variations. These variations in return performance indicate the presence of dynamics within the banking sector stock market, which may be influenced by stock price volatility, stock trading volume, and market capitalization.

One of the factors that influences stock returns is stock price volatility. Stock price volatility is a condition in which stock prices deviate (upward or downward) from the average in the index (Yosevin, 2019). Stock price volatility reflects the level of price fluctuations within a certain period and serves as an important indicator in assessing

investment risk. In the banking sector listed on the Indonesia Stock Exchange, stock price volatility indicates the level of uncertainty in price movements that can influence investor decisions. A high level of volatility suggests greater risk, but it also provides opportunities for higher returns for investors willing to take on such risks. The following is the banking sector volatility index data presented in Table 2:

Table 2. Banking Sector Stock Price Volatility Data

Company name	2019	2020	2021	2022	2023
Bank Danamon Indonesia Tbk.	2.32	2.15	1.28	1.24	0.66
PT Bank Ganesha Tbk.	0.96	1.45	2.60	2.30	1.27
PT Bank Maybank Indonesia Tbk.	1.15	2.49	1.04	0.99	0.78
PT Bank Permata Tbk.	2.05	2.98	1.73	1.12	0.45
Bank BTPN Tbk.	0.67	1.99	0.58	0.59	0.37

Source: processed data (2025)

Based on Table 2, it can be seen that the stock price volatility of the five sampled banks during the 2019–2023 period experienced considerable fluctuations. In general, the volatility trend tends to decline from year to year, although some banks show spikes in certain years. For example, PT Bank Maybank Indonesia Tbk. recorded the highest volatility in 2020 at 2.49 before decreasing to 0.78 in 2023. Meanwhile, Bank Danamon Indonesia Tbk. and PT Bank Permata Tbk. show a relatively consistent downward pattern from 2020 to 2023. Bank BTPN Tbk. also experienced a sharp decline from 1.99 in 2020 to 0.37 in 2023. This pattern reflects differences in market responses to information and external conditions affecting each bank, as well as potential risk adjustments made by investors in line with developments in macroeconomic conditions and issuer performance.

In addition to stock price volatility, stock trading volume is also a factor that influences stock returns. Stock trading volume represents the number of shares traded within a certain period and serves as an important indicator for assessing a stock's liquidity. The greater the trading volume, the more liquid a stock is considered to be, meaning that the stock can be bought and sold more easily without significantly affecting its market price (Mustawir & Rosalia, 2023). The following is the stock trading volume index data for the banking sector, presented in Table 3:

Table 3. Banking Sector Stock Trading Volume Data

Company name	2019	2020	2021	2022	2023
Bank Danamon Indonesia Tbk.	320.71	345.62	328.96	300.16	280.95
PT Bank Ganesha Tbk.	429.48	381.21	518.37	998.67	189.41
PT Bank Maybank Indonesia Tbk.	2549.99	2494.11	2352.03	2303.92	2212.15
PT Bank Permata Tbk.	41459.73	42589.54	8516.67	20243.38	7167.66
Bank BTPN Tbk.	459.59	430.03	377.48	329.89	309.03

Source: processed data (2025)

Based on Table 3, the stock trading volume in the banking sector shows considerable variation across companies and fluctuates throughout the 2019–2023 period. PT Bank Permata Tbk. recorded the

highest trading volume among all samples, even experiencing a significant surge in 2022, reaching 20,243.38 before declining to 7,167.66 in 2023. Conversely, Bank Danamon Indonesia Tbk. and Bank BTPN Tbk. tend to have relatively low and stable trading volumes, with a slightly decreasing trend in recent years. PT Bank Ganesha Tbk. experienced a sharp increase in 2022 at 998.67, but then dropped drastically to 189.41 in 2023. PT Bank Maybank Indonesia Tbk. showed relatively high trading volume but exhibited a decreasing trend from 2,549.99 in 2019 to 2,212.15 in 2023. These differences reflect varying levels of stock liquidity among banks, which may be influenced by factors such as market capitalization, investor interest, and market responses to information and company performance.

In addition to stock price volatility and stock trading volume, which influence stock returns, market capitalization is also an important factor in investment decisions. Market capitalization reflects the size of a company, indicated by the number of outstanding shares (Rifqiawan, 2015). In the banking sector listed on the Indonesia Stock Exchange, market capitalization can indicate the size, stability, and financial strength of a bank. The following market capitalization data is presented in Table 4:

Table 4. Banking Sector Market Capitalization Data

No	Company name	Tahun	KP
1	Bank Danamon Indonesia Tbk.	2019	38,517,053,836,500
		2020	30,618,620,011,800
		2021	22,915,209,244,500
		2022	26,620,647,335,100
		2023	27,108,204,978,600
2	PT Bank Ganesha Tbk.	2019	737,553,960,000
		2020	547,577,940,000
		2021	2,603,788,980,000
		2022	2,085,476,747,961
		2023	1,845,766,776,931
3	PT Bank Maybank Indonesia Tbk.	2019	13,788,785,015,540
		2020	23,159,803,958,140
		2021	22,222,702,063,880
		2022	15,261,373,706,520
		2023	16,198,475,600,780
4	PT Bank Permata Tbk.	2019	35,474,065,094,325
		2020	74,032,831,501,200
		2021	43,045,604,679,675
		2022	36,724,079,912,800
		2023	33,286,850,758,400
5	Bank BTPN Tbk.	2019	26,484,018,824,250
		2020	25,343,168,782,590
		2021	21,350,659,996,780
		2022	21,538,089,454,767
		2023	21,293,616,248,697

Source: processed data (2025)

Based on Table 4, the market capitalization data of the banking sector for the 2019–2023 period shows significant differences among companies as well as fluctuations from year to year. Bank Permata Tbk. recorded the highest market capitalization in 2020 at IDR 74.03 trillion, although it declined in the following years to IDR 33.28 trillion in 2023. Bank Danamon Indonesia Tbk. tends to show a downward trend from IDR 38.51 trillion in 2019 to IDR 27.10 trillion in 2023. Bank Maybank Indonesia Tbk. reached its peak market capitalization in 2021 at IDR 22.22 trillion before declining to IDR 16.19 trillion in 2023. Meanwhile, Bank BTPN Tbk. exhibited relatively stable capitalization in the range of

IDR 21–25 trillion throughout the study period. PT Bank Ganesha Tbk. had the lowest market capitalization among the sample, although it experienced a significant surge in 2021 to IDR 2.60 trillion. These variations in market capitalization reflect differences in the size and market strength of each bank, which can potentially affect investor attractiveness as well as stock price stability, ultimately impacting returns.

In addition to internal factors such as stock price volatility, trading volume, and market capitalization that influence stock returns, corporate reputation also plays an important role in strengthening or weakening this relationship. According to Fombrun (2019), corporate reputation is the collective perception formed by stakeholders regarding a company's ability to consistently deliver value compared to its competitors, based on experience, information, and long-term interactions.

Based on the description of the phenomenon, empirical studies, and the research gaps outlined earlier, this study aims to analyze the effect of stock price volatility, trading volume, and market capitalization on stock returns in banking companies listed on the Indonesia Stock Exchange during the study period. In addition, this study also examines the role of corporate reputation as a moderating variable, which is expected to strengthen or weaken the relationship between these capital market indicators and stock returns. This research is expected to provide theoretical contributions to the development of capital market studies, as well as practical implications for investors and company management in managing reputation to optimize stock returns.

Literature Review

Signalling Theory

Signalling theory, introduced by Spence (1973), is based on the assumption that under conditions of information asymmetry, managers or internal parties of a company possess more complete information compared to investors or external parties. This information gap can create uncertainty in investment decision-making. To address this issue, management seeks to send signals or credible information to influence market perceptions. These signals can take the form of financial reports, strategic policies, or non-financial aspects such as corporate reputation. In the context of the capital market, corporate reputation serves as a strong signal because it reflects management credibility, governance quality, and performance consistency (Herbig & Milewicz, 1993).

Theory: Efficient Market Hypothesis

The Efficient Market Hypothesis (EMH), proposed by Fama (1970), states that stock prices fully reflect all available information, both public and non-public, quickly and accurately. In an efficient market, any new information is immediately integrated into stock prices, so no investor can consistently achieve abnormal returns through analysis of public

information (Malkiel & Fama, 1970). Corporate reputation, as part of widely known public information, will be quickly responded to by the market and reflected in stock prices. Thus, the Efficient Market Hypothesis asserts that the effect of reputation will be directly distributed across market indicators such as volatility, trading volume, and market capitalization.

Stock Returns

Stock return is the profit earned by investors from changes in stock prices, reflecting the difference between the current stock price and the previous stock price. This means that if the stock price increases, the profit earned by investors will also rise. According to Tandellin (2017), return is an important factor that can motivate investors to invest, as well as serve as a reward for their willingness to face investment risks. Return reflects the rate of return received by investors from their investment activities. Stock return consists of two main components: capital gain (loss or profit resulting from changes in stock prices) and dividend yield (profit from dividend distribution). An increase in stock prices will raise capital gains, which positively impact stock returns (Brigham & Houston, 2002).

Stock Price Volatility

Stock price volatility refers to the magnitude of changes or fluctuations in stock prices influenced by information emerging in the capital market. Volatility is a statistical measure of stock price fluctuations over a certain period (Irma, 2017). When stock price volatility increases, the likelihood of significant price changes, either upward or downward, also becomes greater. These price changes occur as new information enters the market. In an efficient market, prices quickly adjust to reflect the latest information. Stock price volatility is an important consideration for market participants in formulating appropriate investment strategies (Krisna D et al., 2016).

Stock Trading Volume

According to Hartono (2017), stock trading volume (trading volume activity) refers to the measure of the number of specific shares being traded. This can reflect the ease of trading those shares. Stock trading volume can be observed through the trading volume activity indicator, which is the ratio of the number of shares traded during a certain period to the number of shares outstanding in the same period. Meanwhile, according to Merthadiyanti et al. (2019), stock trading volume or trading volume activity represents the number of shares sold in each transaction occurring on the stock exchange at a specific time and for a specific stock. Stock trading volume also affects stock price movements. Trading volume is measured by comparing the number of shares traded in a given period to the number of shares outstanding at that time. In general, stock trading volume is the total of all buying and selling transactions conducted by investors. This trading volume is often used as a benchmark to analyze the impact of various events on the stock market.

Market Capitalization

Market capitalization is the value of a public company that has listed its shares on the stock exchange. The size of market capitalization generally serves as one of the attractions for investors when selecting stocks (Fakhrudin, 2008). Market capitalization, or market cap, is a measure of an asset's market value, calculated by multiplying its current price by its circulating supply (Sihombing, 2021).

Market capitalization represents the value of a public company that has listed its shares on the stock exchange (Manurung et al., 2009). Market capitalization is calculated by multiplying the closing market price by the total number of shares issued (Wijayanto, 2016). It refers to the price of a company that would need to be paid if someone wanted to acquire the entire company. Furthermore, market capitalization indicates the size of a company based on the value of its outstanding shares over a certain period (Yusra, 2019).

Company Reputation

Fombrun (1996) defines corporate reputation as the collective perception held by various stakeholders toward a company, reflected in its past performance and anticipated prospects, compared to its main competitors. This definition emphasizes that reputation is not only the result of current performance but also the public's expectations regarding the sustainability of future performance.

Roberts and Dowling (2002) state that corporate reputation is an intangible asset acquired through a series of consistent actions, transparency, and integrity. A good reputation can provide a competitive advantage, enhance stakeholder trust, and contribute to long-term financial performance. This definition highlights reputation as a form of social capital with strategic value for the company.

Conceptual Framework

Based on the Efficient Market Hypothesis, information regarding a company's size, as reflected in its market capitalization, when combined with a positive reputation, will be quickly integrated into the stock price. This can trigger a more favorable market reaction compared to companies with large capitalization but a weak reputation. Conversely, for companies with small market capitalization, a good reputation can offset perceptions of higher risk, allowing the market to still assess the return prospects positively. Thus, corporate reputation has the potential to strengthen the relationship between market capitalization and stock returns, both for large and small companies, through its influence on investors' interpretation of existing signals. Based on this discussion, the conceptual framework proposed in this study can be illustrated as follows:

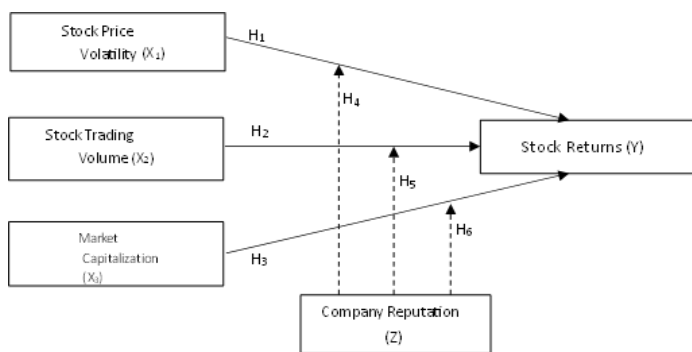


Figure 1. Conceptual Framework

Methodology

Type of research

According to Hardani et al. (2020), a research method is a scientific way to obtain data or information as it is, rather than as it should be, with specific purposes and uses. The type of research employed is quantitative research. According to Hair et al. (2021), quantitative research places a strong emphasis on the use of standardized formal questions and predetermined answer choices in questionnaires or surveys administered to a large number of respondents. The research method used in this study is associative, which examines the relationship between two or more variables by testing hypotheses related to the research title. The variables analyzed in this study include the independent variables: stock price volatility (X₁), stock trading volume (X₂), and market capitalization (X₃); the moderating variable: corporate reputation (Z); and the dependent variable: stock return (Y).

Research Location and Time

The study was conducted on financial sector companies listed on the Indonesia Stock Exchange. Therefore, the data were obtained from the IDX and presented in the form of annual financial reports of the banking sector from 2019 to 2023. The research period began in October 2024 and continued until completion.

Population and Sample

According to Sugiyono (2019), a population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then drawn conclusions from. In this study, the population consists of 45 banking sector companies listed on the IDX from 2019 to 2023. According to Sugiyono (2019), a sample is a portion of the number and characteristics possessed by the population. Sampling measurement is a step to determine the sample size to be taken in researching an object. The sample size can be determined using statistical methods or based on research estimates.

Sampling must be conducted in such a way that the resulting sample can truly function to represent the actual condition of the population; in other words, it must be representative. In this study, the sampling

technique used is non-probability sampling with purposive sampling. According to Sugiyono (2019), purposive sampling is a technique for selecting data sources based on certain considerations. The reason for using purposive sampling is that not all samples meet the criteria relevant to the phenomenon being studied. Therefore, the researcher selected purposive sampling, which establishes specific considerations or criteria that must be met by the samples used in this study. Consequently, the sample in this study consists of 22 financial sector companies listed on the Indonesian Stock Exchange. In this research, the total number of observations is 22 companies × 5 years = 110 financial report observations.

Data Analysis Method

The analysis method used in this study is a quantitative data analysis method. The analysis is conducted by processing the data using Microsoft Excel and E-Views, which are the data analysis tools employed in this research.

Results

Research Data Overview

Descriptive statistics are used to describe the characteristics of the data before conducting further analysis. This analysis includes the mean, median, maximum value, minimum value, and standard deviation of each research variable. The descriptive statistical results for the research variables are presented in the following table:

Table 5. Descriptive Statistical Analysis Results

	Y	X ₁	X ₂	X ₃	Z
Mean	1.66E-07	-3.82E-07	-3.78E-06	-1.09E-06	-3.64E-07
Median	-0.437968	-0.309327	0.629667	-0.693393	-0.436364
Maximum	12.40272	3.049210	5.373954	7.445874	0.563636
Minimum	-1.195502	-1.340093	-11.12452	-4.178516	-0.436364
Std. Dev.	1.863431	1.040795	3.331165	2.887618	0.498204
Observations	110	110	110	110	110

Source: processed data (2025)

Interpretation of the table explanation as follows:

1. The stock return variable (Y) has an average value of 0.000000166 with a median of -0.437968. The maximum value reaches 12.40272 for PT Bank Jago Tbk in 2019, while the minimum value is -1.195502 for Bank Raya Indonesia Tbk in 2022. This indicates a considerable difference in return levels among the banking companies studied. The standard deviation of 1.863431 signifies a relatively high variation in stock returns, reflecting a significant degree of return volatility.
2. The stock price volatility variable (X₁) shows an average of -0.000000382 with a median of -0.309327. The maximum value of 3.049210 occurs for PT Bank Jago Tbk in 2019, while the minimum value of -1.340093 occurs for PT Bank BTPN Tbk in 2023, indicating

diverse price fluctuations among the banks. The standard deviation of 1.040795 is relatively moderate, suggesting that differences in volatility across banks are not overly extreme but still significant.

3. The stock trading volume variable (X_2) has an average value of -0.00000378 with a median of 0.629667 . The value range is quite wide, from -11.12452 for PT Bank Sinarmas Tbk in 2023 to a maximum value of 5.373954 for PT Bank KB Bukopin Tbk in 2023, indicating a high level of variation in stock liquidity among the banks. The standard deviation of 3.331165 further reinforces the presence of substantial differences in stock trading intensity within the banking sector.
4. The market capitalization variable (X_3) has an average value of -0.00000109 with a median of -0.693393 . The maximum value of 7.445874 occurs for PT Bank Rakyat Indonesia Tbk in 2023, while the minimum value of -4.178516 occurs for PT Bank Bumi Arta Tbk in 2019, indicating a wide disparity in capitalization sizes among the banks. The standard deviation of 2.887618 reflects substantial heterogeneity in the market scale of the banks examined.
5. The corporate reputation variable (Z), which serves as the moderating variable, has an average value of -0.000000364 with a median of -0.436364 . The maximum value reaches 0.563636 for Bank Raya Indonesia Tbk in 2021, while the minimum value of -0.436364 occurs for PT Bank Jago Tbk in 2019, indicating a noticeable variation in corporate reputation among the banking companies. The standard deviation of 0.498204 is relatively small compared with the other variables, suggesting that reputation levels tend to be more consistent across banks. The regression results show that variable Z has a negative value. This negative sign should not be interpreted as a substantively negative effect; rather, it is a mathematical consequence of the centering process applied to the dummy variable. After centering, the original dummy values of 0 and 1 are transformed into values relative to their mean, meaning that 0 becomes negative and 1 becomes positive. Therefore, the negative sign on variable Z does not indicate its true directional effect, but is instead the result of data transformation aimed at improving the stability and accuracy of the regression model (Ghozali, 2021).

Discussion

The effect of stock price volatility on stock returns

The regression analysis results show that the stock price volatility variable has a coefficient of 0.840302 with a p-value of 0.0000 , indicating that stock price volatility has a positive and significant effect on stock returns. This suggests that the higher the level of stock volatility, the greater the opportunity for investors to obtain higher returns due to the potential gains arising from significant price fluctuations.

The influence of stock trading volume on stock returns

The regression analysis results show that the stock trading volume variable has a coefficient of -0.068210 with a p-value of 0.1798 , indicating that stock trading volume does not have a significant effect on stock returns. This suggests that high trading activity does not necessarily reflect profit opportunities for investors and is therefore not strong enough to influence the level of stock returns.

The effect of market capitalization on stock returns

The regression analysis results show that the market capitalization variable has a coefficient of 0.101850 with a p-value of 0.0952 , indicating that market capitalization does not have a significant effect on stock returns. This finding suggests that the size of a company's market capitalization does not directly determine the level of investment returns; instead, other factors play a more dominant role in influencing stock returns.

Corporate reputation moderates the influence of stock price volatility on stock returns

The regression results show that the interaction between stock price volatility (X_1) and corporate reputation (Z) ($X_1 \cdot Z$) has a coefficient of -1.402336 , meaning that every one-unit increase in the interaction between stock price volatility and corporate reputation will reduce stock returns by 1.402336 . With a t-statistic of -4.222920 and a p-value of 0.0001 (< 0.05), it can be concluded that the $X_1 \cdot Z$ interaction has a negative and significant effect on stock returns.

Corporate reputation moderates the influence of stock trading volume on stock returns

The regression results show that the interaction between stock trading volume (X_2) and corporate reputation (Z) ($X_2 \cdot Z$) has a coefficient of 0.081031 , meaning that every one-unit increase in the interaction between stock trading volume and corporate reputation will increase stock returns by 0.081031 . With a t-statistic of 0.760209 and a p-value of 0.4489 (> 0.05), it can be concluded that the $X_2 \cdot Z$ interaction has a positive but not significant effect on stock returns. This finding indicates that although a good corporate reputation may strengthen the positive effect of high trading activity, this influence is not strong enough to produce a significant increase in returns.

Corporate reputation moderates the effect of market capitalization on stock returns

The regression results show that the interaction between market capitalization (X_3) and corporate reputation (Z) ($X_3 \cdot Z$) has a coefficient of -0.155103 , indicating that every one-unit increase in the interaction between market capitalization and corporate reputation will reduce stock returns by 0.155103 . With a t-statistic of -1.278051 and a p-value of 0.2041 (> 0.05), it can be concluded that the $X_3 \cdot Z$ interaction has a negative but not significant effect on stock returns. This finding suggests that although a large market capitalization in a company with a good

reputation may reflect stability and financial strength, it does not necessarily guarantee an increase in returns. In some cases, investors may perceive that large, highly reputable companies tend to experience more moderate growth, resulting in relatively limited returns.

Conclusion

Based on the research results and the discussion presented earlier, the conclusions of this study are as follows:

1. Stock price volatility has a positive and significant effect on stock returns, as indicated by a regression coefficient of 0.840302, a t-statistic of 5.356191, and a p-value of 0.0000 (< 0.05).
2. Stock trading volume has a negative but not significant effect on stock returns, as indicated by a regression coefficient of -0.068210, a t-statistic of -1.350303, and a p-value of 0.1798 (> 0.05).
3. Market capitalization has a negative but not significant effect on stock returns, as indicated by a regression coefficient of -0.101850, a t-statistic of -1.675273, and a p-value of 0.0952 (> 0.05).
4. Corporate reputation negatively and significantly moderates the effect of stock price volatility on stock returns, as indicated by an interaction coefficient ($X_1 \cdot Z$) of -1.402336, a t-statistic of -4.026280, and a p-value of 0.0001 (< 0.05).
5. Corporate reputation does not moderate the effect of stock trading volume on stock returns, as indicated by an interaction coefficient ($X_2 \cdot Z$) of 0.081031, a t-statistic of 0.758216, and a p-value of 0.4489 (> 0.05).
6. Comparative analysis also reveals a significant difference in the magnitude of investor sentiment between banking companies on the IDX and Bursa Malaysia. Investor sentiment in the IDX is significantly higher than in Bursa Malaysia, reflecting markedly different investor characteristics and market dynamics between the two countries.

Future research is recommended to broaden the scope and deepen the mechanisms that explain inconsistent results. In the short term, researchers can examine the relationships between variables in other sectors on the Indonesia Stock Exchange (IDX), compare bullish and bearish market periods, or observe differences between institutional and retail investors in influencing stock returns. In the long term, studies can develop models by incorporating macroeconomic variables (inflation, interest rates, exchange rates), investor psychological variables (sentiment, herd behavior), or mediating variables such as corporate governance to gain a deeper understanding of the role of corporate reputation. Methodological approaches can also be enhanced, for example, by using panel data to capture long-term dynamics or conducting comparative studies across sectors to achieve stronger generalizations regarding the effects of volatility, trading volume, market capitalization, and corporate reputation on stock returns.

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