

ABSTRACT

Investment development for corporate bonds in Indonesia continues to increase, especially in the year 2000 until 2007. Of course, be interesting to see how the perception of investors on the investment in corporate bonds, because corporate bonds are riskier than government bonds. This perception for bond investors could be reflected by the value of the yield spreads between corporate bonds to government bonds. Yield spreads could be influenced by factors originating from internal condition, such as bond issuer and from an external condition, such as movements of risk-free interest rate instruments, for example the SBI. The purpose of this study is to analyze how the influence of SBI interest rate, bond liquidity, bond rating, return on equity (ROE) of the company to corporate bond yield spreads.

The samples of company are categorized into two business sectors, financial companies and non-financial companies. Objects in this study consisted of 74 financial companies and 60 non-financial companies. Types of data used are secondary data obtained from the Indonesian Bond Market Directory 2008-2009, Bank Indonesia, and PT. Pefindo. The analysis used is Multiple Linear Regressions for both samples model. SPSS statistical testing with the independent variables for both regressions model, among others; level of SBI interest rates, bonds liquidity, bonds rating, and return on equity of the company. Then performed Chow Test to see whether using two regressions model based on financial and non-financial sector can influence stability of regression model.

The test results showed that the level of SBI interest rates has positive and significant effect to corporate bond yield spread for both models. It is can be recognized from calculation t value is 3,729 and 2,536 with level of significant is 0,000 and 0,014 for both models. Liquidity of corporate bonds has negative and not significant effect for both models. Bonds rating of the financial company has positive and significant effect, it is can be recognized from calculation t value is 2,317 with level of significant is 0,024. While for non-financial sector, has negative and not significant effect. Returns on equity of financial company has negative and not significant effect, while for non-financial sector, has negative and significant effect to corporate bond yield spreads. It is can be prove from t value is -2,087 with level of significant is 0,042. Chow Test results showed that using two regressions model did not influence the stability of regression model.

Keywords: *Corporate Bond Yield Spreads, Level of SBI Interest Rates, Bonds Liquidity, Bonds Rating, Returns on Equity.*