ABSTRACT

Bond rating is one that should be considered by investors before making an investment *bond. This is because bond rating provides an informative statement and provide signals about the probability of failure of a company's debt. In the bond rating process, rating agencies rate firms from various aspects, one of which is the company's financial data. Analysis of financial statements in the form of financial ratio analysis and statistical calculations can be used to detect an under or overvalued securities. Research on Indonesia's bond rating is still rare and research results have been found to show different results. Therefore, research should be repeated that test the ability of financial ratios in predicting bond ratings. The purpose of this study was to examine empirically the influence of managerial ownership, institutional ownership, quality auditors, profitability, liquidity and leverage on bond ratings on publicly traded companies listed on the Indonesia Stock Exchange.*

This study population is a publicly traded company listed on the Indonesia Stock Exchange (IDX) and registered in the ratings of bonds issued by PT. Pefindo from year 2005 to 2009. Study sample amounted to 114 companies selected by purposive sampling method. The data used are secondary data obtained from the Indonesia Stock Exchange (IDX) and PT. Pefindo, while data analysis using Logistic Regression analysis.

The results show that managerial ownership variables, institutional ownership,quality auditor, profitability significant positive effect on bond ratings, liquidity variables significant negative effect on bond ratings, while leverage has no effect on bond ratings.

Keywords: *Bond Ratings, Managerial Ownership, Institutional Ownership, Quality Auditor, Profitability, Liquidity and Leverage*