

ABSTRACT

As a kind of investment instrument, corporate bonds has its own interesting characteristic. Recently, corporate bond tends to be a promising alternative for investors to gain relatively high return in such situation which interest rate declines for times to times. From the corporates side, bonds are issued to meet their need of capital. In highly credit interest rate, to issue a bond is an effective way because of its cheapness and ease compare to have loan from the banks. Because of this provider and buyer availability in the market, corporate bonds become more frequently sold and traded. This will impact toward the bonds pricing. Many researches focusing on bonds pricing have different opinions about the variables impacting the change of bonds price.

This research studies about interest rate, bond liquidity, maturity and bond rating impact toward the price of the corporate bonds, which is listed in Indonesia Stock Exchange in 2004-2006.

*This research using regression test results an equation **The change of bond price= - 0,3264 interest rate - 0,025 liquidity + 0,137 maturity + 0,441 rating**. T-test results 0,000 degree of significancy of interest rate, 0,499 degree of significancy of liquidity, 0,001 degree of significancy of maturity, 0,000 degree of significancy of rating. The result shows that interest rate ,maturity and bond rating have an effect on positive significant to corporate bond price. Liquidity do not have an effect on significant to corporate bond price.*

Key words : Corporate bonds, interest rate, bond liquidity, maturity, bond rating