

**DYNAMICS OF CORPORATE BOND YIELDS ON INDONESIA STOCK
EXCHANGE-EMPIRICAL TEST OF THE INTEREST RATE, TIME TO
MATURITY AND COUPON RATE TO CORPORATE BOND YIELDS
SPREAD PERIOD OF 2009-2013**

THESIS

**Presented as Partial Fulfillment of the Requirements for the Degree of
Sarjana Ekonomi (S1)
in International Business Management Program Faculty of Economics
Universitas Atma Jaya Yogyakarta**



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**FACULTY OF ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA
2015**

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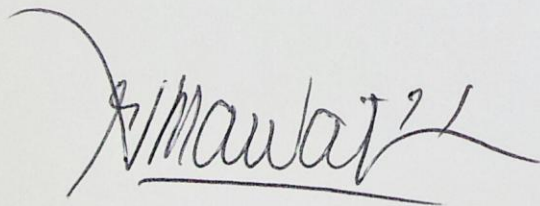
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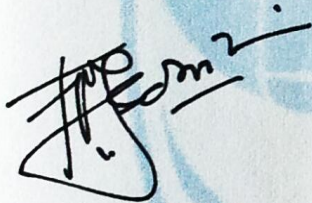
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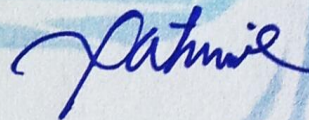
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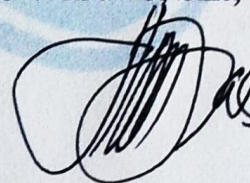


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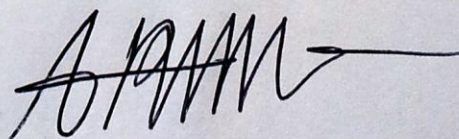
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**Is really my own thinking and writing, I fully acknowledge that my writings
does not contain others' or part (s) of others' writing except for those that
have been cited and mentioned in references.**

Yogyakarta, February 11th 2015



Ni Made Ari Purnama Ningsih

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The author realizes that there are still many shortcomings in the preparation of thesis. Therefore, any suggestions and critics will be gladly accepted. The author hopes this thesis will be very useful for readers.

Yogyakarta, February 16th 2015

Ni Made Ari Purnama Ningsih

TABLE OF CONTENTS

	Pages
TITLE PAGE	i
APPROVAL PAGE	ii
COMMITTEE’S APPROVAL PAGE	iii
AUTHENTICITY ACKNOWLEDGEMENT.....	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	x
LIST OF FIGURES.....	xii
LIST OF APPENDIXES.....	xiii
ABSTRACT	xiv
Chapter I INTRODUCTION	1
1.1. Research Background.....	1
1.2. Problem Statement	8
1.3 Scope of the Research.....	8
1.4 Originality of Writing.....	9
1.5 Objective of the Research	9
1.6 Benefit of the Research	9
1.7 Writing Systematic	11
Chapter II LITERATURE REVIEW.....	12
2.1 Theoretical Background	12
2.2 Previous Research	24
2.3 Hypothesis Development	27

Chapter III RESEARCH METHODOLOGY	29
3.1 Sampling.....	29
3.2 Data Gathering and Data Analysis	31
3.3 Variable and Variable Measurement.....	32
3.4 Method of Analysis	35
3.5 Hypothesis Testing.....	39
Chapter IV DATA ANALYSIS	40
4.1 Image of the Research.....	40
4.2 Data Analysis	40
4.2.1 Descriptive Statistical Test	41
4.2.2 Augmented Dickey-Fuller Test	42
4.2.3 Engle Granger Cointegration Test	46
4.2.4 Error Correction Model	52
4.2.5 Hypothesis Testing	56
Chapter V CONCLUSION AND RECOMMENDATIONS	59
5.1 Conclusion.....	59
5.2 Recommendations	60
5.3 Research Limitations	60
REFERENCES	
APPENDIXES	

LIST OF TABLES

	Pages
<u>Table 1.1 Indonesia Bonds Fund Raised in Primary Market (trillion Rp)</u>	5
<u>Table 1.2 Corporate Bond</u>	6
<u>Table 1.3 Top 10 Outstanding by Business Sector (2012)</u>	6
<u>Table 2.1 Summary of Previous Research</u>	26
<u>Table 3.1 Sample of Research</u>	29
<u>Table 4.1 Descriptive Statistical Analysis</u>	41
<u>Table 4.2 ADF Test SBIRATE on Level Stage</u>	43
<u>Table 4.3 ADF Test of SBIRATE on First Difference Stage</u>	43
<u>Table 4.4 ADF Test of TTM on Level Stage</u>	44
<u>Table 4.5 ADF Test of CORATE on Level Stage</u>	45
<u>Table 4.6 ADF Test of Yield Spreads on Level Stage</u>	45
<u>Table 4.7 Regression Result of SBIRATE and YS</u>	47
<u>Table 4.8 Resid01- SBIRATE and YS</u>	48
<u>Table 4.9 Regression Result of TTM and YS</u>	49
<u>Table 4.10 Resid02 - TTM and YS</u>	50
<u>Table 4.11 Regression Result of CORATE and YS</u>	51
<u>Table 4.12 Resid03 - CORATE and YS</u>	52
<u>Table 4.13 Error Correction Model SBIRATE and YS</u>	53
<u>Table 4.14 Error Correction Model TTM and YS</u>	54
<u>Table 4.15 Error Correction Model CORATE and YS</u>	55

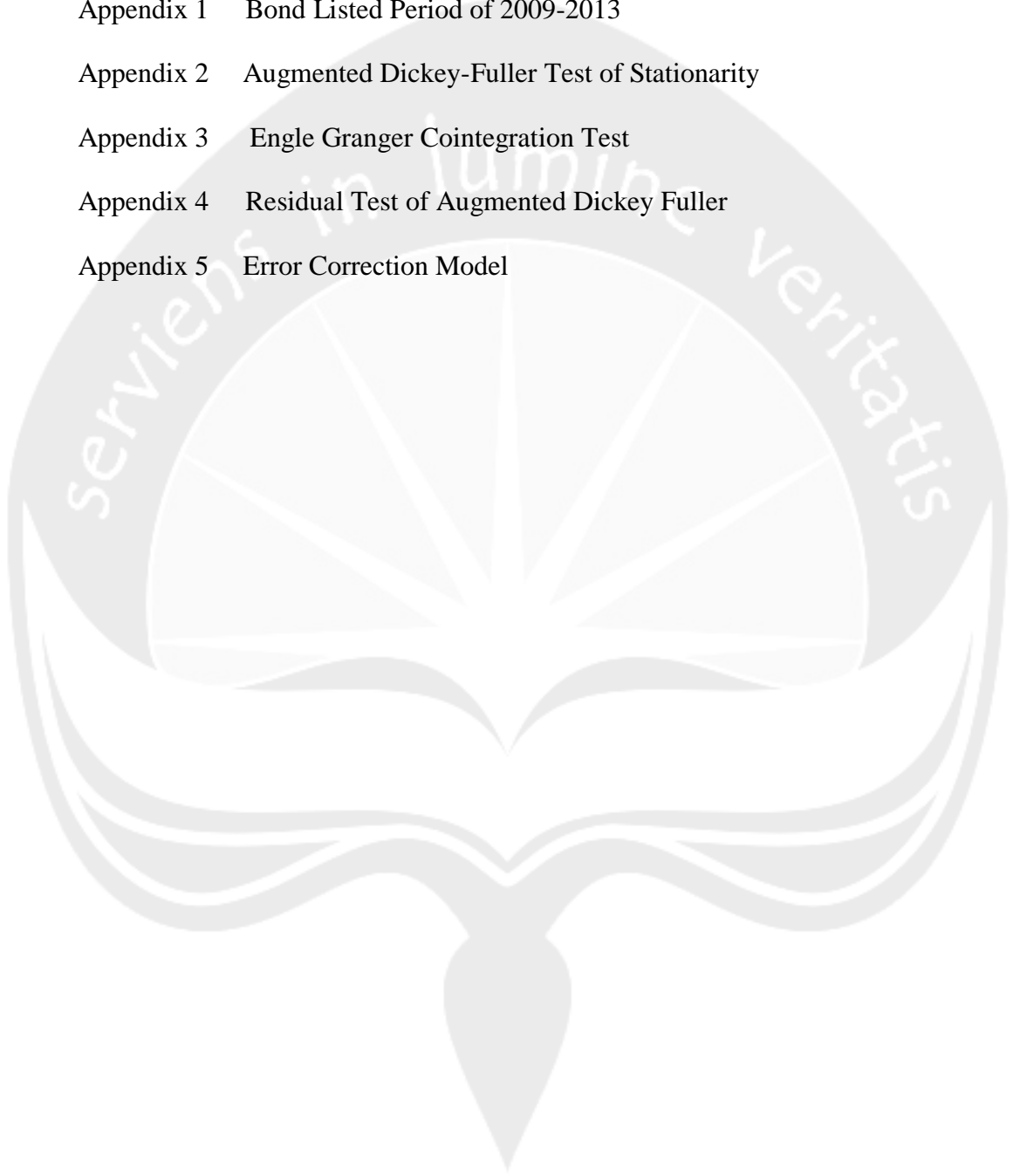
LIST OF FIGURES

	Pages
Figure 3.1 The Change of SBI Tenor	33



LIST OF APPENDIXES

- Appendix 1 Bond Listed Period of 2009-2013
- Appendix 2 Augmented Dickey-Fuller Test of Stationarity
- Appendix 3 Engle Granger Cointegration Test
- Appendix 4 Residual Test of Augmented Dickey Fuller
- Appendix 5 Error Correction Model



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Abstract

The purpose of this research is to measure the effects of Sbi rate, time to maturity and coupon rate to yield spreads of corporate bonds in Indonesia period of 2009-2013. Stationarity test of Dickey-Fuller is used as basic test for a non-stationarity of each variable used, cointegration test of Engle-Granger, and Error Correction Model are used to test the long-run and short-run equilibrium relationship between those variables. The finding of this research are Sbi rate, time to maturity, and coupon rate are cointegrated and affect significantly to the yield spreads. The result of Error Correction Model test of the variables shows SBI Rate, Time To Maturity, and Coupon Rate can be better to explained the change of Yield Spreads in short-run equilibrium relationship. This result is according to the value of adjusted r-Squared in short-run equilibrium relationship is greater than adjusted r-Squared value in long-run equilibrium relationship.

Keywords: Sbi rate, time to maturity, coupon rate, yields spreads