ABSTRACT

In the United States on 2008 there was a crisis and the impact of bankruptcy in the financial world. The main cause is subprime mortgages, where credit risk stalled and caused a global economic crisis that swept across the world. According to Rizal (2016), risk not only affects stocks, but also bonds. Since the global crisis has occurred, the risk of bankruptcy on corporate bonds is linked to market and credit risks. Market risk can be seen from interest rate and inflation rate, while credit risk is credit spreads rate.

This study aims to find out more about return of CSPI and inflation on credit spreads rate bonds in Indonesia. The data used in this study are secondary data, including Yield to Maturity (YTM), Inflation, and Composite Stock Price Index (CSPI). Data on YTM is obtained from IBPA (Indonesia Bond Pricing Agency). Inflation data is obtained from Bank Indonesia. JCI data obtained from Yahoo Finance. The research objects are Indosat and Government Bonds (FR Series Code) in the 2011-2015 research period.

This research uses quantitative method, with descriptive purpose. Data processing uses multiple linear regression analysis found in Microsoft Excel and SPSS 20 for Windows Software.

The results obtained in this study there are 14 variables credit spreads rate, the result indicate that the return of Composite Stock Price Index (CSPI) and Inflation both have a significant effect on Credit Spreads Rate. However, return of CSPI isn't too influential on Credit Spreads Rate due to data used in one year.

Keywords: Inflation, Return of CSPI, Yield to Maturity, Credit Spreads Rate