

ABSTRACT

Default Risk is the most avoided by investors. Default Risk is a situation in which the counterparty party can not fulfill its obligation to pay in full either at maturity or thereafter. Since the Subprime mortgage of 2008, Default Risk or bankruptcy risk affects corporate bonds, where risk is directly linked to market risk and credit risk. Research conducted by Rizal (2016) shows that the price of bonds is related to both risks. Market risk can be seen from return of interest rate and inflation rate. While the representation of Credit Risk is in the form of Credit Spreads Rate, which is where Credit Spreads Rate is also directly related to Rupiah Exchange Rate to foreign currency, and Market Risk such as interest rate and Inflation.

The purpose of this study is to determine the effect of exchange rate of Rupiah and Composite Stock Price Index (IHSG) simultaneously (simultaneously) to Credit Spreads Rate Bonds in Indonesia in 2012-2016. In addition, to determine the effect of exchange rate of Rupiah and Composite Stock Price Index (IHSG) partially to Credit Spreads Rate of Bonds in Indonesia in 2012-2016.

Data used in this research is secondary data. Secondary data in this research, among others, Daily Yield to Maturity (YTM) of Government Bonds and Corporate Bonds processed resulted Credit Spreads Rate, Daily Rupiah Exchange Rate Value to USD, and IHSG Rate. The data is processed using SPSS software with multiple regression method. Purposive Sampling retrieval technique is obtained as many as 15 pairs of Credit Spreads Rate of population. Bonds published in 2012-2016.

The results showed that the exchange rate of Rupiah and JCI Rate simultaneously affect the Credit Spreads Rate of Bonds in Indonesia in 2012-2016. Exchange Rate shows a significant influence on Credit Spreads Rate Bonds in Indonesia in 2012-2016, there are differences in direction of influence due to differences in the year of each bond issue. Meanwhile, the IHSG Rate only affects the newly issued Credit Spreads Rate Bonds.

Based on the conclusions about the effect of Rupiah Exchange Rate and Composite Stock Price Index (IHSG) Rate on Credit Spreads Rate of Bonds in Indonesia in 2012-2016. So the authors provide advice to pay attention to the movement of Rupiah Exchange Rate variable to overcome the movement of weakening Rupiah Exchange Rate. In addition, the authors suggest to pay attention to the movement of JCI daily because it has a positive effect on the Credit Spreads Rate period 2012-2016 on newly issued bonds.

Keywords: Rupiah Exchange Rate, Composite Stock Price Index (IHSG), Credit Spreads Rate

