SUMMARY

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In 2011 - 2014 the increasing of capitalization of bonds market is continue rising compared to the stock market, from 16% in 2011 and increased to 18% in 2014. Bond based on issuer is composed of two types, there are government bonds and corporate bonds. Based on data from the Indonesia Stock Exchange, government bonds have a higher trading volume than corporate bonds. It shows that government bonds more attractive to investors than corporate bonds. So, it's explain that government bonds more attractive as an alternative investment as low-risk instruments compared to other investment instruments such as stocks. In addition, government bonds have a lower risk than corporate bonds because the government has a very small chance to default. However, based on data from the Indonesia Stock Exchange, that the yield on government bonds lower than corporate bonds, while the purpose of the investor to invest is a high profit. This is because the coupon that given by government bonds are lower than corporate bonds' coupon and maturity of government bonds is very lengthy. In addition, government bonds also has a risk of price changes. The sensitivity risk of the price change is measured by duration.

For the government, the issuance of bonds are as a fiscal instrument for financing the State's Budget (APBN). Therefore, every year the government continue to issue and trade many types of bonds with different characteristics. Based on previous researches, the characteristics of each bond can affect the risk of changes in bond prices. Changes in bond prices will affect the yield that obtained by the investor. Therefore, investors need to consider internal factors such as the duration, coupon and maturity to invest in government bonds.

In addition, the bonds are one of the long-term capital market instruments that could be affected by the government's monetary policy. Macroeconomic variables such as interest rate, inflation and the exchange rate are macroeconomic variables that affect each other. In addition, the three variables are the external factors that can influence bond, then the bond price changes will lead to changes the value of bond yield. However, some studies give different results for the influence of external factors on the yield of each object of government bonds. Referring to the problems above, this study aims to analyze the influence of internal and external factors on the yield of government bonds in the year 2011-2014.

Yields in this study is yield to maturity. Data retrieval is taking a list of types of government bonds issued in 2011 - 2014, and traded by the Indonesia Stock Exchange either not yet due or overdue and macroeconomic variables that published by Bank Indonesia. The sampling technique used purposive sampling method with consideration of two criteria. These samples included 18 samples of 108 populations are divided into four types of bonds, there are bonds with fixed coupon are FR series and ORI series, Islamic bonds or sukuk is IFR series and bonds with zero coupon is the SPN series in the period 2011 - 2014.

This study uses a VAR / VECM model, with the yield on short-term, very few variables that were significant because the bonds are long-term instruments, So that in the short term variables that affect only the duration, coupon, interest rates and inflation. In the long term that can be seen from the results of Impulse Response Function, internal factors are the duration has a significant influance negatively of bonds yield ORI series and IFR series, maturity had a significant positive influance to yield four types of bonds and coupons have a significant positive influance for bond yields IFR series, while the coupon has a significant negative influance to bond yield series ORI. An analysis of the influence of coupon to yield bonds series ORI is not consistent with the hypothesis because, in bonds ORI higher the value of the coupon it will reduce the sensitivity of the price and will reduce the value of the bond yield. For external factors, interest rates have a positive influance to yield three types of bonds, except ORI bonds, inflation has a negative influance to the yield of three types of bonds except for ORI, while the exchange rate has no influence on bond yields both long term and short term.

In addition, the effect of the relationship between variables and yield, in this study get the result that each bonds have different variable percentage of effect. For the series FR and IFR biggest influence variable is the interest rate, the series ORI biggest influence variable is duration, and the series SPN biggest influence variable is maturity.

Keywords: characteristics bond, macroeconomy, government bond, bond yield, VAR/VECM