SUMMARY

MIFTAHUL MASYHURI. Effect of Macroeconomic Indicators toward Government Bonds Price in The Secondary Market. Supervised by MUHAMMAD FIRDAUS and TUBAGUS NUR AHMAD MAULANA.

One of the alternative taken by the government to fulfill the budget deficit besides from tax-income and non-tax state income is by issuing Government Securities (SBN). According to Utari (2010), the budget deficit financing is currently more focused on the bonds issuance (Surat Utang Negara, SUN). APBN deficit financing with bond issuance is very strategic because it is a type of sustainable financing by the concept of refinancing. Budget deficit encourage Governments to issue bonds, which aims to attract people fund and shore up the APBN.

This research uses qualitative and quantitative descriptive methods i.e. give an overview over Fixed Rate instrument price movements compared to some other investment instruments and analyze the influence of macroeconomic indicators (BI Rate, IHSG, exchange rate) and Treasury Bill (T-Bill) towards Fixed Rate instrument in the secondary market.

Technique of data analysis in this research is quantitative descriptive analysis. Analytical tools that used in this research is the Data Panel Regression and Ordinary Least Square (OLS) by using E-views software version 8.0. From the results of the research can be obtained that macroeconomic variable composite stock price index (IHSG), the exchange rate of rupiah, Bank Indonesia Rate and T-Bill have significant effects against the price of government bonds on the secondary market. Variables that influence positively to the bond’s price in the secondary market is the IHSG and T-Bill, while variables that influence negatively to bond’s price on the secondary market is the exchange rate and BI Rate.

Keywords : bond price, fixed rate instrument, macroeconomic indicators.