SUMMARY

RIZAVIA MARDHIKA PUTRI Analysis The Effect Of Coupon, *Maturity*, Liquidity and Rating in Banking Bonds, Supervised by HERMANTO SIREGAR and TRIAS ANDATI.

Issue of bonds is an effort by the Bank to increase components of supplementary capital (Tier 2). In Basel III regulations issuing bonds can only be calculated at a maximum of 100% of the Bank's Core Capital. Nowdays in Indonesia the corporate bond market capitalization is dominated by the Banking sector. Banks as issuer of banking bonds, needs a strategy to issue bonds. Bond, *Yield* is the most important factor as a consideration for investors to buy bonds as investment instruments. Investors will calculate the amount of investment income for the funds bought by the bonds using a *Yield* measuring instrument (Rahardjo 2003). Banks as bond issuers must be able to offer attractive bonds for investors by promising the best *Yield* on these bonds, so that the target of funding through bond emissions can be achieved.

This study analyze the effect of coupons, *maturity*, liquidity and bond *rating* of the banking sector bonds on bond *Yield*s and forecasted the *Yield* of banking bonds in the next one year and 4 quarter. The research period in the 3 quarter of 2014 to the 3 quarter of 2018. The sample used in the study was Bank bonds which were actively traded in the bond market during the study period, there are 14 Bonds issued from 7 Banks of BUKU 3. *Yield* used in *Yield* To *Maturity* research is dependent variable and coupon, *maturity*, liquidity and bond *maturity*. The panel data analysis method is used in the research after testing the best model so the fixed effect model is selected in the study.

The results showed that the R-square value was 78.73%. The coupon and *maturity* variables have a significant positive effect on the level of α = 5%. While the bond *maturity* variable has a negative effect on bond *Yield*s at the level of α = 5%, And the liquidity variable has not effect on bond *Yield*s. Furthermore, forecasting is done on bond *Yield*s. By using a forecasting model/method of time series relationship that is interpreted in the trend analysis chart in Minitab Software, there are 4 types of models to be chosen to right forecasting model, namely linear models, quadratic models, models exponential growth and S-Curve model. The result of forecasting 14 Bank bonds in the sample is that the majority of bond *Yield*s show a declining trend and only one Bank bond shows a increasing *Yield*.

Keywords: bonds, bonds forecasting, banks, yield to maturity