ABSTRACT

The default risk is the risk that each investor will avoid. Default risk is not only applied to the stock but also applied to other securities such as bond and its derivatives. Since the global crisis in 2008, it is obvious that default risk of bond and its derivatives were the evidence that such risk caused tremendous crisis for all over the world.. According to Rizal (2016), default risk are connected to market and credit risks using the reduced form method. Market risk can be seen through the rate of return and rate of inflation, while credit risk can be seen from the credit spread rate, where it is also connected to exchange rate, rate of return and rate of inflation.

The purpose of this research is to analyze the influence of Rupiah Exchange Rate and Interest Rate simultaneously on Credit Spreads Rate Bonds in Indonesia, to analyze the impact Rupiah Exchange partially on Credit Spreads Rate Bonds in Indonesia, as well as to analyze the influence of interest rates partially to Credit Spreads Rate Bonds in Indonesia.

The data used is secondary data, Yield to Maturity (YTM) of government bonds and corporate bonds are processed to produce Credit Spreads Rate bonds, as well as data middle rate of rupiah against the US dollar and the BI Rate. The data was processed using SPSS software with multiple linear regression model. The population is consist of bonds issued by governments and corporations obtained a sample of 15 that were selected by purposive sampling.

The results of this research shows that the Rupiah Exchange Rate and Interest Rate together (simultaneously) has an effect on Bonds Credit Spreads Rate in Indonesia 2011-2015 period. Rupiah Exchange Rate has a negatively significant influence Bonds Credit Spreads Rate in Indonesia period 2011-2015 amounted to -0.01 (-1%). Meanwhile, interest rates did not have a significant effect on Credit Spreads Rate Bonds in Indonesia 2011-2015.

Based on the results above, the authors provide suggestions for the variable exchange rate in order to always look at the movement or fluctuation of the rupiah to overcome attenuation Exchange Rate sharply. As for the interest rate used in this study is the BI Rate which change every month, then for subsequent studies suggest to use interest rate on each bond.

Keywords: Exchange Rate, Interest Rate, Credit Spreads Rate