Abstract

Bond rating is a measuring tool that allows investors to consider information about the expected returns and the risk to be borne by bonds in investing. Therefore, it is necessary to re-examine the factors affecting the rating of bonds.

This study aims to determine the factors that affect the rating of obigation. The variables studied are the ratio of leverage projected by the debt to equity ratio, the liquidity projected by the current ratio, the profitability projected by the return on assets and the activity projected by the total asset turnover. This research subject is a banking company rated by PT. PEFINDO in 2012 - 2016.

The sample selection technique used purposive sampling and obtained sample of 45 samples with 9 companies for 5 years. Data analysis model used in this research using logistic regression analysis technique using SPSS 22 software.

From this research, it can be found that the independent variables of leverage, liquidity, profitability and corporate activity are able to explain the variation of the dependent variable, the bond rating is 29.6% and the rest 70.4% is explained by other factors outside the variables studied

The results of this study indicate that the variable leverage, liquidity, profitability and activity significantly influence simultaneously to the rating of bonds. And leverage variables significantly negatively partially to the rating of bonds while liquidity, profitability and corporate activity does not significantly influence partially on the rating of bonds.

Key word : Bond rating, liquidity, profitability and activity