

ABSTRACT

There was scarcity on research about bond in Indonesia if compared with research on stock in Indonesia. It was happened because data limitation and this instrumen relatively newer than stock. Although recently bond instrument begin frequently sold and traded in Indonesia. Moreover researchs which focused on studying bond tend to lead to different conclusions whether the impact of variables which studied toward bond return. Thus research about bond is indispensable.

This research study about bond liquidity, coupon and maturity term impact toward bond return in Surabaya Stock Exchange. Data in this study is secondary data which provided by Surabaya Stock Exchange and Bisnis Indonesia Daily. 71 bond were obtained as sample in this study by using purposive sampling method. Multiple regression employed as data analysis technique.

The findings show that liquidity and coupon have positive and significant impact toward bond return, meanwhile maturity term have negative and significant impact toward bond return. Hence fixed income securities investor must pay attention toward bond liquidity, because more liquid bond tend to produce higher return. Investor also suggested to buy a bond which offer high coupon bond because can produce high bond return beside coupon yield. Finally investor can buy a bond which do not have long time of maturity because this kind of bond can produce higher return.

Keywords : Bond return, liquidity, coupon, and maturity terms.