

## CHAPTER V

### CONCLUSIONS AND IMPLICATIONS

#### A. Conclusion

The conclusion of this research based on the analysis of data about influence macroeconomic variable, consist of the BI rate, inflation, the exchange rate, GDP, and world oil prices toward Indonesian government bonds in 2007-2014 period as follows:

1. In simultaneous, the independent variables give influence to dependent variable is clearly. From the results of these estimates together variable BI rate, inflation, the exchange rate, GDP, and world oil prices could affect significantly in Indonesian government bond. While with partially have significant influence of BI rate, the exchange rate and GDP toward government bonds in Indonesia, while inflation and oil prices is not significant. The largest coefficient is GDP variable has coefficient of 1,285.612 with probability value of 0.0000, then followed of exchange rate variable, the BI rate, oil price, and inflation. Values constant of government bonds statistically significant until of 9,828.04 percent which means that the constant independent variables change consist of BI rate, inflation, exchange rate, GDP, and world oil prices, thus government bonds in Indonesia achieved 98,2804 trillion rupiah.
2. Based on the results of research, that the biggest elasticity is GDP variable with elasticity of  $(1,285.612) > 1$ , means that if GDP variable decrease of 1

percent, then offer bond changes will increase achieved 1,285.612 or > 1 with degree of freedom of 95 percent ( $\alpha=5$  percent), thus the GDP variable changes have an effect on changes of government bond.

3. Trend of government bond in Indonesia 2007-2014 period shows the trend is positive and significant and the trend prediction of Indonesian government bonds in 2017 is estimated at Rp548.72 trillion.

### **B.Implications**

1. For investor who will carry out the bond can be seen and noticed about macroeconomic variables especially of BI rate, inflation, the exchange rate, GDP and world oil prices as a reference in determining the right investment decisions. By seeing volatile of GDP, the exchange rate, and the BI rate as variables are quite influential and saw the development of government bonds in the secondary market it will facilitate the decision making right time in doing bonds. While knowing the change of variable inflation and oil prices also make reference to determine the effect on the yield will be received by investors. In addition, Government as a controller fiscal policy and Bank Indonesia is police maker of monetary should be able to maintain the stability of the value exchange rate USD / IDR, BI rate, inflation, GDP and the oil price as one of the indicators that influence the conduct of government bonds.
2. The Government as a determinant of policy decisions related to national income or GDP should be maintained the exchange rate movement which very volatile due to the influence of other currencies, because it affects of

GDP Indonesia growth. If the rupiah exchange rate strengthens it will increase GDP growth, because this variable as one of the factors that most elastic or influencetoward government bonds.

3. Based on the positive trend of government bonds for 2016 and 2017, the government should to harness this momentum by taking specific policies that can increase the value of government bonds and then suppose to the investment atmosphere or level in Indonesia be more increased and as an effort to reduce foreign debt owned by Indonesia.

### **C. Limitation of Research**

1. This research used data set from 8 years from 2007-2014 in quarterly, its used start from 2007-2014 because when used start from 2005 have detected autocolinearity and multicolinearity, and then used lag and start from 2007 to be free of autocolinearity and multicolinearity. Thus, the data to collect 32 data time series, and macroeconomic variables consist of BI rate, inflation, the exchange rate, GDP, and world oil prices toward Indonesian government.
2. Many others variables cannot used in this research because the limitation of the time, financial, knowledge and difficult to complete the data, these are IHK variable, money supply, level of rating bond, size of the firm, and debt to equity ratio.