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Analyze Factors Affecting Indonesia 10-Year Government Bond Yield Period 2021-2025

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Abstract: Bond investors can calculate investment income on the funds invested in these bonds using a yield measurement tool. Yield is used, which is the primary metric investors use to assess investment profitability, aid decision-making, and assess potential risk. Bond yields and their movements reflect information about economic prospects, risks, and market functioning. This study aims to analyze the variables that influence the Indonesian 10-year government bond yield. Government bond yields are crucial economic indicators because they reflect market expectations for future growth, inflation, interest rates, and signaling economic health. Rising yields often suggest growth/inflation fears, while falling yields signal economic slowdown or demand for safety; the yield curve's shape is a powerful recession predictor. The independent variables that influence Indonesia's 10-year government bond yield analyzed in this study are inflation, the BI rate, CDS, Brent oil, the percentage change in the IDR/USD exchange rate, and the percentage change in the 10-year Treasury yield. Based on the regression analysis, this study can be concluded that the variables with positive significant effects are the BI rate, CDS, and Brent Oil, while Inflation has negative significant effects. However, the percentage change in the IDR/USD exchange rate and the percentage change in the 10-year Treasury yield did not significantly affect.

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INTRODUCTION

A bond is a fixed-income investment product where individuals lend money to a government or company at a specified interest rate for a predetermined period (Fernando, 2025). Governments issue bonds to raise funds to pay for general expenses and projects such as the development of infrastructure. Selling a bond is a way by which the seller borrows from the buyer, or the buyer lends to the seller (Grittayaphong, 2022). The issuer (or borrower) of a bond promises to pay coupons as intermediate payments to the bondholder while the bond is yet to mature (or expire or complete its life) (Gokhale, 2023). In return, as bondholders, they typically receive periodic interest payments (known as the coupon), in addition to repayment of the principal when the bond matures.

The coupon or bond interest is the reward that must be paid by the bond issuer and is determined when the bond is first issued. Coupons cannot be used to measure bond performance because bond prices fluctuate. It is important for the investors to consider the amount of compensation they will get in return (Grittayaphong, 2022). Bond investors can calculate investment income on the funds invested in these bonds using a yield measurement tool (Wulandari, 2024). Yield is used, which is the primary metric

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investors use to assess investment profitability, aid decision-making, and assess potential risk. Yield is the return or percentage of profit obtained by an investor in a certain time period (Grittayaphong, 2022).

Government bond investors can come from within and outside the country. So far, foreign investors have played an important role in the bond market in Indonesia, but currently, it is experiencing a decline. A foreign investor exodus from Indonesia's bond market has driven holdings to the lowest in nearly two decades (Wirayani, 2025). Foreign investors are not the dominant force in the Indonesian bond market these days; their share of ownership has fallen to multidecade lows, with domestic investors now the primary anchor of demand.

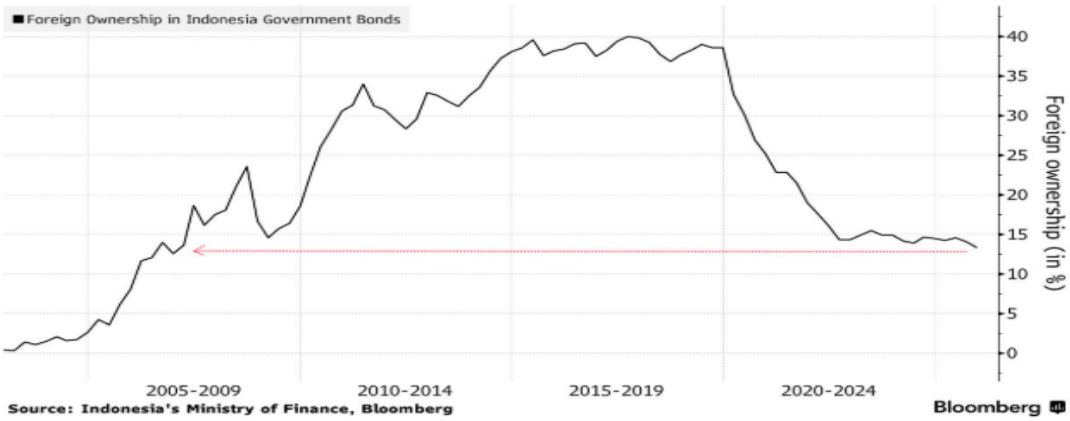

Figure 1: Foreign Ownership in Indonesian Government Bond
Source: Bloomberg.com (2026)

Foreign ownership of Indonesian government bonds has dropped significantly, reaching a low of around 13% of outstanding government bonds in late 2025, the lowest level since January 2007 (Chart 1). This is a sharp contrast to past years (e.g., 2017) when foreign investors held a much larger share (around 40%). The market is now predominantly driven by domestic liquidity. Domestic institutions, including local banks and Bank Indonesia (BI), have become the main buyers of government bonds, which helps to stabilize the market and reduce reliance on external capital flows.

A higher share of domestic ownership in Rupiah-denominated government bonds is considered safer as it lowers risks associated with currency fluctuations and sudden capital flight, which can cause a banking crisis. On the other hand, a decline in foreign ownership of government bonds can also be considered a danger signal because it can indicate a decline in foreign investor interest and confidence in government fiscal instruments, such as when concerns about fiscal policy widen, or it could also be due to legal and regulatory uncertainty.

Foreign ownership of government bonds dropped drastically from around 40% in early 2020 to only 13% by the end of 2025 (Chart 1), indicating that investor confidence in government bonds continued to decline after the COVID-19 pandemic. This is inseparable from the post-COVID-19 economic recovery, with more volatile markets due to high inflation, changes in investor behavior with risk-off sentiment, and the credibility of policies taken by the Indonesian government. Given this, it is deemed necessary to analyze the factors affecting government bond yields throughout 2021-2025, following the low foreign investor ownership of government bonds.

The 10-year Treasury bond yield is generally used as a reference for investors. Since Treasuries are backed by the U.S. government, they are viewed as one of the safest investments and are used as a baseline for many calculations (Grittayaphong, 2022). The 10-year US Treasury bond yield is a global benchmark because it is

considered a risk-free asset that reflects US economic and inflation expectations. It also serves as a benchmark for other risky assets, such as bonds from other countries and stocks, as it is considered a global benchmark interest rate. The 10-year bond maturity can provide a sufficiently long benchmark for projecting interest rates and borrowing costs in the medium term, relevant for mortgages, corporate loans, and other bonds.

Government bond yields are crucial economic indicators because they reflect market expectations for future growth, inflation, interest rates, and signaling economic health. Rising yields often suggest growth/inflation fears, while falling yields signal economic slowdown or demand for safety; the yield curve's shape (normal vs. inverted) is a powerful recession predictor. In essence, bond yields are a real-time barometer of economic sentiment, influencing everything from individual mortgages to national fiscal policy by reflecting what investors anticipate for the economy's future.

Inflation is the general increase in prices for goods and services over time, meaning your money buys less than it used to, effectively reducing its purchasing power. It's measured as a percentage rate, often annually, by tracking the cost of a "basket" of everyday items (like food, housing, energy) through price indexes like the Consumer Price Index (CPI). Key causes include strong consumer demand (demand-pull), rising production costs (cost-push), and increased money supply, leading to higher living costs and affecting savings. Indonesia's inflation, managed by Bank Indonesia (BI), is driven by volatile food prices (cost-push), core economic demand, and government policies, often kept stable through strong purchasing power and coordination, though recent trends show fluctuations from global factors, food shocks, and rupiah depreciation impacting costs.

Interest rate is the price of money. The BI Rate is Indonesia's benchmark interest rate set by Bank Indonesia (BI), acting as an economic thermostat to control inflation and stabilize the Rupiah, guiding banks to set their loan/savings rates. When BI raises the rate, borrowing becomes costlier to cool inflation; when lowered, it encourages spending, boosting economic activity. Announced monthly, it reflects BI's monetary stance, influencing everything from mortgages to business loans, ensuring financial stability.

The exchange rate is a floating value determined by supply and demand in the foreign exchange market and influenced by a variety of economic and political factors. The USD/IDR rate shows how many Indonesian Rupiah (IDR) you get for one US Dollar (USD), it reflects the strength of the USD versus the Rupiah, or vice versa, the IDR/USD rate shows how many USD you get for one IDR. The exchange rate is influenced by global economic factors like US interest rates, Indonesia's inflation, trade balance, and capital flows, with a weaker Rupiah benefiting Indonesian exporters but increasing import costs.

Inflation, interest rates, and exchange rates are the main factors influencing bond yields. Another factor that can also affect yield is credit risk. To measure the potential credit risk of a country's borrowers, use Credit Default Swaps (CDS). Credit Default Swaps are a key indicator of foreign investors' risk perceptions of sovereign debt. A high CDS reflects an increased risk of default, triggering capital outflows, weakening the exchange rate, increasing government/private borrowing costs, and reducing investor confidence in economic stability. Indonesia's CDS represents the market's perception of Indonesia's default risk on its government debt, acting like an insurance premium paid by investors for protection against potential bond defaults. Indonesia's CDS rate, often the 5-year CDS, is a key market indicator of perceived sovereign credit risk, with a premium paid annually in basis points (bps); a higher CDS rate means higher perceived risk (more chance of default), while a lower rate suggests lower risk, influencing borrowing costs and investor confidence.

In the Indonesian context, world oil prices can also affect the Indonesian economy due to Indonesia's status as a net oil importer (imports are greater than exports). Rising

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oil prices increase the burden of fuel subsidies in the state budget, drive inflation due to increased logistics and production costs, and depress the exchange rate. Brent Oil movements are more relevant for Indonesia because Brent Oil is a global price standard (especially for the European, African, and Middle Eastern markets), which accounts for most of Indonesia's oil imports. As a net importing country, Brent Oil price movements directly affect fuel subsidy costs, inflation, and the state budget. Several studies on government bond yields have been conducted previously, but several factors, such as CDS and oil prices, that can affect bond yields need to be taken into account, as well as the research time frame when foreign ownership of government bonds declined. This study aims to analyze the variables that influence the Indonesian 10-year government bond yield

LITERATURE REVIEW

According to Grittayaphong (2022), there are multiple definitions and ways to calculate the bond yield, including current yield and yield to maturity. Current yield is the expected annual return of a bond based on the annual interest payment and the bond's current price. A bond's yield to maturity (YTM) is the annualized interest rate that discounts the bond's coupon and face value payoffs to the market price. That is, it is the interest rate that the bondholder receives on the bond. This calculation, which assumes that the payments are made to the investor promptly, gives a fuller picture of a bond's yield.

Bond yields and their movements reflect information about economic prospects, risks, and market functioning. For instance, when yields rise for fundamental reasons, this typically reflects an improved economic outlook or higher inflation expectations (Adrian, 2025). Low bond yields allow governments to raise inexpensive funds that can be used to fund infrastructure investment. They also reduce fiscal pressure by reducing interest costs.

According to Wang (2025), Bond yields can be broken down into several components: the real risk-free rate, the inflation premium, the term premium, the credit risk premium, and the liquidity premium. The real risk-free rate represents the risk-free return on an investment without inflation, while the inflation premium compensates investors for the loss of purchasing power due to inflation over the bond's life. The credit risk premium compensates investors for the risk of default. Market-based indicators like Credit Default Swaps (CDS) spreads provide a snapshot of perceived default risks. Since CDS can be viewed as insurance against debt default, their spreads reflect expectations for default. The liquidity premium compensates investors for holding bonds that are harder to trade.

Credit Default Swap (CDS) is a derivative contract in which a bondholder buys a guarantee that covers them in the event of default. Empirical studies do suggest that a key determinant of sovereign yield spread is global market conditions that reflect the risk aversion of global investors rather than conditions specific to a country (Fabozzi, 2021). Foreign investors are exposed to the risk of lowering the value of their investment in debt securities due to depreciation of the local currency. Yield will increase in line with the weakening of the exchange rate. Thus, the expectation of an increase or decrease in the value of a country's currency will affect the yield requested (Permanasari, 2021).

Government bonds with a tenor of 10 years are used as a reference for economic conditions in various countries in the world (Permanasari, 2021). The 10-year government bond yield movements are followed by many investors to gauge market sentiment and economic expectations (inflation, growth), as well as the size of the country's debt risk; rising yields mean rising borrowing costs and increasing risks, while falling yields usually indicate expectations of policy easing or an economic slowdown. Bond yields and their movements reflect information about economic prospects, risks, and market functioning.

Several previous empirical studies have been conducted to investigate the relationship between Indonesian 10-year government bond yields and various factors using different methodologies and factors. Permanasari (2021) conducted a study with the result that interest rates and rupiah exchange rates have a positive and significant effect on the Indonesian Government Bond Yield Tenor 10. Purnomo (2024) conducted a study with the result that the variables of BI rate and exchange rate are positively correlated and significantly affect bond yields in the short and long term. Wulandari (2024) conducted a study with the result that the primary drivers for the yields on 10-year bonds are the exchange rate, followed by foreign exchange reserves and the Jakarta Composite Index (JCI) for the 10-year yield. Sany (2025) conducted a study with the result that the Indonesian inflation and exchange rate positively and significantly impacted the government bond yield.

METHODS

This study is a type of applied research with quantitative methods. Quantitative research methods can be defined as research methods based on the philosophy of positivism, which are used to evaluate specific research or samples (Latif 2022). According to Alek (2023), "quantitative research is a systematic and objective approach to investigating social phenomena using numerical data and statistical analysis. It involves a rigorous and structured process of data collection, analysis, and interpretation, which is aimed at deriving generalizations from the collected data. The use of numerical data and statistical analysis provides a more precise and objective approach to understanding social phenomena, and allows for the testing of hypotheses and the identification of causal relationships."

Data collection in quantitative research uses survey methods, experiments, or secondary data analysis, which are then analyzed using statistical methods to produce generally applicable findings. Statistics can be used to test hypotheses, compare groups, or identify relationships between specific variables. In this study, secondary data will be used to identify the relationship between the dependent variables and the independent variable. The data was obtained from the Bank Indonesia website and id.investing.com. The data used is monthly data starting from January 2021 to December 2025. The dependent variable used in this research is the Indonesian 10-year government bond yield. The independent variables used are inflation rate, interest rate, CDS, Brent Oil, exchange rate, and US 10-Year Treasury yield.

The data analysis technique used to analyze the effect of independent variables on the dependent variable is Ordinary Least Squares (OLS), using the econometric model approach. OLS regression estimates the relationship between one or more independent variables (predictors) and a dependent variable (response) (Waples, 2025). It accomplishes this by fitting a linear equation to observed data.

The following is an explanation of each variable in this study: (1) Indo10Yield, Indonesia 10-year government bond yield, the yield required by investors to loan funds to governments reflects inflation expectations and the likelihood that the debt will be repaid based on the 10-year bond maturity. The variable for the Indonesian 10-year government bond yield in this study is the monthly yield obtained from id. Investing website; (2) Inflation, the rate at which the general prices for goods and services rise over time, leading to a decrease in purchasing power, meaning your money buys less. Inflation is calculated by BPS-Statistics Indonesia and announced monthly. The variable for inflation in this study is the monthly inflation, obtained from the BI website; (3) BI rate, Indonesia's benchmark interest rate set by Bank Indonesia, serves as a reference for banks to determine customer loan/savings rates, manage inflation, and influence economic activity, though the official policy rate is now the BI 7-Day Reverse Repo Rate (BI7DRR). Set monthly by BI and announced mid-month. The variable for BI rate in this

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study is the monthly BI rate and obtained from BI website; (4) CDS, Indonesia CDS (Credit Default Swap) is an insurance premium against the risk of default on Indonesian government debt, measured in basis points (bps) for a specified period (usually 5 years); its value reflects market perceptions of the country's economic health and credit risk, where an increase in the CDS value indicates higher risk and higher protection costs for investors. The variable for the Indonesia CDS in this study is the monthly CDS and obtained from id.investing website; (5) Brent Oil is a key benchmark price that serves as a global standard because it is easily processed into various products and is produced in strategic locations for European, African, and Asian markets. Brent Oil price was included in this analysis due to the significant impact of oil imports on the Indonesian economy. The variable for the Brent Oil price in this study is the monthly Brent Oil price and obtained from id.investing website; (6) %IDR/USD, IDR/USD is the Indonesian Rupiah (IDR) exchange rate against the US Dollar (USD), shows how many USD you get for one IDR, it reflects the strength of the IDR versus the USD. Variable %IDR/USD is the percentage change in the IDR exchange rate against USD. The variable %IDR/USD used in this study is the monthly %IDR/USD based on the Jakarta Interbank Spot Dollar Rate (JISDOR). JISDOR represents the USD/IDR spot price based on real-time interbank USD/IDR foreign exchange transactions against the rupiah in the domestic foreign exchange market captured by Bank Indonesia's monitoring system of foreign exchange transactions against the rupiah. JISDOR provides a representative market price benchmark rate for USD/IDR spot transactions in the domestic foreign exchange market and data obtained from BI website; (7) %USTY, US 10-year Treasury Yield is the annual return that the U.S. government offers to investors who hold its debt, based on 10-year bond maturity. It serves as a benchmark for other interest rates and a key indicator of investor sentiment about economic conditions. It matters because it influences borrowing costs of products like mortgages, impacts the valuation of financial assets, and signals expectations about inflation and economic growth (Zucchi, 2025). The variable %USTY is the percentage change for the US 10-year Treasury Yield and data in this study is the monthly yield obtained from id.investing website.

To analyze the influence of independent variables on dependent variables, the regression equation used is:

$$Y = c + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + b6X6 + e$$

Where:
Y : Indo10Yield
a : Constant,
b : b1, b2, b3, b4, b5, b6 Coefficient Regression,
X1 : Inflation,
X2 : BI rate,
X3 : CDS,
X4 : Brent Oil,
X5 : %IDR/USD
X6 : %USTY
e : standard error.

To solve the regression equation, a statistical application is used, namely Econometric Views (Eviews) 13.

RESULTS AND DISCUSSION

Before testing the hypothesis, descriptive statistical analysis was conducted to obtain an overview of the data being tested. Descriptive statistics is the simplest form of statistics: it is a tool to help people organize and summarize the inevitable variability in collections of actual observations or score (Dong, 2023). Here, the data is presented in a format that is easier to understand and read. The descriptive statistics for the variables used in this study show in Table 1.

Table 1. Descriptive Statistics

	Inflation	BI rate	CDS	Brent Oil	%IDR/USD	%USTYS	Indo10Yield
Mean	0.027335	0.049417	86.25750	80.42333	-0.002477	-0.002472	6.680950
Median	0.025350	0.055000	79.88000	78.66000	-0.002845	0.001650	6.627500
Maximum	0.059500	0.062500	157.8900	122.8400	0.053060	0.027200	7.541000
Minimum	-0.000900	0.035000	67.27000	55.88000	-0.035721	-0.080800	6.077000
Std. Dev.	0.013781	0.010915	18.21860	13.63465	0.016463	0.018099	0.342191
Skewness	0.747955	-0.357299	1.910695	0.946392	0.806821	-1.489691	0.249849
Kurtosis	2.852130	1.397307	6.963911	3.934782	4.253381	7.230779	2.384784
Jarque-Bera	5.649025	7.698185	75.78905	11.14113	10.43701	66.94053	1.570469
Probability	0.059338	0.021299	0.000000	0.003808	0.005415	0.000000	0.456013
Sum	1.640100	2.965000	5175.450	4825.400	-0.148612	-0.148300	400.8570
Sum Sq. Dev.	0.011205	0.007030	19583.12	10968.31	0.015991	0.019327	6.908601
Observations	60	60	60	60	60	60	60

Source*:* Data that has been processed used eviews 13 by the author (2026)

According to Hair (2022) a skewness value between -1 and +1 is excellent, while -2 to +2 is generally acceptable and a kurtosis greater than +2 suggests a too peaked distribution, while less than -2 indicates a too flat one. From this study, the results of the skewness test show that all variables are in the range of -2 to +2, meaning that the data is generally acceptable normal distribution, while the results of the kurtosis test show that only the BI rate variable is outside the too peaked distribution, so the data is generally considered normal. The Jarque-Bera test, if the p-value> 0.05 the data is normally distributed, while if the p-value <0.05 the data is not normal. The Jarque-Bera test results for each variable varied. The Inflation and Indo10Yield variables had p-values >0.05, indicating a normal distribution. Meanwhile, the BI rate, CDS, Brent Oil, %IDR/USD, and %USTY variables had p-values <0.05, indicating a non-normal distribution.

After analyzing the data distribution, hypothesis testing was performed using Ordinary Least Squares (OLS), with the following results:

Table 2. Least Square

Dependent Variable: IND10YIELD
Method: Least Squares
Date: 02/02/26 Time: 13:31
Sample: 2021M01 2025M12
Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.319739	0.281701	15.33447	0.0000
Inflation	-6.126665	2.831514	-2.163742	0.0350
BI rate	15.02688	2.835578	5.299405	0.0000
CDS	0.013227	0.002384	5.549313	0.0000
Brent Oil	0.007961	0.002514	3.167184	0.0026
%IDR/USD	-2.669539	1.783230	-1.497024	0.1403
%USTYS	0.679362	1.528879	0.444353	0.6586
R-squared	0.664545	Mean dependent var		6.680950
Adjusted R-squared	0.626569	S.D. dependent var		0.342191
S.E. of regression	0.209110	Akaike info criterion		-0.182636
Sum squared resid	2.317522	Schwarz criterion		0.061704
Log likelihood	12.47907	Hannan-Quinn criter.		-0.087061
F-statistic	17.49909	Durbin-Watson stat		0.895657
Prob(F-statistic)	0.000000			

Source*:* Data that has been processed used eviews 13 by the author (2026)

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Classical Assumption Test

However, to ensure the validity and reliability of the regression model, researchers must adhere to the classical assumptions of regression analysis (Naufal, 2025). The classical assumption test is performed by testing for normality, autocorrelation, heteroscedasticity, and multicollinearity on the regression model. The results of the classical assumption test are as follows: (1) Normality Test: The Jarque-Bera Probability value is 0.480741, which is greater than 0.05, thus concluding that the data are normally distributed (passing the normality test); (2) Autocorrelation Test: The Breusch-Godfrey Serial Correlation LM Test yielded a Chi-Square Probability value of 0.0510, which is greater than 0.05, thus meeting the autocorrelation test assumptions; (3) Heteroscedasticity Test: The Breusch-Pagan-Godfrey heteroscedasticity test yielded a Probability Obs*R-Squared value of 0.8443, a value greater than 0.05. Therefore, it can be concluded that the assumptions of the heteroscedasticity test have been met, indicating that the data passes the heteroscedasticity test; (4) Multicollinearity Test: The centered variance inflation factor (VIF) values for each independent variable are as follows:

- Inflation of 2.054483
- BI rate of 1.292602
- CDS of 2.544302
- Brent Oil of 1.584853
- %IDR/USD of 1.162908
- %USTY of 1.033149

All centered VIF of independent variables are <10.00, so it can be concluded that the assumptions of the multicollinearity test have been met or the multicollinearity test has passed.

Constructed from Table 2, the following regression equation can be:

$$Y = 4.319739-6.126665X1+15.02688X2+0.013227X3+0.007961X4-2.669539X5+0.679362X6$$

Regression Equation Analysis

The constant (C) is positive (+) at 4.319739, meaning that if the independent variable (X) increases by one unit on average, the dependent variable (Y) will also increase by 4.319739. There are four independent variables: the BI rate, CDS, Brent Oil, and %USTY, positive values indicate that if each of these variables increases by one unit, variable Y will also increase by the value of the constant, and vice versa. There are two independent variables: Inflation and %IDR/USD value, negative values indicate that if each of these variables increases by one unit, variable Y will decrease by the value of the constant, and vice versa.

Regression Results Analysis

Coefficient of Determination: The coefficient of determination (R^2) is a value that is able to explain how much (percentage) the relationship can be explained by the independent variable to the dependent variable (Handayani, 2023). The Adjusted R-Squared value obtained indicates the extent of the independent variables collective influence on the dependent variable. Table 2 shows an Adjusted R-Squared value of 0.626569, indicating that inflation, the BI rate, CDS, Brent Oil, %IDR/USD and %USTY collectively affect the Indonesian 10-year Government Bond Yield by 62.6%, while the remaining 37.4% is influenced by other variables not analyzed in this study.

The F-test is conducted to determine whether all independent variables collectively influence the dependent variable. The influence of independent variables on the dependent variable is tested by examining the magnitude of the change in the dependent variable that can be explained by changes in the values of all independent variables. The

regression results obtained a probability value for the F-test (F-statistic) in this study of 0.000000, less than 0.05. This indicates, with a confidence level greater than 95%, that inflation, the BI rate, CDS, Brent Oil, %IDR/USD (the percentage change in the IDR/USD exchange rate), and %USTY (the percentage change in the 10-year Treasury yield) collectively influence the Indonesian 10-year Government Bond Yield.

The t-test is conducted to determine whether the independent variables individually influence the dependent variable. The test is conducted by examining the t-statistic (Prob) results for each independent variable. If the t-statistic is <0.05, the variable's influence is significant, while if it is >0.05, the variable's influence is insignificant. From the regression results obtained variables with Prob (t-statistic) value <0.05, namely Inflation of 0.0350, BI rate of 0.0000, CDS of 0.0000 and Brent Oil of 0.0026, while variables with Prob (t-statistic) value >0.05, namely %IDR/USD of 0.1403 and %USTY of 0.6586. Based on the Prob (t-statistic) value, the influence of the variables Inflation, BI rate, CDS and Brent Oil is significant, while the % IDR/USD and %USTY is not significant.

Based on the regression analysis, it can be concluded that the variables with significant effects are Inflation, the BI rate, CDS, and Brent Oil. However, the percentage change in the IDR/USD exchange rate and the percentage change in the 10-year Treasury yield did not. Inflation had a negative and significant effect on the Indonesian 10-year Government Bond Yield

The finding that differs from the research conducted by Sany (2025), which found that inflation had a positive and significant effect and Husein (2024), which found that inflation had a positive and no significant effec. The BI rate had a positive and significant effect on the Indonesian 10-year Government Bond Yield, a finding consistent with research conducted by Permanasari (2021), Husein (2024) and Purnomo (2024). CDS and Brent Oil had a positive and significant effect on the Indonesian 10-year Government Bond Yield. The influence of these two variables on the Indonesian 10-year Government Bond Yield has not been analyzed previously. The percentage change in the IDR/USD value had a negative and insignificant effect. This result differs from the research results by Permanasari (2021), Purnomo (2024), Wulandari (2024), Husein (2024) and Sany (2025) which showed positive and significant results.

CONCLUSION

The exchange rate in the study is the percentage change in the IDR exchange rate against the USD (IDR/USD), on the other hand their study which used USD/IDR. Finally the percentage change in US 10-year Treasury yield had a positive and insignificant effect. Apart from the differences in the exchange rate methods used. The addition of CDS and Brent Oil variables in the study has influenced the significance of the exchange rate variable due to the correlation between CDS and Brent Oil with the exchange rate. Brent Oil influences the exchange rate due to Indonesia's dependence on oil imports, while exchange rate fluctuations also affect CDS. The CDS and Brent Oil variables have a positive and significant effect on the Indonesian 10-year Government Bond Yield. According to the results of this study, it is recommended the government can take several actions to reduce Indonesia's CDS and the influence of Brent Oil fluctuations on the Indonesian 10-year Government Bond Yield. To reduce CDS, Bank Indonesia and the Ministry of Finance can take actions to prevent continued capital outflow, namely by increasing investor confidence in Indonesia's economic stability. Meanwhile, to address the influence of Brent Oil, actions that can be taken by the Ministry of Energy and Mineral Resources and the Ministry of Finance include reducing Indonesia's dependence on oil imports so that the value of fuel subsidies in the State Budget can be maintained. From this study, it is known that the independent variables together affect the Indonesian 10-year Government Bond Yield by 62.6%, so there are still 37.4% other variables that influence it. Therefore, for further research, it is recommended to conduct research by

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adding other variables such as the Singapore 10-year Government Bond Yield, considering that Singaporean investors are one of the main investors in Indonesian government bonds or changes in the prices of Indonesia's main export commodities, which can also affect the Indonesian economy.

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