

# **Bond Market Development in Bangladesh: A Factor Analytical Approach**

**Nimalathasan, B**

**Ather, S.M**

The present study was attempted to rank bond market developments factors with respect to their importance in the context of Bangladesh through principal components Varimax Rotated Method. The study was compiled with help of primary and secondary data. In this case, the researchers selected ninety companies from a list of a different economically important sector conveniently, and endeavored to conduct interview of fifty-five financial executives of fifty-five selected companies. The opinions of fifty-five respondents were captured on five-point Likert scale such as most insignificant (1) to most significant (5). The coefficient values were all above 0.7, thus meeting Cronbach's (1951) and, Nunnally and Bernstein's (1994) recommendation of  $>0.7$  as the acceptable reliability level. While academics assisted in assessing face validity, the financial executives verified content validity. The results show that six factors extracted from the analysis explain 86.16% of the total variance. These factors such as risk and return, 'liquidity and government policy', 'issue management', 'investment policy', 'macro-economic and regulatory', and 'market and issue related factor' have been ranked as first, second, third, fourth, fifth and sixth respectively with respect to their importance. This study would benefit academicians, researchers, policy makers, and practitioners of Bangladesh and other similar countries.

**Key Words:** Bond market Development, Financial Executives, Factor Analysis.