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Determinant Of Islamic Stock Index in Indonesia Pre and Post Pandemic Era Vaccine

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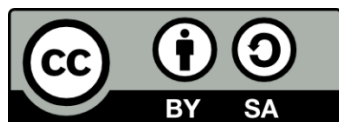
Abstract

This study aims to analyze the effect of Inflation, Bank Indonesia (BI) Rate, Exchange Rate, Composite Stock Price Index (JCI), Bank Indonesia Syariah Certificate (SBIS). the World Gold Price both simultaneously and partially against the Indonesian Sharia Stock Index (ISSI). This research applies the quantitative approach. The source of research data uses secondary data in December 2019 – December 2021 in the form of monthly closing prices for the Indonesian Sharia Stock Index and the Composite Stock Price Index fromhttps://www.idx.co.id/then closing price Inflation, BI rate, Exchange Rate, Bank Indonesia Syariah Certificate (SBIS) fromhttps://www.bi.go.id/and the closing price of world gold fromhttps://id.investing.com/which was processed using Eviews 12 software with multiple linear analysis. The results of the study show that partially the BI Rate, Exchange Rate, JCI have a significant influence on ISSI and the Inflation, SBIS, Price of gold has no significant influence on ISSI. Meanwhile, the variables of Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Prices have an effect on ISSI simultaneously. This finding provides implications for policy makers related to the Islamic capital market.

Keywords: Islamic Stock Index, Inflation, BI rate & exchange rate

PRELIMINARY

Indonesia is a country that has the largest economy in Southeast Asia, and one of the emerging market economies in the world. Indonesia's economy was affected by finances in 1997 due to the crisis that hit Thailand so that many investors withdrew funds from Indonesia and ended up causing the rupiah to weaken and liquidity to dry up. Finally, the Suharto government decided to ask the International Monetary Fund (IMF) to help rehabilitate aid. monetary funds from the International Monetary Fund. At that time, Muslims made up 87.2% of the total Indonesian population, making Indonesia a Muslim-majority country(Arshad, 2017, p. 45). Islam as a universal religion teaches norms and ethics in the order of human life, including investment which is believed to be inseparable from ethical or known as ethical investment. An investment considers financial and social benefits. Ethical investment is an investment that avoids sin such as the gambling and tobacco industry (Husein, 2004). It is also defined as a way to apply and manage investment portfolios ethically and socially, while ethical funds are funds that prioritize the prestige of the company rather than finance from the portfolio. Ethical investing takes into account the characteristics of potential investments with all the risks and benefits expected(Hussein, n.d., pp. 22–40).

Islam as a universal religion has shown existential power in developing ethics in the business industry at large. A number of Islamic economic and financial institutions such as Islamic equity funds have existed and even experienced extensive development in countries with a majority Muslim community as well as in countries with minority Muslim communities, including Japan, UK, Germany.(Listyaningsih & Krishnamurti, 2016, pp. 75–94). Khaled A Husein (2004) notes that Islamic equity funds experienced development and growth in the 1990s. In 1996 there were 29 sharia funds worth US$ 800 million and during that period the performance of sharia mutual funds began to vary so that investors did not have a benchmark for investing in sharia mutual funds. In March 2002, the number of Muslim investments increased to 105 with total assets of US$3.3 billion, down from US$5 billion in 2000 (Hussein, n.d., pp. 105–126). The thing needs to be considered in the Islamic index is the principles and the rules of sharia Islam in order to avoid forbidden elements in Islam. Each investment fund must go through a rigorous inspection process and ensure that it is legally approved with the aim of ensuring that investment funds comply with procedures and avoid misappropriation of funds and give serious attention to the direction of investment funds.(Mohd Ma'Sum Billah, 2019, pp. 13–16).

Several other researchers paid attention to the Islamic stock index include Listyaningsih & Krishnamurti (2016; Ozdemir & Uluyol, 2021; Chiadm, 2015; Enes Ozdemir & Burhan Uuyol, 2021). Erna Listyaningsih and Chandrasekhar Krishnamurti, 2016) measured the volatility of the Jakarta Islamic Index and compared it with the non-Jakarta Islamic index stocks during 2005-2012 using the ARCH and GARCH models. They found that the Jakarta Islamic index stock had lower volatility than non-JII stocks because JII had the lowest leverage compared to both sharia and non-sharia. (Listyaningsih & Krishnamurti, 2016, pp. 109–122). Imran Tahir and Mark Brimble (2011) note that Islam has an influence on investment behavior which depends on the individual's level of religiosity (Tahir & Brimble, 2011, pp. 116–130).

Mohammed Salah Chiadmi (2015) found that Islamic indices showed significant volatility like conventional indices as well as Islamic indices such as (SDP Syariah, DJIMI, FTSE Syariah and MSCI Islam). The resilience of the sharia index is relatively more resistant to the global financial crisis affected the real sector of the economy. Indeed, the two Islamic indices; JII and KLSI are more volatile than conventional ones.

On the other hand, Ozdemir & Uluyol (2021) examines several determinants in influencing the Indonesian Sharia Stock Index (ISSI). Several macroeconomic variables are used as independent variables such as inflation, interest rates, central bank and exchange rates as well as the rate of return for Indonesian Sharia bank certificates (SBIS). The results of the study recommend that the central bank of Indonesia be more effective in managing monetary policy and introduce ISSI as an alternative investment that is resistant to the negative effects of short-term inflation.

Several previous studies have shown that the attention to Islamic index stock is quite high. This is because iInvesting is an activity that is highly recommended for Muslims(Binanga et al., 2017, p. 90)both in the form of active investment and passive investment. Active investment encourages Muslims to invest in a project, organize and share the benefits of labor and capital. While passive investment, i.e. investors provide capital and receive a return on their capital, they are not involved in the project(Binanga et al., 2017, p. 91). In addition, Islamic investment has developed in line with the rapid development of the Islamic finance industry, both the Islamic banking industry and the Islamic non-banking industry. The capital market is one of the most important factors in a national economy. The capital market can provide a phenomenon about the position of the economy. The performance of a stock index of companies that have been listed by the stock exchange shows the development of the capital market. One of these stock indexes is the Indonesian Sharia Stock Index (ISSI) as a composite index of sharia shares that have been listed on the IDX as an indicator of the performance of the Indonesian sharia stock market as shown in the following figure.

Perkembangan Saham Syariah
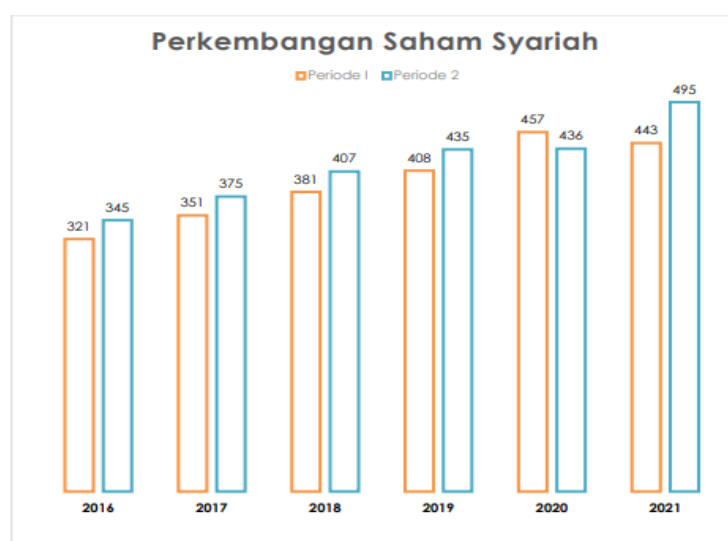
DES periode II tahun 2021 ditetapkan melalui Surat Keputusan Dewan Komisioner OJK Nomor KEP-62/D.04/2021 tentang Daftar Efek Syariah pada tanggal 23 November 2021 dan efektif per 1 Desember 2021

Source:https://www.ojk.go.id/year 2021

The graph above shows that from 2016 to 2021, the list of Sharia Securities (DES) in the Islamic capital market has increased. ISSI constituents are elected twice a year in May and November, depending on the DES review schedule. Sharia stocks move in and out of each ISSI period, so that the ISSI component can be seen in the ISSI calculation method through the IDX stock index calculation method which is the weighted average of market capitalization using December 2007 as the ISSI calculation year.(www.idx.co.id, 2022).

Sharia capital market products range from sukuk, mutual funds as well as bonds and sharia stocks that have many interested people to invest. Sharia shares are a solution for investors, especially Muslim investors who were previously involved in conventional investments that contain elements of usury, speculation, and stock frying.(Chotib & Huda, 2020, p. 2).

The Composite Stock Price Index (CSPI) is one of the stock price index indicators that is often used to monitor the development of the capital market in Indonesia. In addition to the JCI, the capital market in Indonesia also has the Indonesian Sharia Stock Index (ISSI) and the Jakarta Islamic Index (JII) as indicators to see the development of the Islamic capital market.(Sartika, 2017a, p. 286). The capital market has a function not only as an investment facility but also as a livelihood because capital market instruments such as the stock market have provided a fairly high profit feedback compared to other capital market instruments.

The coronavirus pandemic is known as the World Health Organization (WHO) because the outbreak of the coronavirus disease 19 (Covid-19) caused the JCI to drop from 6,300 to 3,900 in 3 months. In 2020, the JCI transaction volume decreased compared to 2019 which was 36,534,971,048 to 27,495,947,445. This shows that most investors' behavior is more likely to wait and see, namely waiting for the right time to transact(Syamsu Rizal Fadly, n.d.). In 2021, it is hoped that the Indonesian economy will recover after a mass vaccination program with a prediction of GDP growth of more than 4.5% so that it will spur an increase in paid-in capital to the IDX and SRO which aims to encourage the creation of an orderly, fair and efficient capital market.(*Laporan IDX 2020.Pdf*, n.d., p. 9). The vaccination program itself began on January 13, 2021, which was initiated by Mr. Jokowi and officials in Jakarta(Humas Direktorat, 2021).

From December 2019 to December 2021, the Indonesian Sharia Stock Index fluctuated amidst the COVID-19 pandemic. In March 2020 ISSI fell at 128,696, and began to slowly rise to its highest in December 2021 with 189,019. This situation shows that the economy at that time was deteriorating due to the impact of the pandemic. At the beginning of 2021 ISSI showed a slow increase after the mass vaccination was held with the aim of breaking the chain of the COVID-19 pandemic until the end of December 2021, ISSI's condition continued to improve.

The stock price index can be influenced by macroeconomic conditions both abroad and domestically such as world crude oil prices, inflation rates, and gold prices, while capital market conditions in strong countries that can influence it are Dow Jones Islamic Market USA.(Nasyatia, p. 109). Dow Jones Islamic Market US has an effect on Islamic stock indices in Indonesia and Malaysia. The world gold price has a negative effect on the Islamic stock index in Indonesia and Malaysia(Nasyatia, n.d., p. 114).

Ayif Fathurrahman (2021) studied and found that the exchange rate had no effect in the short term on the ISSI (Indonesian Sharia Stock Index) but the exchange rate had a negative and significant influence on the ISSI (Indonesian Sharia Stock Index) in the long run, Inflation had no effect on the ISSI (Indonesian Sharia Stock Index) in the long and short term. The BI Rate has a negative and significant impact on the ISSI (Indonesian Sharia Stock Index) in the short and long term(Fathurrahman & Widiastuti, 2021, p. 191).

Emet Chotib (202S0) found that the exchange rate had an effect in pushing the movement of the Indonesian Sharia Stock Index (ISSI) down. Bank Indonesia Syariah Certificates (SBIS) have an effect on pushing down the movement of the Indonesian Syariah Stock Index (ISSI). The Bank Indonesia Rate (BI) has an effect on increasing the movement of the Indonesian Sharia Stock Index (ISSI). The Money Supply (JUB)/ Money Supply (M2) has an effect on pushing to increase the movement of the Indonesian Sharia Stock Index (ISSI). Variable Exchange Rate and Variable Bank Indonesia Sharia Certificate (SBIS) have a negative influence on the Indonesian Sharia Stock Index (ISSI)(Chotib & Huda, 2020, p. 18).

Study Objective

Several studies show that there is a research gap regarding the determinants of the performance of the Indonesian Sharia Stock Index both domestically and abroad and the results show that several variables in determining the Sharia Stock Index are inconsistent. This study refers to the results of previous studies to further examine the influence of the determinants of the performance of the Indonesian Sharia Stock Index in the pandemic era and compare it with the conditions before and after the vaccine.

LITERATURE REVIEW

Capital Market

Capital market is a process activity related to public offering and trading of securities, public companies related to securities issuance as well as professions and institutions related to securities.(*UU Nomor 8 Tahun 1995 (Pasar Modal).Pdf*, n.d., p. 16). The capital market has a very important role both in terms of demand for capital by companies or issuers, or in terms of supply owned by capital owners, namely the public or investors so that issuers and investors alike benefit. In fact, the capital market is used as a benchmark for modernity in investment(Siwidji Widoatmodjo, 2015, p. 6). The capital market has a variety of investor investment products, namely stocks, bonds, mutual funds and other securities. The presence of the Islamic capital market has a very large role for improving the national economy and supporting development and improving people's living standards as a form of equity and welfare.(Fransiskus Paulus Paskalis Abi, S.E., M.M., 2016, p. 3). The capital market or also known as the stock exchange has two characteristics, namely, first, it brings together parties who are short of funds and those who are in need of funds. Second, the capital market is a short-term investment and thirdly, it is not bound by place and time(Hidayat, 2019, p. 55)

Sharia Stock

The stock market plays a very important role in the economic development of a country. The stock market not only encourages investment but also improves corporate governance and social responsibility. Although relatively risky, the stock market as an investment provides enormous opportunities for investors(Arshad, 2017, p. 1). Shares are proof of equity participation or ownership of a company(Soetiono, 2016, p. 46). Sharia shares are securities or securities that are invested in the company by way of profit sharing between investors and companies according to sharia principles. Sharia shares are issued by issuers whose business activities and business management procedures do not violate sharia principles(Chotib & Huda, 2020, p. 3). In Indonesia, there are two types of Islamic stocks, namely JIII and ISSI. The sharia stock index is marked by the existence of Danareksa Syariah from PT. Danareksa Investment Management, known as JII or Jakarta Islamic Index, cooperates with the Indonesia Stock Exchange. 2021 The Indonesian Sharia Stock Index (ISSI) is launched by the IDX(Fathurrahman & Widiastuti, 2021, p. 181).

Indonesian Sharia Stock Index (ISSI)

The Indonesian Sharia Stock Index (ISSI) and JII (Jakarta Islamic Index) have differences. ISSI is a composite Islamic stock index that has been listed on the IDX as an indicator of the performance of the Indonesian Islamic stock market. ISSI's constituents are all sharia shares listed by the IDX and included in the Sharia Securities List (DES) issued by the OJK so that IDX no longer selects sharia shares included in ISSI. Meanwhile, JII is a sharia stock index which was launched on July 3, 20000 with its constituents consisting of the 30 most liquid sharia shares listed on the IDX twice a year, namely every May and November.(www.idx.co.id, 2022).

Inflation

Inflation is an economic indicator that can cause an increase in the price of goods and services in a period. High inflation will cause production costs to rise. Brigham and Houston argued that inflation or inflation is the amount of increase in a price increase from time to time while the inflation rate is the percentage of the price increase.(Rachmawati, 2019, p. 69).Inflation is influenced by the natural resource economic sector, the shadow economy is an economy that cannot be measured in value and a democratic political system(Nasr G.Elbahnasawy, 2022). Inflation in modern economics refers to an increase in the price level of a certain kind not due to a fall in the value of a currency. Inflation can cause a decrease in people's purchasing power in an economy. Inflation can also be caused by supply disruptions due to climate change resulting in crop failure or the occurrence of wars and other natural disasters(Barbara T. Credan, 2006).

Bank Indonesia Rate

The BI Rate is the interest rate that reflects monetary policy in responding to the prospect of achieving future inflation by managing liquidity in the money market (SBI and PUAB). The operational target of monetary policy is seen from the Overnight Interbank Money Market (PUAB O/N) interest rate. Movements in interbank rates are expected to develop deposit rates and ultimately develop bank lending rates(Sunardi & Ula, 2017, p. 34). The BI Rate is one of the policies used by Bank Indonesia which is issued every month after the meeting of the board of

governors in regulating finances which has previously evaluated the country's economic conditions. The BI Rate is the reference for Bank Indonesia transactions with third parties such as the government or foreign parties(Redaksi OCBC NISP, 2021).

Exchange Rate (Exchange Rate)

The exchange rate or exchange rate is a tool for comparing the exchange rate of a country's currency with foreign currencies, it can also be said that the exchange rate is a comparison of exchange rates between countries.(Sunardi & Ula, 2017, p. 34). Exchange rate is the relative price of different national money not national output and is determined by the demand and supply of different national money, the expectations of future asset holders(Michael Mussa, 1976). An increase in domestic real income can increase the demand for real balances which causes a decrease in domestic prices, it appreciates the exchange rate which offsets each other. On the other hand, if the domestic interest rate is relatively higher, it can reduce the demand for real balances so that it can increase prices and eventually lead to a depreciation of the exchange rate(Rudigerdornbusch, 1982).

Jakarta Composite Index

Composite Stock Price Index or Jakarta Composite Index or JSX Composite is an index on the IDX. JCI is a measure of the performance value of all shares listed on a stock exchange using all shares listed on the Stock Exchange as a component of index calculation.(Sunardi & Ula, 2017, p. 33). The Composite Stock Price Index (CSPI) is one of the stock price index indicators that is often used by the Indonesia Stock Exchange for the development of the capital market in Indonesia.(Sartika, 2017a, p. 286).

SBIS

Bank Indonesia Syariah Certificates or known as Wadi'ah Indonesia Syariah Certificates (SWBI) are monetary policy instruments aimed at overcoming the difficulties of excess liquidity in banks operating under sharia principles. SBIS or short term Bank Indonesia Syariah Certificate in rupiah currency issued by Bank Indonesia. SBIS issued to meet the needs of open market operations (OPT)(Yanti, 2018, p. 588). SBIS is securities based on sharia principles and short term in rupiah currency and issued by Bank Indonesia. Based on the fatwa of the National Sharia Council, SBIS can be issued under mudharabah, wadiah, qard and wakalah contracts (www.idx.co.id, 2022)

World Gold Price

The price of gold began to be used as a benchmark throughout the world since 1968. The price of gold is determined based on the London gold market standard or known as London gold fixing. Gold has a more stable value and rises because it is rare for gold to fall in price. For that gold can be used as a tool to ward off inflation(Sartika, 2017b, p. 290). Fixed gold price or london FIX fixed daily at 10:30 GMT and 15,000 GMT. Gold Fix is based on the gold price benchmark in the London gold market because it is a major transaction place in the world gold trade(Tamasia, 2019).

RESEARCH METHODS

Research Approach

This study uses a quantitative approach, a quantitative approach is a way of obtaining knowledge by solving problems carefully and systematically. Furthermore, the data is collected in the form of a series or collection of numbers(Toto Syatori Nasehudin, 2012). This approach is carried out with the aim of analyzing the effect of Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Price against ISSI (Indonesian Sharia Stock Index).

Research data

This study utilizes secondary data in the form of monthly closing prices of the Indonesian Sharia Stock Index and the Composite Stock Price Index ofhttps://www.idx.co.id/while closing price Inflation, BI rate, Exchange Rate, Bank Indonesia Syariah Certificate (SBIS) fromhttps://www.bi.go.id/and the closing price of world gold from https://id.investing.com/ December 2019 to December 2021 which was processed using the Eviews 12 software.

Population and Sample

The sampling technique is saturated sampling (Sartika, 2017b, p. 290). The samples used are closing price data for the Indonesian Sharia Stock Index, Composite Stock Price Index, Inflation, BI rate, Exchange Rate, Bank Indonesia Syariah Certificates (SBIS) and world gold from December 2019 to December 2021.

Data analysis method

The method used is multiple linear regression with classical assumption testing and hypothesis testing. Classical assumption test includes normality test, multi collinearity test, heteroscedasticity test, and auto correlation test. While the hypothesis test includes t test, F test and coefficient of determination (Nasyatia, n.d., p. 111).

The multiple regression model in this study can be written as follows:

Y = + 1 X1+ 2 X2 + 3 X3 + + 4 X4 + 5 X5 + 6 X6 + e.

Y = ISSI (Indonesian Sharia Stock Index)

X1 = Inflation

X2 = BI Rate

X3 = Exchange Rate

X4 = JCI

X5 = SBIS

X6 = World Gold Price

Research Hypothesis

It is suspected that there is an influence of Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Price both simultaneously and partially on ISSI

RESULT AND DISCUSSION

Classic assumption test

Classical assumption test is used to determine the accuracy of the results of a study using normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test as a condition for continuing on multiple linear regression. The analysis is used to determine the relationship of one or more variables and after that a hypothesis test is carried out with the F test (simultaneous) and t test (partial)(Rotinsulu et al., 2021, p. 1615).

The results of the Jarque Bera test show a magnitude of 0.819954 > = 5% so it can be said that the data is normally distributed. The multicollinearity test can be seen at the VIF value > 10, so it can be concluded that there is no multicollinearity problem. Heteroscedasticity test can be seen in the value of Prob. Chi square (2) in Obs*Squared is 0.0974 > 0.05, so there is no problem with non-heteroscedasticity or homoscedasticity assumptions.

The autocorrelation test with the Breusch-Godfrey Serial Correlation LM is 0.2977 > 0.05, which means that there is no autocorrelation.

Multiple regression analysis

Table 1. Empirical Test Results of ISSI variabel variable

Dependent Variable: Y
Method: Least Squares
Date: 02/04/22   Time: 16:04
Sample: 2001 2025
Included observations: 25

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	199.2453	56.29662	3.539205	0.0023
X1	0.008319	0.027514	0.302338	0.7659
X2	-0.098444	0.026000	-3.786276	0.0014
X3	-0.006459	0.002084	-3.099642	0.0062
X4	1.93E-05	2.37E-06	8.133290	0.0000
X5	1.138433	2.500974	0.455196	0.6544
X6	-0.009366	0.008005	-1.170074	0.2572

R-squared	0.983821	Mean dependent var	166.7149
Adjusted R-squared	0.978429	S.D. dependent var	17.35427
S.E. of regression	2.548861	Akaike info criterion	4.940666
Sum squared resid	116.9404	Schwarz criterion	5.281951
Log likelihood	-54.75832	Hannan-Quinn criter.	5.035324
F-statistic	182.4302	Durbin-Watson stat	2.337884
Prob(F-statistic)	0.000000		

Regression analysis was performed to determine the effect of: Inflation (X1), BI Rate (X2), Exchange Rate (X3), JCI (X4), SBIS (X5), World Gold Price (X6) and ISSI (Y). The independent variable test can be written as: Y = + 1 X1+ 2 X2 + 3 X3 + + 4 X4 + 5 X5 + 6 X6 + e. The regression results are as follows: Y= 199.2453 + 0.008319 X1- 0.098444 X2 − 0.006459 X3 + 1.93E-05 X4 + 1.138433 X5 − 0.009366 X6. From the results of the multiple regression equation can be explained as follows:

First, the constant value of 199.2453 shows that if the inflation variable (X1), BI Rate (X2), Exchange Rate (X3), JCI (X4), SBIS (X5) and World Gold Price (X6) are zero then ISSI (Y) is 199.2453.

Second, the value of the regression coefficient of inflation (X1) is 0.008319. This indicates that if the value of inflation (X1) increases by 1 unit or 100%, the value of the ISSI variable (Y) will increase by 0.008319 assuming the other independent variables are constant. With this positive influence, Inflation (X1) and ISSI (Y) show a unidirectional relationship. If the inflation variable (X1) increases, the ISSI (Y) increases. On the other hand, if the inflation variable (X1) decreases, the ISSI (Y) also decreases.

Third, the regression coefficient value of the BI Rate (X2) is 0.098444. This indicates that if the value of the BI Rate (X2) increases by 1 unit or 100%, the value of the ISSI variable (Y) will decrease by 0.098444 with the assumption that the other independent variables are constant. Given this negative effect, the BI Rate (X2) and ISSI (Y) show an opposite relationship. If the BI Rate variable (X2) increases, the ISSI (Y) decreases. Vice versa if the BI Rate variable (X2) decreases, the ISSI (Y) increases.

Fourth, the value of the regression coefficient of the Exchange Rate (X3) is 0.006459. This indicates that if the value of the Exchange Rate (X3) increases by 1 unit or 100%, the value of the ISSI variable (Y) will decrease by 0.006459 assuming the other independent variables are constant. With this negative effect, the Exchange Rate (X3) and ISSI (Y) show an opposite relationship. If the Exchange Rate variable (X3) increases, the ISSI (Y) decreases. And vice versa if the Exchange Rate variable (X3) decreases, the ISSI (Y) increases.

Fifth, the value of the JCI regression coefficient (X4) is 1.93E-05. This indicates that if the JCI value (X4) increases by 1 unit or 100%, the value of the ISSI variable (Y) will increase by 1.93E-05 assuming other independent variables. constant. With this positive influence, JCI (X4) and ISSI (Y) show a unidirectional relationship. If the JCI variable (X1) increases, the ISSI (Y) increases. Vice versa if the JCI variable (X4) decreases, the ISSI (Y) decreases.

Sixth, the value of the SBIS regression coefficient (X5) is 1.138433. This indicates that if the SBIS (X5) value increases by 1 unit or 100%, the value of the ISSI variable (Y) will increase by 1.138433 assuming the other independent variables are constant. With this positive effect, SBIS (X5) and ISSI (Y) show a unidirectional relationship. If the variable SBIS (X1) increases, the ISSI (Y) increases. Vice versa if the variable SBIS (X5) decreases then ISSI (Y) decreases.

Seventh, the regression coefficient value of the World Gold Price (X6) is 0.009366. This indicates that if the value of the World Gold Price (X6) increases by 1 unit or 100%, the value of the ISSI variable (Y) will decrease by 0.009366 assuming the other independent variables are constant. Given this negative influence, World Gold Prices (X6) and ISSI (Y) show an opposite relationship. If the variable World Gold Price (X6) increases, the ISSI (Y) decreases. Vice versa if the variable World Gold Price (X6) decreases, the ISSI (Y) increases.

Hypothesis testing

a. T Uji test

T test is used to determine the partial effect of the independent variable on the dependent variable by looking at the probability value of the t statistic test table. In table 1 shows that the value of Prob. Inflation is 0.7659 > 0.05, thus Ha is rejected and H0 is accepted, which means that inflation has no significant effect on ISSI. Prob value. BI Rate is 0.0014 < 0.05, thus Ha is accepted and H0 is rejected, which means the BI Rate has a significant effect on ISSI, Prob value. The exchange rate is 0.0062 < 0.05, thus Ha is accepted and H0 is rejected, which means that the exchange rate has a significant effect on ISSI, Prob value. JCI is 0.0000 < 0.05, thus Ha is accepted and H0 is rejected, which means that JCI has a significant effect on ISSI, Prob value. SBIS is 0.6544 > 0. 05 thus Ha is rejected and H0 is accepted, which means that SBIS has no significant effect on ISSI. and Prob Value. The world gold price is 0.2572 > 0.05, thus Ha is rejected and H0 is accepted, which means that the world gold price has no significant effect on ISSI.

b. F Uji test

The F test is used to determine the simultaneous effect of the independent variable on the dependent variable by looking at the probability value of table 1, the F statistic test is 0.000000 < 0.05, thus Ha is accepted and H0 is rejected, which means simultaneously Inflation, BI Rate, Exchange Rate, JCI, SBIS and The World Gold Price has a significant effect on ISSI

c. Determinant Test

The determinant test in table 1 can be seen in the R-Squered value of 0.983821, which means that a set of predictor variables in this model can explain the response variable of 98.3821% or 98% while the rest can be explained by other variables outside the model not studied.

Discussion

a. Effect of Inflation on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was found that the Prob value. Inflation of 0.7659 is greater than 0.05, which means that inflation has no significant effect on ISSI. Inflation t-statistic value is 0.302338 with a positive coefficient value of 0.008319, indicating that inflation shows a unidirectional relationship which means that if inflation increases, ISSI will increase and vice versa if inflation decreases, ISSI will also decrease. This finding strengthens the results of the study(Fathurrahman & Widiastuti, 2021). This study shows that when inflation occurs, which increases the rate of goods prices in aggregate or as a whole, it cannot affect ISSI's movement and even remains in a stable position. This shows that when conducting research on investment decisions, they do not pay attention to inflation as a benchmark.

b. The Influence of the BI Rate on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was found that the Prob value. The BI Rate is 0.0014 which is smaller than 0.05, which means that the BI Rate has a significant effect on ISSI. The t-statistic value of the BI Rate is -3.786278 with a positive coefficient value of 0.098444 which indicates an opposite relationship. If the BI Rate increases, the ISSI decreases and vice versa if the BI rate decreases, the ISSI increases. The results of this analysis are in line with the results of the study(Fathurrahman & Widiastuti, 2021). This study shows that when the BI Rate increases, at that time the central bank is withdrawing money circulating in the community so that many investors are interested in saving their money in the bank so that there is a change in investor interest in the Islamic capital market to the bank because the return is clearer, this causes cash flow. the company decreased so that investment activities in the Islamic capital market also decreased which in turn reduced ISSI.

c. Effect of Exchange Rate on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was found that the exchange rate was 0.0062 which was smaller than 0.05, which means that the exchange rate had a significant effect on ISSI. The t-statistic value of the Exchange Rate is -3.099642 with a negative coefficient value of 0.006459, this indicates an opposite relationship. If the exchange rate increases, the ISSI decreases. Vice versa, if the exchange rate decreases, the ISSI increases. The results of this study support the findings(Fathurrahman & Widiastuti, 2021). This study shows that when the rupiah weakens due to the higher value of the dollar, it will have an impact on import and export activities. So, if a company wants to import, it requires higher production costs, which can reduce the company's profit or profit. Thus, investors who want to invest in the company are reluctant to invest their funds. In fact, investors who have invested their funds can sell their shares so that in the end they can reduce ISSI.

d. The Effect of JCI on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was obtained that the Prob value. JCI is 0.0000 which is smaller than 0.05, which means that JCI has a significant influence on ISSI. The t-statistic value of JCI is 8.133290 with a positive coefficient value of 1.93E-05, this indicates a unidirectional relationship. If the inflation variable increases, the ISSI increases. Conversely, if the JCI variable decreases, the ISSI decreases. The results of this study support research by Dwi Manggar Asih (2016). This study shows that the JCI is a measure of the performance value of all shares listed on a stock exchange by using all the shares listed on the Stock Exchange as a component of index calculations so that if the JCI increases, the ISSI will increase.

e. The Influence of SBIS on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was obtained that the Prob value. SBIS of 0.6544 is greater than 0.05, which means that SBIS has no significant effect on ISSI. The t-statistic value of SBIS is 0.455196 with a positive coefficient value of 1.138433, this

indicates a unidirectional relationship. If the SBIS variable increases, the ISSI increases. Vice versa if the SBIS variable decreases, the ISSI decreases. This result contradicts the research conducted by(Chotib & Huda, 2020)which says that SBIS can bring down ISSI. This study shows that when SBIS increases, ISSI also increases, this is because SBIS are short-term sharia-based securities in rupiah currency issued by Bank Indonesia with the aim of attracting money circulation in the community so that with the number of SBIS issued, it will many investors are also interested in increasing ISSI.

f.   The Effect of World Gold Prices on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was obtained that the Prob value. The world gold price is 0.2572, which is greater than 0.05, which means that the world gold price has no significant effect on ISSI. The t-statistic value is -1.170074 with a negative coefficient value of 0.009366, this indicates an opposite relationship. If the World Gold Price variable increases, the ISSI decreases. Likewise, if the World Gold Price variable decreases, the ISSI increases. This result contradicts the research conducted by(Nasyatia, n.d.)which says that if the world gold price increases, ISSI will increase. This study shows that when the world gold price rises, it will trigger investors to invest in gold because the value of gold is stable and low risk compared to stocks so that many investors release shares which in turn can reduce ISSI.

g.   Simultaneous Effects of Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Prices on ISSI (Indonesian Sharia Stock Index)

Based on the data processing in this study, it was obtained that simultaneously or simultaneously the independent variables consisting of inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Prices had an effect on the dependent variable, namely ISSI, this study can be seen in the probability value of table 1 test the F statistic of 0.000000 is smaller than 0.05, thus Ha is accepted and H0 is rejected, which means that simultaneously or simultaneously Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Prices have a significant effect on ISSI.

h.   Overview of the Performance of the Indonesian Sharia Stock Index in the pandemic era

Source:https://www.idx.co.id/
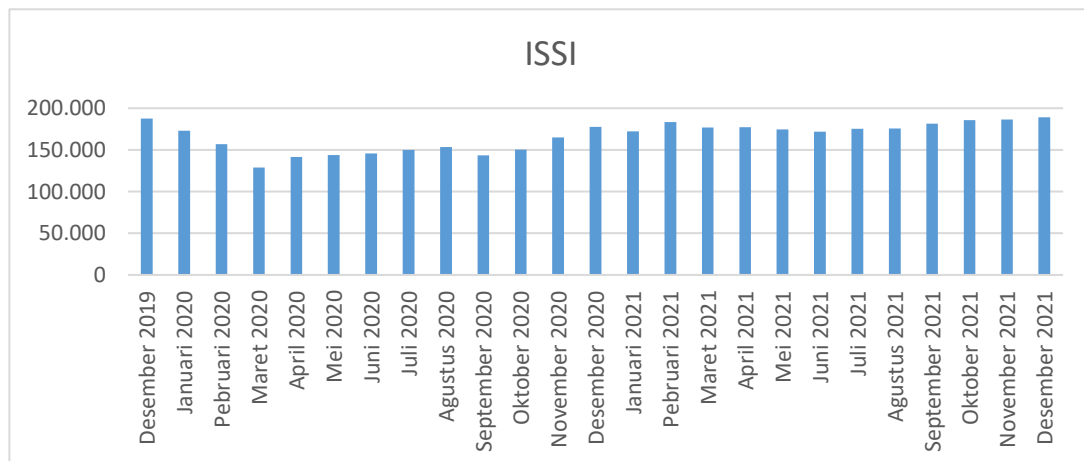
The graph above shows that in December 2019 to December 2020 the Indonesian Sharia Stock Index was in an unstable position and was clearly visible at the beginning of the covid-19 pandemic, namely from December 2019 to March 2020, ISSI fell and fell at 128,696. shows that the economy was deteriorating due to the impact of the pandemic. In December 2020 with numbers 177,483 and January 2021 ISSI showed a slow increase after the mass vaccination was held until December 2021. This situation illustrates that ISSI will continue to rise after the booster vaccination because the economy will improve starting in 2022.

CONCLUSION

Based on the results of the above discussion, it can be concluded that with the results of the T test or partially the BI Rate, Exchange Rate, JCI variables have a significant effect on ISSI and the Inflation variable, SBIS, World Gold Price have no significant effect on ISSI. While the results of the F test simultaneously variable Inflation, BI Rate, Exchange Rate, JCI, SBIS and World Gold Prices have an effect on ISSI. The results of this study provide the following implications: first, ISSI is strongly influenced by the BI Rate, Exchange rate, JCI so that if the BI Rate, Exchange rate, JCI is not stable, it will affect ISSI. This situation must be read carefully by investors before investing in order to pay attention to the BI Rate, Exchange Rate, JCI to get the maximum profit. Second, inflation, SBIS, The world gold price has no significant effect on ISSI. This situation shows that high inflation and the issuance of SBIS cannot influence investors' decisions to invest in the capital market, besides that investors are still interested in investing in gold because the price is stable and low risk. Third, improved economic growth after mass vaccines and booster vaccines will increase transactions in the capital market that can attract investors to invest.

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