Received: 31 October 2024; Revised: 18 January 2025; Accepted: 25 January 2025

MACROECONOMIC DETERMINANTS AND GLOBAL ISLAMIC MARKET LINKAGES OF THE JAKARTA ISLAMIC INDEX

Rahmat Fitriansyah[1*]
Mohammad Soleh Nurzaman[2]
[1,2]University of Indonesia, Indonesia
[*]*Corresponding Email: rahmat.fitriansyah015@gmail.com*

ABSTRACT - Amidst significant volatility and a sustained decline over the past decade, the Jakarta Islamic Index (JII) performance is closely linked to domestic macroeconomic conditions and global Islamic equity trends. This study employs Vector Autoregression (VAR) and Vector Error Correction Model (VECM) methodologies to analyze the short- and long-term impacts of key macroeconomic indicators—Bank Indonesia interest rate (BI Rate), Consumer Price Index (CPI), Rupiah exchange rate (ER), global oil prices (CO), and Dow Jones Islamic Market (DJIM) indices from the US, Europe, and Japan—on the JII. Short-term findings reveal negative effects from the BI Rate and DJIM Europe, and positive impacts from the CPI and DJIM Japan. In the long term, ER, CO, and DJIM Japan negatively influence the JII, while DJIM US provides positive contributions. Significant contributors to JII fluctuations include DJIM Japan, CPI, and CO, with adverse responses to BI Rate and DJIM US shocks. These findings underscore the imperative for policymakers to maintain exchange rate stability, manage monetary policy prudently, and consider energy diversification. For Sharia investors, the results advocate for strategic portfolio diversification, incorporating global Sharia-compliant equities and inflation-resistant assets to navigate the identified risks and optimize returns.
Keywords: Jakarta Islamic Index, Macroeconomic Indicators, Dow Jones Islamic Market, VECM, Sharia Capital Market

ABSTRAK - Keuangan Syariah sebagai Katalisator Pertumbuhan Ekonomi: Bukti dari Indonesia . *Di tengah volatilitas signifikan dan penurunan berkelanjutan selama dekade terakhir, kinerja Jakarta Islamic Index (JII) terkait erat dengan kondisi makroekonomi domestik dan tren pasar ekuitas syariah global. Penelitian ini menggunakan metode Vector Autoregression (VAR) dan Vector Error Correction Model (VECM) untuk menganalisis dampak jangka pendek dan jangka panjang dari indikator makroekonomi utama, yaitu suku bunga Bank Indonesia (BI Rate), Indeks Harga Konsumen (CPI), nilai tukar Rupiah terhadap Dolar AS (ER), harga minyak global (CO), dan indeks Dow Jones Islamic Market (DJIM) dari AS, Eropa, dan Jepang, terhadap JII. Hasil jangka pendek menunjukkan dampak negatif dari BI Rate dan DJIM Eropa, serta dampak positif dari CPI dan DJIM Jepang. Dalam jangka panjang, ER, CO, dan DJIM Jepang memberikan pengaruh negatif terhadap JII, sementara DJIM AS memberikan kontribusi positif. Kontributor utama terhadap fluktuasi JII adalah DJIM Jepang, CPI, dan CO, dengan respons negatif terhadap kejutan dari BI Rate dan DJIM AS. Temuan ini mendorong pembuat kebijakan untuk menjaga stabilitas nilai tukar, mengelola kebijakan moneter secara bijaksana, dan mempertimbangkan diversifikasi energi. Bagi investor syariah, hasil studi ini mendukung diversifikasi portofolio strategis, menggabungkan ekuitas syariah global dan aset tahan inflasi untuk mengelola risiko yang teridentifikasi dan mengoptimalkan imbal hasil.*
Kata Kunci: Jakarta Islamic Index, Indikator Makroekonomi, Dow Jones Islamic Market, VECM, Pasar Modal Syariah

INTRODUCTION

The global Islamic capital market has undergone substantial expansion since the mid-2000s, with significant hubs emerging in nations like the United Arab Emirates, Bahrain, Indonesia, Malaysia, and Saudi Arabia (Batorshyna et al., 2021). Projections estimate global Islamic financial assets will reach $6.6 trillion by 2027, a notable increase from $4.5 trillion in 2022 (Mohamed & Ahmed, 2023), underscoring the sector's growing economic influence. Within this landscape, Indonesia's Sharia Capital Market is particularly prominent, constituting 60% of the nation's total Islamic financial assets, with the Islamic equity market alone accounting for a 56% share (Kasri et al., 2024). This highlights the critical role of Sharia-compliant investments within Indonesia's economic structure and their positive contribution to long-term growth (Muftia et al., 2023), further fueled by rising investor interest (Aisah et al., 2022) in a nation poised to be a key player in global Islamic finance (Nugroho & Rusydiana, 2019).

Figure 1. Jakarta Islamic Index Movement
(Source: Investing.com, 2024)

The Jakarta Islamic Index (JII), comprising the 30 most liquid, high-capitalization Sharia-compliant stocks, serves as the primary benchmark recognized by the Indonesia Stock Exchange. However, despite the market's structural importance and growing investor participation, the JII has exhibited significant volatility and a persistent downward trend over the past decade. As illustrated in Figure 1, after peaking in 2016-2017, the index experienced sharp

declines, notably during the 2020 pandemic, closing 2023 at 535.68, considerably lower than its 604.61 value at the decade's start.

Compounding this issue, transaction values plummeted by 61% in the third quarter of 2023 compared to the previous year (Kasri et al., 2024). This research problem – the sustained underperformance and volatility of a key emerging Islamic market index amidst favourable demographic and sectoral growth – raises concerns about investor confidence and the future trajectory of Indonesia's Islamic financial sector. While internal macroeconomic conditions and external factors like global oil prices and market sentiment are known influencers (Sakti & Harun, 2015), a deeper, integrated analysis is required to identify the primary drivers of this decline and inform recovery strategies.

Existing literature acknowledges the influence of various factors on stock indices, including domestic macroeconomic variables (e.g., BI rate, CPI, ER) and global indicators like oil prices (CO) or international Sharia indices such as the Dow Jones Islamic Market Index (DJIM) – a pioneering global benchmark (Ho, 2015) with significant weightings in the US (69.9%), Europe (26.9%), and Japan (4.3%) (S&P Dow Jones Indices, 2024) and noted influence on Indonesian indices (Wibowo, 2019). Numerous studies have examined the impact of specific macroeconomic variables (Abdul Karim & Shabri Abd. Majid, 2010; Fitriansyah & Darwanto, 2022; Hasan et al., 2022; Olokoyo et al., 2020; Raza Rabbani et al., 2024; Robiyanto, 2018; Siang & Rayappan, 2023; Tangjitprom, 2012; Wang et al., 2017) or the influence of DJIM indices (Santosa & Roselli, 2023; Özçelebi & Pérez-Montiel, 2023) on market performance.

While the existing literature provides valuable insights into individual determinants of JII performance, a clear research gap emerges. Firstly, few studies simultaneously investigate the combined impact of a comprehensive set of key domestic macroeconomic variables (BI rate, CPI, ER, CO) and major global Islamic equity benchmarks (specifically DJIM US, Europe, and Japan, representing dominant global weightings) on the JII. Research often examines these factors in isolation or smaller combinations. Secondly, there is a lack of research that rigorously differentiates between the short-term dynamics and long-term equilibrium relationships of this specific integrated set of variables using cointegration techniques like the Vector Error Correction Model (VECM). Understanding these temporal distinctions is crucial for both tactical investment decisions and strategic policy formulation. This study aims to fill

this gap by providing a holistic, dynamic analysis of the interplay between these critical domestic and global factors influencing the JII.

The novelty of this study lies in its comprehensive approach, simultaneously examining the specific combination of relevant domestic and global factors and explicitly modeling their distinct short-term and long-term dynamics using VAR/VECM techniques. The findings are expected to make an empirical contribution to the literature by providing a more holistic and temporally nuanced understanding of the factors influencing a major emerging Islamic stock index, thus addressing the identified research gap. Additionally, it offers valuable, data-driven insights for Sharia-compliant investors aiming to develop effective portfolio diversification and risk management strategies within an increasingly interconnected global financial system. Furthermore, the findings provide actionable intelligence for policymakers seeking to enhance market stability and resilience through informed decisions regarding monetary policy, exchange rate management, inflation control, and energy diversification strategies. This research seeks to support the sustainable development and stabilization of Indonesia's crucial Sharia capital market by clarifying the specific sensitivities of the JII to the combined domestic and global factors across different time horizons.

LITERATURE REVIEW

Theoretical Foundations

Understanding the dynamics of the Jakarta Islamic Index (JII) necessitates grounding in established financial theories, adapted to the unique context of Sharia-compliant markets. The Efficient Market Hypothesis (EMH), proposed by Malkiel & Fama (1970), suggests that asset prices instantaneously and fully reflect all available information. While a basis of financial economics, its application to Islamic markets requires nuance. The principles of Sharia compliance (e.g., prohibition of riba and gharar, sector screening) may introduce distinct filtering mechanisms or investor behavioral patterns, potentially leading to unique market responses to macroeconomic information compared to conventional markets (Olokoyo et al., 2020). While research confirms linkages between macroeconomic variables and market efficiency in Islamic finance (Olokoyo et al., 2020), the specific extent and temporal dynamics (short- vs. long-run) through which key indicators like interest rates, inflation, exchange rates, oil prices, and global Islamic benchmarks influence

the efficiency and performance of the JII warrant further empirical investigation.

Complementing the EMH, the concept of Capital Market Integration is crucial for analyzing the JII in a globalized world. Dorodnykh (2014) conceptualizes integration as the interconnectedness facilitating lower trade barriers and cross-border investment flows. As global financial markets become increasingly linked, shocks and trends in major markets can transmit to others (Haddad, 2023). Studies have explored integration within Sharia stock markets, particularly concerning resilience during economic downturns (Muharam & Pratama, 2020). However, the specific integration channels and spillover effects between major global Islamic indices, such as the Dow Jones Islamic Market (DJIM) indices, and national benchmarks like the JII remain an area needing deeper exploration, representing a critical aspect of the research gap this study addresses.

Empirical Evidence on JII Determinants

Previous empirical research has examined various factors influencing the JII. Several studies have focused on domestic macroeconomic variables. For instance, Agestiani & Sutanto (2019) analyzed the impact of Indonesian macroeconomic indicators alongside global gold prices on the JII. Wasita et al. (2022) and Long & Liang (2018) highlighted the significant effects of Bank Indonesia's policy rate (BI-rate) and the Consumer Price Index (CPI) on Indonesia's broader economic and financial stability, implying indirect effects on equity markets like the JII. Research on the Rupiah exchange rate (ER) consistently points to its volatility impacting trade competitiveness and inflation, thereby influencing market performance (Pangestuti et al., 2022; Suhendra et al., 2022).

Global factors have also received attention. The influence of global oil prices (CO) is significant, given their impact on production costs and corporate profitability, with studies demonstrating broader economic consequences (Kilian, 2016; Nguyen & Nguyen, 2020). Pratama and Azzis (2018) specifically investigated the effects of macroeconomic variables and international Sharia indices on JII return volatility, acknowledging the dual influence of domestic and external forces. The Dow Jones Islamic Market Index (DJIM), as a pioneering global benchmark (Ho, 2015), has been identified as particularly relevant. Research confirms its influence on Sharia equity market

movements and investment strategies (Santosa & Roselli, 2023; Özçelebi & Pérez-Montiel, 2023), with studies noting correlations and potential spillovers to the JII (Wibowo, 2019; Amal & Musthofa, 2023). Methodologically, studies have employed various approaches, from CAPM (Ria, 2022) to more advanced models like QBARDL (Fianto et al., 2023) to understand Sharia stock determinants.

METHODOLOGY

Research Design and Data

This study employs a quantitative approach to investigate the dynamic relationships between domestic macroeconomic indicators, global Islamic equity indices, and the Jakarta Islamic Index (JII). Monthly time-series data spanning from January 2013 to December 2023 (N=120 observations) were utilized. This frequency was selected to capture sufficient temporal variations and high-frequency interactions relevant to financial market dynamics, offering greater granularity for analyzing short-term and long-term effects compared to lower-frequency data.

The dependent variable is the Jakarta Islamic Index (JII). The independent variables include four domestic macroeconomic indicators: the Bank Indonesia interest rate (BI-rate), the Consumer Price Index (CPI) representing inflation, the Rupiah-US Dollar exchange rate (ER), and the global price of West Texas Intermediate crude oil (CO). Additionally, three global Islamic equity benchmarks are included: the Dow Jones Islamic Market US Index (DJIM US), the Dow Jones Islamic Market Europe Index (DJIM EU), and the Dow Jones Islamic Market Japan Index (DJIM JP).

These DJIM indices were chosen based on their significant weightings in the global DJIM framework (S&P Dow Jones Indices, 2024) and their established relevance in previous studies (Santosa & Roselli, 2023; Özçelebi & Pérez-Montiel, 2023). Data were sourced from official and reputable institutions: JII data from the Indonesia Stock Exchange, BI-rate and ER from Bank Indonesia, DJIM indices from S&P Dow Jones Indices, and CO prices from Investing.com and the Federal Reserve Bank of St. Louis to ensure reliability and consistency. Variable descriptions and hypothesized relationships based on economic theory and prior literature are summarized in Table 1.

Table 1. Description of Variables and Hypothesized Relationships

Variable	Description	Hypothesized Relationship
Jakarta Islamic Index (JII)	The dependent variable representing the performance of Sharia-compliant equities in Indonesia.	-
Bank Indonesia Interest Rate (BI-rate)	The interest rate set by the government as a benchmark.	Negative (−)
Consumer Price Index (CPI)	A measure of inflation reflecting changes in the average price level of goods and services.	Positive (+)
Exchange Rate (ER)	The exchange rate of the Rupiah against the US Dollar.	Negative (−)
World Oil Price – WTI (OP)	The global benchmark for crude oil prices, representing the cost of energy resources.	Negative (−)
Dow Jones Islamic Market US (DJIM US)	The performance of Sharia-compliant equities in the United States.	Positive (+)
Dow Jones Islamic Market Europe (DJIM EU)	The performance of Sharia-compliant equities in the Europe.	Negative (−)
Dow Jones Islamic Market US (DJIM JP)	The performance of Sharia-compliant equities in the Japan.	Negative (−)
Intercept (β0)	Represents the baseline level of the JII when all independent variables are held constant.	-
Error term (εt)	Captures unobserved factors or random shocks influencing the JII.	-

Econometric Model and Estimation Procedure

Given the time-series nature of the data and the potential for non-stationarity and cointegration among the variables, this study employs the Vector Error Correction Model (VECM). The VECM, an extension of the Vector Autoregression (VAR) model, is specifically suited for analyzing systems of non-stationary variables that are cointegrated, meaning they share a long-run equilibrium relationship (Johansen, 1991). This approach allows for the simultaneous estimation of both short-run dynamics and the speed of adjustment back to the long-run equilibrium following a shock (Firdaus, 2011). The analysis was conducted using E-Views 10 software. The equation model is as follows:

$$JII_t = \beta_0 + \beta_1 BI\text{-}rate_{t-1} + \beta_2 CPI_{t-1} + \beta_3 ER_{t-1} + \beta_4 OP_{t-1} + \beta_5 DJIMUS_{t-1} + \beta_6 DJIMEU_{t-1} + \beta_7 DJIMJP_{t-1} + \varepsilon_t \quad (1)$$

The model development and estimation followed standard econometric procedures:

1. Stationarity Testing. The Augmented Dickey-Fuller (ADF) test was employed to assess the stationarity properties of each variable at levels and first differences. This step is crucial to determine the order of integration and the appropriateness of cointegration analysis.
2. Optimal Lag Length Selection. The optimal lag length for the VAR system underlying the VECM was determined using the Akaike Information Criterion (AIC). Selecting the appropriate lag length is essential for capturing the system's dynamics without inducing autocorrelation.
3. Cointegration Testing. The Johansen cointegration test (specifically, the trace statistic) was used to determine the presence and number of cointegrating relationships among the variables. Evidence of cointegration confirms the existence of a long-run equilibrium and justifies the use of the VECM framework.
4. Model Stability Testing. The stability of the estimated VAR/VECM system was verified by examining the roots of the characteristic polynomial. All roots lying inside the unit circle indicate a stable model, ensuring that impulse responses converge.

Post-Estimation Analysis

Following the estimation of the VECM, several analytical techniques were employed to interpret the results and address the research objectives:

1. Granger Causality Tests. These tests were conducted within the VECM framework to assess the direction of predictive causality among the variables at a 5% significance level.
2. Impulse Response Functions (IRFs). IRFs were generated to trace the dynamic response of the JII (and other variables) to a one-standard-deviation shock in each of the variables over a specified time horizon (e.g., 24 months). This helps visualize the magnitude and persistence of the effects.
3. Forecast Error Variance Decomposition (FEVD). FEVD was used to determine the proportion of the forecast error variance of the JII that can be attributed to shocks in its own past values versus shocks in the other

variables in the system over time. This indicates the relative importance of each variable in explaining JII fluctuations.

The VAR/VECM method analysis flowchart is shown in Figure 2.

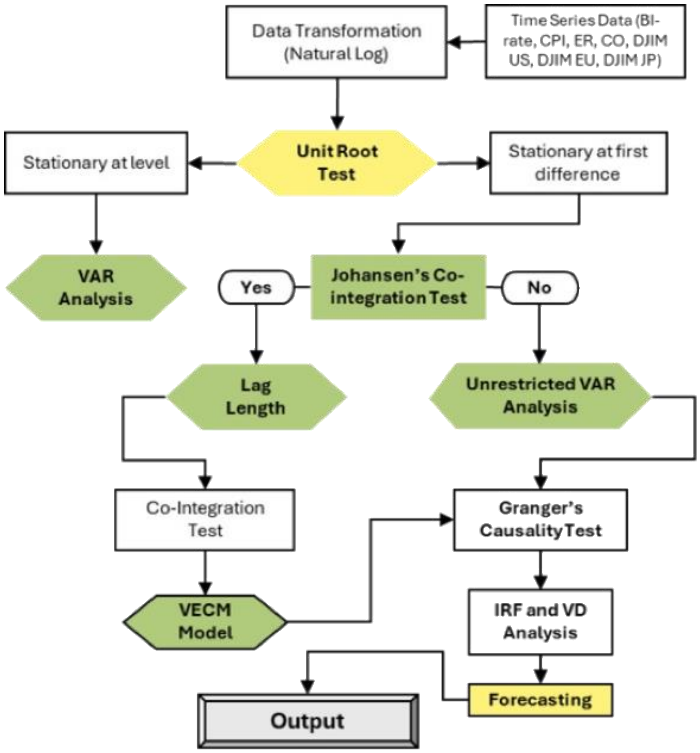

Figure 2. VAR/VECM Analysis Flowchart

RESULTS AND DISCUSSION

Results

Stationarity Test

The preliminary step in analyzing the time series data involved testing for stationarity using the Augmented Dickey-Fuller (ADF) test. Results indicated that all variables—Jakarta Islamic Index (JII), Bank Indonesia interest rate (BI rate), Consumer Price Index (CPI), Rupiah exchange rate (ER), global oil prices (CO), and Dow Jones Islamic Market indices for the US (DJIM US), Europe (DJIM EU), and Japan (DJIM JP)—were non-stationary at levels but became stationary at first difference (p-values < 0.05). Thus, all variables were

integrated of order one, I(1), validating the suitability of the VECM methodology.

Table 2. Stationarity Test Results

Variable	Unit Root	Augmented Dickey-Fuller test statistic	Mac Kinnon 5% Critical Value	Probability	Conclusion
JII	Level	-2.005841	-2.883579	0.2841	Not Stationary
	First Difference	-10.50624	-2.883753	0.0000	Stationary
BI-Rate	Level	-1.647157	-2.883930	0.4557	Not Stationary
	First Difference	-4.743314	-2.883930	0.0001	Stationary
CPI	Level	-2.245017	-2.883579	0.1917	Not Stationary
	First Difference	-11.47295	-2.883753	0.0000	Stationary
ER	Level	-2.761515	-2.883930	0.0668	Not Stationary
	First Difference	-10.26103	-2.883930	0.0000	Stationary
CO	Level	-2.346446	-2.883753	0.1592	Not Stationary
	First Difference	-8.353813	-2.883753	0.0000	Stationary
DJIM_US	Level	-0.110425	-2.883579	0.9450	Not Stationary
	First Difference	-12.50475	-2.883753	0.0000	Stationary
DJIM_EU	Level	-1.216389	-2.883579	0.6662	Not Stationary
	First Difference	-12.12874	-2.883753	0.0000	Stationary
DJIM_JP	Level	-1.643455	-2.883579	0.4576	Not Stationary
	First Difference	-11.58414	-2.883753	0.0000	Stationary

(Source: E-Views Processed Data, 2024)

Optimal Lag Length Selection

Optimal lag length determination using the Akaike Information Criterion (AIC) suggested an optimal lag of one period, which effectively minimized autocorrelation issues within the VAR system. Stability tests confirmed that the VAR model satisfied the stability condition, with all modulus values below one, ensuring reliability in subsequent analyses.

Table 3. Optimal Lag Test Results

Lag	LogL	LR	FPE	AIC	SC	HQ
0	1709.698	NA	3.18e-22	-26.79840	**-26.61924***	**-26.72561***
1	1781.810	134.0031	**2.80e-22***	**-26.92615***	-25.31369	-26.27103
2	1837.465	**96.41049***	3.23e-22	-26.79473	-23.74899	-25.55728
3	1884.471	75.50443	4.34e-22	-26.52710	-22.04806	-24.70732
4	1928.827	65.66121	6.26e-22	-26.21775	-20.30542	-23.81564

(Source: E-Views Processed Data, 2024)

Model Stability

Stability testing confirmed that the modulus values of the characteristic polynomial roots were below one, ensuring the stability of the estimated VAR model. This stability allows for reliable derivation of Impulse Response Functions (IRFs) and Variance Decomposition (FEVD) results.

Table 4. Stability Test Results

Root	**Modulus**
0.509997	0.509997
0.042249 - 0.245442i	0.249051
0.042249 + 0.245442i	0.249051
-0.220556	0.220556
0.146173 - 0.103283i	0.178981
0.146173 + 0.103283i	0.178981
-0.163432	0.163432
0.016102	0.016102

(Source: E-Views Processed Data, 2024)

Granger Causality Test Results

The Granger causality test revealed significant predictive relationships among the variables. Unidirectional causality was observed from JII to DJIM EU, from CO to DJIM EU, and from BI-rate to DJIM JP, as displayed in Figure 3. Bidirectional causality was identified between DJIM US and JII, between BI-rate and CO, and between CO and DJIM JP, as presented in Table 5.

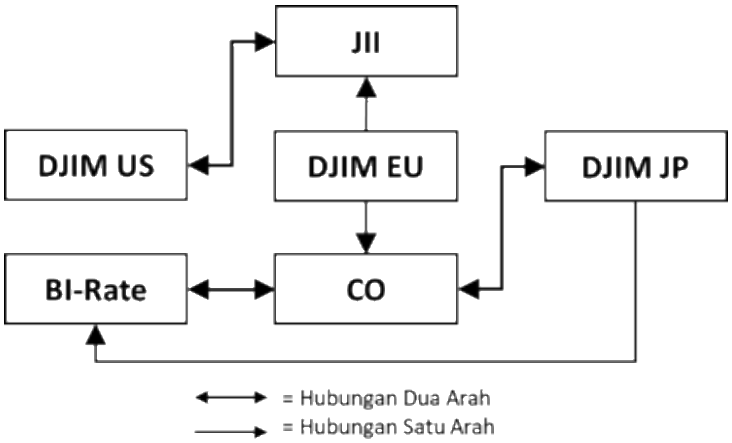

Figure 3. Granger Causality Test Results
(Source: E-Views Processed Data, 2024)

These results highlight the interconnectedness of domestic macroeconomic variables, global Islamic indices, and the JII. Notably, the bidirectional relationship between DJIM US and JII reflects the reciprocal influence of the U.S. market on Indonesia's Sharia capital market.

Table 5. Bidirectional Relationship among Variables

From	To	Probability	Causality Direction	Conclusion
JII	DJIM EU	0.0119	Unidirectional (→)	JII → DJIM EU (Significant)
DJIM EU	JII	0.0693		No Causality
JII	DJIM US	0.0217	Bidirectional (↔)	JII ↔ DJIM US (Significant)
DJIM US	JII	0.0385		
BI-rate	DJIM JP	0.0242	Unidirectional (→)	BI-rate → DJIM JP (Significant)
DJIM JP	BI-rate	0.3240		No Causality
BI-rate	CO	0.0001	Bidirectional (↔)	BI-rate ↔ CO (Significant)
CO	BI-rate	0.0163		
CO	DJIM EU	0.0303	Unidirectional (→)	CO → DJIM EU (Significant)
DJIM EU	CO	0.1218		No Causality
CO	DJIM JP	0.0276	Bidirectional (↔)	CO ↔ DJIM JP (Significant)
DJIM JP	CO	0.0068		

(Source: E-Views Processed Data, 2024)

VECM Estimation Results

The VECM results (Table 6) reveal several key findings. In the short term, the BI-rate has a significant negative impact on the Jakarta Islamic Index (JII), with a 1% increase in the BI-rate reducing JII by 0.043752%. This suggests that higher interest rates diminish the attractiveness of Sharia-compliant equities, as investors shift toward fixed-income instruments. Conversely, the Consumer Price Index (CPI) exerts a significant positive effect on JII, where a 1% increase in CPI leads to a 0.345176% rise in JII, indicating that moderate inflation signals economic growth and enhances investor confidence in the Sharia capital market. Additionally, the DJIM Europe (DJIM EU) has a significant negative short-term impact on JII, with a 1% increase in DJIM EU reducing JII by 0.357474%.

Table 6. VECM Estimation Results

Variable	Short Term		Long Term	
	Coefficient	**T statistic**	**Coefficient**	**T statistic**
CointEq1	-0.158727	[-3.44026]	-	-
LN_JII(-1)	0.068189	[0. 69262]	1.000000	-
LN_JII(-2)	0.100880	[0.97469]	-	-
BI_RATE(-1)	-0.043752	*[-1.98284]	0.012812	[0.61611]
BI_RATE(-2)	-0.002221	[-0.09621]	-	-
LN_CPI(-1)	0.171477	[1.67374]	0.069194	[0.37838]
LN_CPI(-2)	0.345176	*[3.29760]	-	-
LN_ER(-1)	-0.055563	[-0.25176]	-1.179837	*[-3.41802]
LN_ER(-2)	-0.222429	[-0.99990]	-	-
LN_CO(-1)	-0.047687	[-1.25246]	-0.484092	*[-6.09308]
LN_CO(-2)	-0.027446	[-0.75387]	-	-
LN_DJIM_US(-1)	-0.166907	[-0.97446]	0.789910	*[4.14358]
LN_DJIM_US(-2)	-0.052947	[-0.31212]	-	-
LN_DJIM_EU(-1)	0.063048	[0.35729]	0.176808	[0.42339]
LN_DJIM_EU(-2)	-0.357474	*[-2.11870]	-	-
LN_DJIM_JP(-1)	0.183299	[1.43427]	-0.736364	*[-2.68957]
LN_DJIM_JP(-2)	0.310237	*[2.50504]	-	-
C	0.001173	[0.29351]	3.652876	-

(Source: E-Views Processed Data, 2024)

In the long term, the exchange rate (ER) has a significant negative effect on JII, where a 1% depreciation of the Rupiah against the U.S. Dollar results in a 1.179837% decline in JII. This reflects the adverse impact of higher import costs and inflationary pressures on corporate profitability. The global oil price (CO) also negatively affects JII, with a 1% increase in CO reducing JII by 0.484092%, as rising oil prices raise production and transportation costs, thereby reducing corporate earnings and investor sentiment. On the other hand, the DJIM U.S. (DJIM US) exerts a significant positive influence on JII, where a 1% increase in DJIM US increases JII by 0.789910%, highlighting the importance of U.S. market performance in fostering investor confidence in Indonesia's Sharia market. Lastly, the DJIM Japan (DJIM JP) has a significant negative long-term effect, where a 1% increase in DJIM JP reduces JII by 0.736364%.

Impulse Response Function (IRF) and Variance Decomposition (FEVD)

The IRF analysis demonstrates how JII and other variables respond to shocks over time. For example, JII exhibits an initial positive response to shocks, peaking in the first period before gradually stabilizing by the 10th period. In

contrast, variables such as BI-rate and DJIM JP show consistent negative responses, stabilizing after a few periods.

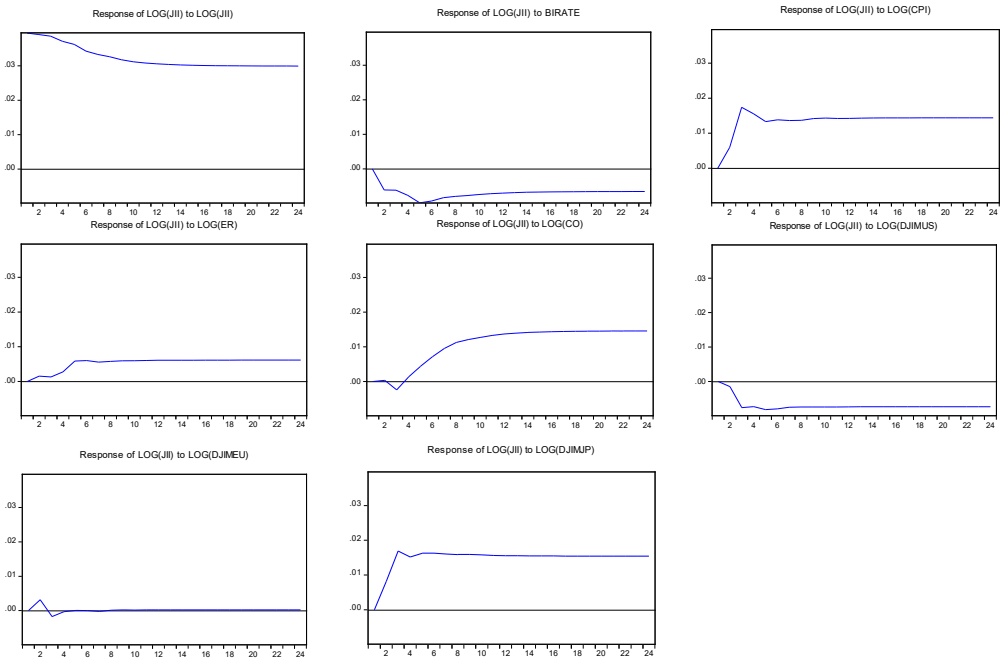

Figure 4. IRF Analysis Results
(Source: E-Views Processed Data, 2024)

The detailed outcomes based on Figure 4 are as follows:

1. The JII begins its response to the shock with a positive value of 0.039542 in the first period. However, this response gradually declines, reaching 0.029949 in the 24th period. Stability is achieved after the 10th period.
2. The BI Rate response starts at 0.000000, then decreases to -0.006104 in the second period and reaches -0.006560 in the 24th period. This response remains negative and stabilizes after the second period.
3. The CPI response increases from 0.000000 to 0.005978 in the second period, reaching 0.014408 in the 24th period. This response stabilizes with a positive trend from the ninth period onward.
4. The ER response rises from 0.000000 to 0.001524 in the second period, reaching 0.006150 in the 24th period. This response shows a positive trend and stabilizes from the 12th period.

5. The CO response increases from 0.000000 to 0.000330 in the second period and fluctuates, reaching 0.014576 in the 24th period. Stability begins from the 13th period with a positive trend.
6. The DJIM US response decreases from 0.000000 to -0.001483 and continues to decline until it reaches -0.007333 in the 24th period. This response is consistently negative and stabilizes from the 11th period.
7. The DJIM EU response increases from 0.000000 to 0.000212 in the 24th period. This response is stable and has a small positive impact starting from the 12th period.
8. The DJIM JP response rises from 0.000000 to 0.008193 and significantly increases to 0.015433 in the 24th period. This response is positive and stabilizes from the 10th period.

The FEVD analysis reveals that JII itself accounts for the largest proportion of its fluctuations (60.24%), followed by DJIM JP (13.03%), CPI (10.96%), and CO (8.22%). These findings emphasize the dual influence of domestic and global factors on JII volatility. Figure 5 presents the results of the FEVD analysis. In the initial period, JII's variability is largely explained by itself, indicating that it is more influenced by internal factors within the Indonesian Sharia capital market.

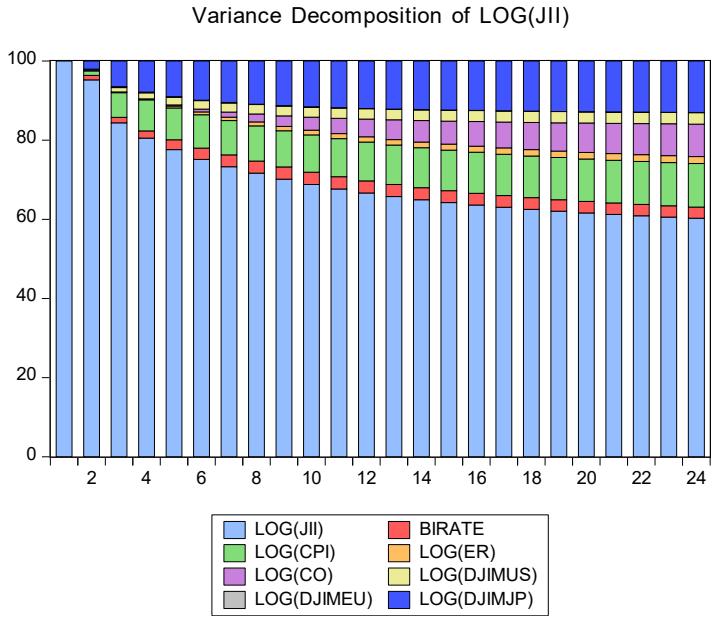

Figure 5. FEVD Analysis Results
(Source: E-Views Processed Data, 2024)

Over time, macroeconomic variables such as interest rates, inflation, exchange rates, and oil prices begin to play a larger role in explaining JII variability. JII itself is the largest contributor to its movements, at 60.24%, followed by DJIM JP at 13.03%, CPI at 10.96%, CO at 8.22%, DJIM US at 2.89%, BI rate at 2.84%, ER at 1.76%, and DJIM EU at 0.03%. JII is sensitive to domestic shocks, such as inflation (CPI) and interest rates (BI rate), as well as global variables like international Sharia stock indices (DJIM JP, DJIM US, DJIM EU) and commodity prices (CO). This indicates that global and local economic conditions affect JII volatility, highlighting the need for risk mitigation strategies to manage these impacts.

Discussion

This study empirically investigates the dynamic interplay between macroeconomic variables, global Islamic market indices, and the Jakarta Islamic Index (JII). The findings reveal complex interactions that warrant interpretation within established theoretical frameworks and previous research. The results demonstrate significant short-term and long-term relationships between the variables, aligning with the Efficient Market Hypothesis (EMH) proposed by Malkiel & Fama (1970). The EMH suggests that asset prices fully reflect available information, including macroeconomic conditions. Our findings support a semi-strong form efficiency in Indonesia's Sharia capital market, where JII responds systematically to both publicly available macroeconomic information and global market movements, though with varying temporal dynamics. This confirms Olokoyo et al.'s (2020) assertion that Islamic markets demonstrate distinct information processing patterns due to their Sharia compliance principles.

The significant bidirectional causality between JII and DJIM US corroborates the Capital Market Integration concept described by Dorodnykh (2014), demonstrating substantial interconnectedness between Indonesia's Sharia market and global Islamic equity markets. This aligns with Muharam & Pratama (2020), who identified similar integration patterns among Sharia markets. The unidirectional causality from JII to DJIM EU suggests that Indonesia's Islamic market, despite being an emerging market, has gained sufficient importance to influence European Islamic indices, contrary to the conventional assumption of unidirectional spillovers from developed to emerging markets.

Domestic Macroeconomic Variables and JII

The estimation results from the vector error correction model (VECM) reveal a notable domestic influence on the JII. A 1% increase in the BI-Rate is associated with a 0.043752% decline in the JII after one year, implying that higher interest rates diminish the relative attractiveness of Sharia-compliant equities. This substitution effect, whereby investors gravitate toward fixed-income securities under rising rate conditions, is consistent with previous research (Ardana & Maya, 2019; Suriani et al., 2022; Susanti et al., 2021; Selvi et al., 2020; Hasan et al., 2022; Fitriansyah & Darwanto, 2022). Moreover, the delayed adjustment—evident as a one-year lag—suggests a more cautious or measured response from institutional investors in Sharia markets, a finding that supports the insights offered by Hammoudeh et al. (2016).

In contrast, a 1% increase in the Consumer Price Index (CPI) leads to a 0.345176% increase in the JII after a two-year lag. This positive relationship may indicate that moderate inflation serves as a proxy for heightened consumer spending and robust economic activity, thereby enhancing corporate performance. Such results are consistent with the studies conducted by Asravor and Fonu (2021), Antonio et al. (2021), Beik and Fatmawati (2014), Selvi et al. (2020), Putra and N (2022), and Wasita et al. (2022). In addition, the findings challenge the conventional negative correlation between inflation and stock market performance observed in non-Sharia contexts, aligning instead with Tangjitprom's (2012) observation that emerging Sharia markets may interpret inflation as a sign of economic growth.

The exchange rate (ER) also exerts a pronounced negative long-term impact on the JII. A 1% increase in the ER (reflecting Rupiah depreciation) corresponds to a 1.179837% decline in the JII. This adverse effect is attributable to the higher import costs and reduced profitability for companies heavily dependent on imported inputs. This outcome finds support in prior studies (Robiyanto, 2018; Pratama & Azzis, 2018; Yusfiarto & Pambekti, 2020; Nugraha & Setiawan, 2020; Haq, 2023; Abbass et al., 2022; Fianto et al., 2023; Ardana & Maya, 2019; Pangestuti et al., 2022; Suhendra et al., 2022; Beik & Fatmawati, 2014). In addition, the pronounced sensitivity of the JII to exchange rate fluctuations may result from the import-dependent nature of many JII-listed companies and the intensified effects of global commodity price changes transmitted via exchange rate channels—a dynamic that has not been extensively explored in prior Sharia market research.

Another significant finding is that a 1% increase in global oil prices is linked to a 0.484092% reduction in the JII. This relationship likely reflects the increased production and transportation costs that higher oil prices impose. Such a result is consistent with the literature (Haddad et al., 2020; Majeed et al., 2016; Wang et al., 2024; Purnamasari & Sukmana, 2017; Billah et al., 2024; Kilian, 2016; Nguyen & Nguyen, 2020; Masrizal et al., 2021) and suggests that the negative impact is especially pronounced for the JII relative to conventional markets (Robiyanto, 2018). This may be due to the concentration of energy-intensive industries within the JII and the limited availability of Sharia-compliant hedging instruments for commodity price risk management.

Global Islamic Indices and Market Integration

The analysis also reveals important insights into global market integration. A significant positive long-term relationship between the JII and the DJIM US (coefficient = 0.789910) confirms the influential role of U.S. Islamic markets in shaping emerging Sharia indices. This finding supports the conclusions drawn by Wibowo (2019) and Santosa and Roselli (2023), suggesting that investor sentiment and capital flow channels from established U.S. Islamic markets substantially affect the performance of emerging markets such as Indonesia's.

Conversely, the short-term negative impact of the DJIM Europe (coefficient = -0.357474) on the JII contrasts with previous findings of positive spillovers from European to Asian Islamic markets (Özçelebi & Pérez-Montiel, 2023). This divergence may reflect evolving post-pandemic relationships wherein economic uncertainties in Europe generate negative spillover effects on emerging markets like Indonesia.

Moreover, the DJIM Japan exhibits a novel pattern: while the short-term effect is positive, the long-term relationship is negative (coefficient = -0.736364). This temporal asymmetry suggests that while initial positive information flows exist, competitive capital allocation over time may lead to a reallocation of investments from Indonesia to Japan. This nuanced dynamic challenges the simpler integration models proposed by Ho (2015) and calls for a more detailed theoretical framework to capture regional variations. Similar complexities in market integration and competitive capital flows have been reported by Billah et al. (2024), Azis et al. (2020), Haddad et al. (2020), Gunawan and Bawono (2021), and Beik and Fatmawati (2014).

Study Implications

The findings carry several important implications. For policymakers, the pronounced negative impact of exchange rate fluctuations on the JII suggests that maintaining exchange rate stability should be a priority. Monetary policy formulations would benefit from taking into account the delayed adjustment mechanisms within the Sharia capital market. In addition, diversification of energy sources might mitigate the adverse effects of global oil price volatility—a recommendation that extends the policy framework proposed by Hasan et al. (2022).

For Sharia-compliant investors, the results advocate for differentiated strategies depending on the investment horizon. Short-term investors might profit by closely monitoring movements in the BI Rate, CPI, and DJIM EU, while long-term strategies should incorporate a degree of global diversification across Islamic markets, particularly by including U.S. Islamic instruments given their positive long-term influence on the JII. In line with the investment framework proposed by Amal and Musthofa (2023), integrating inflation-resistant assets into Sharia portfolios may provide an effective means of harnessing the benefits of the positive CPI–JII relationship.

CONCLUSION

This study assessed the impact of macroeconomic factors and global Islamic indices on the Jakarta Islamic Index (JII) using monthly data from January 2013 to December 2023. It analyzed domestic indicators such as the BI rate, CPI, ER, and CO, alongside international Sharia-compliant indices from the US (DJIM US), Europe (DJIM EU), and Japan (DJIM JP). In the short term, the BI rate and DJIM EU negatively influenced the JII, while CPI and DJIM JP had positive effects. Long-term analysis showed ER, CO, and DJIM JP significantly depressed the JII, with DJIM US as a positive contributor. Granger causality tests revealed complex interdependencies, including unidirectional causality from JII to DJIM EU and CO to DJIM EU, and bidirectional causality between DJIM US and JII, and BI rate and CO. Variance decomposition indicated JII's historical movements account for 60.24% of its variance, with DJIM JP and CPI contributing 13.03% and 10.96%, respectively. These findings highlight the JII's sensitivity to both domestic and global economic conditions, underscoring the importance of risk mitigation strategies.

The findings have important implications for both policymakers and Sharia-compliant investors. For policymakers, the results underscore the need to stabilize the Rupiah, implement balanced monetary policies that consider the lagged market responses, and diversify energy sources to mitigate the adverse effects of global oil price volatility. These initiatives should be complemented by policies promoting renewable energy and maintaining controlled inflation. For investors, the study suggests a differentiated approach: short-term strategies should focus on monitoring the BI rate, DJIM EU, CPI, and DJIM JP, whereas long-term investment strategies would benefit from a diversified portfolio that includes exposure to global Islamic indices, particularly those from the U.S. and Japan, along with inflation-resistant assets such as gold-backed sukuk.

Notwithstanding its contributions, this study is subject to several limitations. The analysis was confined to a limited set of macroeconomic factors and global Islamic indices available in the dataset, leaving potential influences from foreign investments, political stability, and additional structural factors largely unexplored. Future research should aim to incorporate a broader array of variables and explore alternative modeling approaches to capture more granular lag effects, which may yield further insights into market integration and investor behavior in Islamic capital markets. Expanding the analysis to include additional Sharia-compliant instruments could also deepen our understanding of the evolving dynamics within this market segment.

REFERENCES

Abbass, K., Sharif, A., Song, H., Ali, M. T., Khan, F., & Amin, N. (2022). Do geopolitical oil price risk, global macroeconomic fundamentals relate Islamic and conventional stock market? Empirical evidence from QARDL approach. *Resources Policy, 77*, Article 102730. https://doi.org/10.1016/j.resourpol.2022.102730

Abdul Karim, B., & Shabri Abd. Majid, M. (2010). Does trade matter for stock market integration? *Studies in Economics and Finance, 27*(1), 47–66. https://doi.org/10.1108/10867371011022975

Agestiani, A., & Sutanto, H. (2019). Pengaruh indikator makro dan harga emas dunia terhadap indeks harga saham syariah (Jakarta Islamic Index). *Econbank Journal of Economics and Banking, 1*(1), 26–38. https://doi.org/10.35829/econbank.v1i1.1

Aisah, N., Sholahuddin, M., & Rahmawati, S. D. R. (2022). Sharia and conventional stock investment. *Journal of Business and Management Studies, 4*(2), 464–476. https://doi.org/10.32996/jbms.2022.4.2.34

Amal, M. A., & Musthofa, M. W. (2023). The impact of the Dow Jones Islamic Market, interest rate, Rupiah exchange rate, and inflation on the Indonesian Sharia stock index during 2018–2022 period. *Jurnal Ekonomi Syariah Teori dan Terapan, 10*(2), 188–202. https://doi.org/10.20473/vol10iss20232pp188-202

Antonio, M. S., Rusydiana, A. S., Soeparno, W. S. I., Rani, L. N., Pratomo, W. A., & Nasution, A. A. (2021). The impact of oil price and other macroeconomic variables on the Islamic and conventional stock index in Indonesia. *International Journal of Energy Economics and Policy, 11*(5), 418–424. https://doi.org/10.32479/ijeep.10911

Ardana, Y., & Maya, S. (2019). Determinasi faktor fundamental makroekonomi dan indeks harga saham syariah internasional terhadap indeks harga saham syariah Indonesia. *Cakrawala: Jurnal Studi Islam, 14*(1), 1–15. https://doi.org/10.31603/cakrawala.v14i1.2622

Asravor, R. K., & Fonu, P. D. (2021). Dynamic relation between macroeconomic variable, stock market returns and stock market development in Ghana. *International Journal of Finance & Economics, 26*(2), 2637–2646. https://doi.org/10.1002/ijfe.1925

Aziz, T., Marwat, J., Mustafa, S., & Kumar, V. (2020). Impact of economic policy uncertainty and macroeconomic factors on stock market volatility: Evidence from Islamic indices. *The Journal of Asian Finance, Economics and Business, 7*(12), 683–692. https://doi.org/10.13106/jafeb.2020.vol7.no12.683

Batorshyna, A., Tokar, V., Kolinets, L., Sybyrka, L., & Almarashdi, O. (2021). The interplay between the global Islamic finance and economic growth of Muslim countries. *Financial and Credit Activity Problems of Theory and Practice, 3*(38), 231–239. https://doi.org/10.18371/fcaptp.v3i38.237452

Beik, I. S., & Fatmawati, S. W. (2014). Pengaruh indeks harga saham syariah internasional dan variabel makro ekonomi terhadap Jakarta Islamic Index. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah, 6*(2), 155–178. https://doi.org/10.15408/aiq.v6i2.1228

Billah, M., Alam, M. R., & Hoque, M. E. (2024). Global uncertainty and the spillover of tail risk between green and Islamic markets: A time-frequency domain approach with portfolio implications. *International Review of Economics & Finance, 92*, 1416–1433. https://doi.org/10.1016/j.iref.2024.02.081

Dorodnykh, E. (2014). A literature review of the stock market integration. Dalam *Stock market integration* (hlm. 6–28). Palgrave Macmillan UK. https://doi.org/10.1057/9781137381705_2

Fianto, B. A., Shah, S. A. A., & Sukmana, R. (2023). Time varying intra/inter quantile developing relationship of Islamic stock returns: Empirical evidence from Indonesia using QBARDL. *Journal of Modelling in Management, 18*(6), 1696–1716. https://doi.org/10.1108/JM2-12-2021-0310

Firdaus, M. (2011). *Aplikasi ekonometrika untuk data panel dan time series*. IPB Press.

Fitriansyah, R., & Darwanto, D. (2022). Analysis of the impact of macroeconomic variables on the Sharia index of Indonesia. *Islamiconomic: Jurnal Ekonomi Islam, 12*(2). https://doi.org/10.32678/ijei.v12i2.259

Gunawan, R. N., & Bawono, A. (2021). The effect of inflation, Rupiah exchange rate, interest rate, money supply, industry production index, Dow Jones Islamic Market Index in Malaysia and Japan on ISSI. Dalam *Proceedings of the Annual International Conference on Islamic Economics and Business (AICIEB)* (pp. 107–115). https://doi.org/10.18326/aicieb.v1i0.12

Haddad, H. B., Mezghani, I., & Al Dohaiman, M. (2020). Common shocks, common transmission mechanisms and time-varying connectedness among Dow Jones Islamic stock market indices and global risk factors. *Economic Systems, 44*(2), Article 100760. https://doi.org/10.1016/j.ecosys.2020.100760

Haddad, S. (2023). Global financial market integration: A literature survey. *Journal of Risk and Financial Management, 16*(12), Article 495. https://doi.org/10.3390/jrfm16120495

Hammoudeh, S., Kim, W. J., & Sarafrazi, S. (2016). Sources of fluctuations in Islamic, U.S., EU, and Asia equity markets: The roles of economic uncertainty, interest rates, and stock indexes. *Emerging Markets Finance and Trade, 52*(5), 1195–1209. https://doi.org/10.1080/1540496X.2014.998561

Haq, F. (2023). Analisis faktor dalam dan luar negeri terhadap Jakarta Islamic Index (JII) periode 2010–2021. *Jurnal Akuntansi dan Keuangan, 28*(1), 16–27. https://doi.org/10.23960/jak.v28i1.833

Hasan, M. B., Kabir, M. A. R., Amin, M. R., & Mahi, M. (2022). Effect of macroeconomic variables on Islamic and conventional stock indices: Fresh evidence from Bangladesh. *The Journal of Developing Areas, 56*(2), 197–220. https://doi.org/10.1353/jda.2022.0024

Ho, C. S. F. (2015). International comparison of Shari'ah compliance screening standards. *International Journal of Islamic and Middle Eastern Finance and Management, 8*(2), 222–245. https://doi.org/10.1108/IMEFM-07-2014-0065

Investing.com. (2024). *Jakarta Islamic Index (JKII)*. Retrieved on 20 April 2024, dari https://www.investing.com/indices/idx-islamic

Johansen, S. (1991). Estimation and hypothesis testing of cointegration vectors in Gaussian vector autoregressive models. *Econometrica, 59*(6), 1551-1580. https://doi.org/10.2307/2938278

Kasri, R. A., Kholis, N., Triandhari, R., Indraswari, K. D., Rachman, R. A., Alfani, N. N., … Syaroh, A. M. (2024). *Indonesia Sharia Economic Outlook (ISEO) 2024: Visi 2024 & Tahun Politik: Membaca arah ekonomi syariah Indonesia ke depan*. UI Publishing.

Kilian, L. (2016). The impact of the shale oil revolution on U.S. oil and gasoline prices. *Review of Environmental Economics and Policy, 10*(2), 185–205. https://doi.org/10.1093/reep/rew001

Long, S., & Liang, J. (2018). Asymmetric and nonlinear pass-through of global crude oil price to China's PPI and CPI inflation. *Economic Research-Ekonomska Istraživanja, 31*(1), 240–251. https://doi.org/10.1080/1331677x.2018.1429292

Majeed, M., Masih, M., & Raseena. (2016). *Impact of macroeconomic variables on shariah stock markets: Evidence from Malaysia based on ARDL approach* (MPRA Paper No. 106118). University Library of Munich, Germany. https://mpra.ub.uni-muenchen.de/106118/

Malkiel, B. G., & Fama, E. F. (1970). Efficient capital markets: A review of theory and empirical work. *Journal of Finance, 25*(2), 383–417. https://doi.org/10.1111/j.1540-6261.1970.tb00518.x

Marashdeh, H., Ashraf, S., & Muhammad, N. (2020). Impact of macroeconomic variables on Islamic and conventional stock market returns: A panel data approach. *Global Business and Economics Review, 23*(4), 390–409. https://doi.org/10.1504/GBER.2020.110685

Masrizal, Sukmana, R., Al Mustofa, M. U., & Herianingrum, S. (2021). Can country risks predict Islamic stock index? Evidence from Indonesia. *Journal of Islamic Accounting and Business Research, 12*(7), 1000–1014. https://doi.org/10.1108/JIABR-04-2020-0127

Mohamed, S., & Ahmed, T. (2023). *Islamic finance development report 2023*. LSEG Data & Analytics / Islamic Corporation for the Development of the Private Sector (ICD).

Muftia, F. K., Silvia, A., Rahayu, S. R. S., & Chairani, Y. (2023). The role of Islamic capital market to Indonesia's economic growth in 2011–2021.

Ekspansi: Jurnal Ekonomi, Keuangan, Perbankan, dan Akuntansi, 15(1), 54–67. https://doi.org/10.35313/ekspansi.v15i1.4684

Muharam, H., & Pratama, M. A. J. (2020). Islamic stock markets integration and contagion effect of China's economic slowdown. *Indicators: Journal of Economic and Business, 2*(2), 342–352. https://doi.org/10.47729/indicators.v2i2.71

Nguyen, V. N., & Nguyen, D. T. (2020). Can crude oil price be a predictor of stock index return? Evidence from Vietnamese stock market. *Asian Economic and Financial Review, 10*(1), 13–21. https://doi.org/10.18488/journal.aefr.2020.101.13.21

Nugraha, S. S., & Setiawan, I. (2020). Effect of BI Rate, inflation and index Dow Jones against Jakarta Islamic Index (JII). *EkBis: Jurnal Ekonomi dan Bisnis, 3*(1), 213–227. https://doi.org/10.14421/EkBis.2019.3.1.1177

Nugroho, T., & Rusydiana, A. S. (2019). Macroeconomic variables on Indonesian Sharia capital market. *Shirkah: Journal of Economics and Business, 3*(2), 141–154. https://doi.org/10.22515/shirkah.v3i2.198

Olokoyo, F. O., Ibhagui, O., & Babajide, A. A. (2020). Macroeconomic indicators and capital market performance: Are the links sustainable? *Cogent Business & Management, 7*(1), Article 1792258. https://doi.org/10.1080/23311975.2020.1792258

Özçelebi, O., & Pérez-Montiel, J. (2023). Examination of the impacts of the immediate interest rate of the United States and the VIX on the Dow Jones Islamic Market Index. *Bulletin of Economic Research, 75*(4), 1157–1180. https://doi.org/10.1111/boer.12399

Pangestuti, D. C., Fadila, A., & Nugraheni, S. (2022). Rupiah exchange rate fluctuations in the US dollar, purchasing power parity theory and Fisher effect theory testing. *Nominal Barometer Riset Akuntansi dan Manajemen, 11*(1), 79–97. https://doi.org/10.21831/nominal.v11i1.42982

Prastiani, S. C. (2021). The influence of the world gold price, the Dow Jones Islamic Market, and the composite stock price index on the Jakarta Islamic Index for the 2014–2018 period. *EAJ (Economic and Accounting Journal), 4*(1), 13–24. https://doi.org/10.32493/eaj.v4i1.y2021.p13-24

Pratama, Y. C., & Azzis, A. (2018). Macroeconomic variables, international Islamic indices, and the return volatility in Jakarta Islamic Index. *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah, 10*(1), 171–186. https://doi.org/10.15408/aiq.v10i1.5550

Purnamasari, D., & Sukmana, R. (2017). Pengaruh harga emas dunia, harga minyak mentah dunia dan indeks produksi industri terhadap indeks saham di Jakarta Islamic Index (JII) dalam jangka panjang dan jangka pendek (periode Januari 2005–Desember 2015). *Jurnal Ekonomi Syariah Teori*

dan Terapan, 4(7), 515–530. https://doi.org/10.20473/vol4iss20177pp515-530

Putra, F. S., & N, R. H. (2022). Pengaruh indeks global, harga minyak dunia dan variabel makroekonomi terhadap indeks harga saham Jakarta Islamic Index (JII). *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah, 4*(6), 1811–1830. https://doi.org/10.47467/alkharaj.v4i6.1099

Rahmiyanti, D., & Fianto, B. A. (2020). Pengaruh variabel makroekonomi dan indeks saham internasional terhadap indeks saham Jakarta Islamic Index (JII). *Jurnal Ekonomi Syariah Teori dan Terapan, 6*(12), 2381–2392. https://doi.org/10.20473/vol6iss201912pp2381-2392

Raza Rabbani, M., Hassan, M. K., Jamil, S. A., Sahabuddin, M., & Shaik, M. (2024). Revisiting the impact of geopolitical risk on Sukuk, stocks, oil and gold markets during the crises period: Fresh evidence from a wavelet-based approach. *Managerial Finance, 50*(3), 514–533. https://doi.org/10.1108/MF-12-2022-0587

Ria, R. (2022). Penggunaan model Capital Asset Pricing Model (CAPM) dalam pengambilan keputusan investasi pada saham Jakarta Islamic Index (JII). *Jurnal Ekonomi Kiat, 33*(2), 57–66. https://doi.org/10.25299/kiat.2022.vol34(1).11555

Robiyanto, R. (2018). The effect of gold price changes, USD/IDR exchange rate changes and Bank Indonesia (BI) rate on Jakarta Composite Index (JCI)'s return and Jakarta Islamic Index (JII)'s return. *Jurnal Manajemen dan Kewirausahaan, 20*(1), 45–52. https://doi.org/10.9744/jmk.20.1.45-52

S&P Dow Jones Indices. (2024). *Dow Jones Islamic Market World Index factsheet*. Diakses 20 April 2025, dari https://www.spglobal.com/spdji/en/indices/equity/dow-jones-islamic-market-world-index/#overview

Sahabuddin, M., Hassan, M. F., Tabash, M. I., Al-Omari, M. A., Alam, M. K., & Islam, F. T. (2022). Co-movement and causality dynamics linkages between conventional and Islamic stock indexes in Bangladesh: A wavelet analysis. *Cogent Business & Management, 9*(1), Article 2034233. https://doi.org/10.1080/23311975.2022.2034233

Sakti, M. R. P., & Harun, M. D. Y. (2015). Relationship between Islamic stock prices and macroeconomic variables: Evidence from Jakarta Stock Exchange Islamic Index. *Global Review of Islamic Economics and Business, 1*(1), 71–85. https://doi.org/10.14421/grieb.2013.011-06

Salihin, A. (2020). Pengaruh Dow Jones Islamic Market Indeks (DJIM) dan harga emas dunia terhadap Jakarta Islamic Indeks (JII) periode 2014–2018. *Mabsya: Jurnal Manajemen Bisnis Syariah, 2*(2), 1–14. https://doi.org/10.24090/mabsya.v2i2.3222

Santosa, P. W., & Roselli, S. (2023). The effect of macroeconomic indicators, crude oil prices, and the Dow Jones Index on the Jakarta Composite Index. *Jurnal Orientasi Bisnis dan Entrepreneurship (JOBS), 4*(1), 57–68. https://doi.org/10.33476/jobs.v4i1.3624

Selvi, A., Mohammad, A., & Suhel. (2020). Changes in macroeconomic conditions and capital return in Indonesia. *MIR (Modernization. Innovation. Research), 11*(3), 320–328. https://doi.org/10.18184/2079-4665.2020.11.3.320-328

Siang, C. C., & Rayappan, P. (2023). A study on the effect of macroeconomic factors on stock market performance in Malaysia. *E3S Web of Conferences, 389*, Article 09037. https://doi.org/10.1051/e3sconf/202338909037

Suhendra, I., Anwar, C. J., Istikomah, N., Purwanda, E., & Kholishoh, L. N. (2022). The short-run and long-run effects of central bank rate on exchange rate volatility in Indonesia. *International Journal of Innovative Research and Scientific Studies, 5*(4), 343–353. https://doi.org/10.53894/ijirss.v5i4.851

Supriani, I., Herianingrum, S., Ninglasari, S. Y., & Budi, R. S. (2022). Islamic stock market performance pre-COVID-19: Empirical evidence from Jakarta Islamic Index. *Jurnal Ekonomi dan Bisnis Islam, 8*(2), 267–287. https://doi.org/10.20473/jebis.v8i2.37789

Suriani, Nasir, M., & Ernawati. (2022). Economic fluctuations and monetary policy on the stock market during the COVID-19 pandemic in Indonesia. *E3S Web of Conferences, 340*, Article 05005. https://doi.org/10.1051/e3sconf/202234005005

Susanti, E., Agriyanto, R., Musahadi, M., & Zuhri, S. (2021). Responsiveness of volatility analysis of the Jakarta Islamic Index on macroeconomic variables. *Muqtasid: Jurnal Ekonomi dan Perbankan Syariah, 12*(1), 32–48. https://doi.org/10.18326/muqtasid.v12i1.32-48

Tangjitprom, N. (2012). The review of macroeconomic factors and stock returns. *International Business Research, 5*(8), 107–115. https://doi.org/10.5539/ibr.v5n8p107

Tri Basuki, A., & Prawoto, N. (2019). *Analisis regresi dalam penelitian ekonomi & bisnis: Dilengkapi aplikasi SPSS & Eviews* (Ed. 3, Vol. 1). Rajawali Pers.

Wang, J., Ma, K., Zhang, L., Wei, J., & Wang, J. (2024). Crude oil price bubble identification and risk assessment from different spot markets: Establishing a sustainable energy policy. *Strategic Planning for Energy and the Environment*. Diterbitkan online sebelum dicetak. https://doi.org/10.13052/spee1048-5236.4321

Wang, Y., Lu, H., & Xiong, S. (2017). An empirical analysis of macroeconomic factors and stock returns. Dalam *Proceedings of the 2017 International Conference on Data Mining, Communications and Information Technology* (hlm. 1–5). ACM. https://doi.org/10.1145/3089871.3089901

Wasita, M. W. M., Artini, L. G. S., & Dana, I. M. (2022). The effect of Bank Indonesia 7-day reverse repo rate on profitability and banking capital in Indonesia. *European Journal of Business Management and Research, 7*(2), 90–95. https://doi.org/10.24018/ejbmr.2022.7.2.1338

Wibowo, F. W. (2019). Determinan tingkat suku bunga, indeks Dow Jones, Nikkei 225, dan Straits Times terhadap ISSI. *El Dinar, 7*(1), 32–45. https://doi.org/10.18860/ed.v7i1.6713

Yusfiarto, R., & Pambekti, G. T. (2020). Effect of macroeconomic variables on Jakarta Islamic Index: Evidence the global trade war phenomenon. *Media Ekonomi, 27*(2), 119–132. https://doi.org/10.25105/me.v27i2.6189