

The Islamic Stock Market and Macroeconomic Relationship

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ABSTRACT

This study aims to empirically confirm that macroeconomic factors, namely inflation, the rupiah exchange rate, and BI interest rates can determine the development of sharia stock prices. The sample in this study were listed on the Indonesian Sharia Stock Index (ISSI) in the Consumer Goods Industry sector with a total of 13 companies that met the sampling criteria. The results of the analysis using multiple linear regression techniques, prove that all macroeconomic factors namely inflation, the rupiah exchange rate and the yBI rate had no significant effect on sharia stock prices. The results of this study confirm that the sharia stock market is strong macroeconomic fluctuations even though in a limited period. The implications of this research for investors can be given special attention and consideration in determining sharia investment as an alternative investment in the capital market.

Keywords:

Inflation, Exchange Rate, BI Rate and Stock Price Sharia

Article Received: 18 October 2020, Revised: 3 November 2020, Accepted: 24 December 2020

1 Introduction

The development of sharia products in Indonesia up to this moment of particular concern for investors who will invest in the Islamic financial sector. The government is developing alternative investments in sharia in the capital market. Investment in the sharia sector began with the publication of the Jakarta Islamic Index (JII) in 2000, consisting of 30 listed companies incorporated in accordance with sharia principles on the Indonesia Stock Exchange (IDX). And in 2011, Bapepam and the Sharia Board published the latest capital market, the Indonesian Syariah Stock Index (ISSI) with a greater number of issuers [14].

The purpose of sharia investment in general can provide additional revenue sharing in accordance with sharia principles to the expected margin level; can provide continuity in business with investments that occur [16]. With the principle of a non-usury-based Islamic financial system with the distribution of margins in accordance with the relationship syirkah namely for the results of musharaka and mudaraba [16].

The role of the government in this case is very influential in determining policies to stabilize and maintain conditions of economic growth so that capital market movements can develop properly so that investors will continue to contribute to shares in Indonesia, especially in Islamic

investment which still needs special attention in its development.

In determining the price of shares in the trading of stock trading in the capital market, there are several factors that should be taken into consideration for investors to get a rate of return in accordance with expectations and have a small investment risk. Factors that can affect stock price movements are fundamental analysis factors, and technical analysis factors. Fundamental factors consist of micro fundamentals originating from internal companies and macroeconomic fundamentals originating from external companies such as inflation, the rupiah exchange rate, BI interest rates and others that must be considered for stock players [18].

Changes to macroeconomic factors will be reacted by the capital market, meaning that these factors have the potential to influence high fluctuating stock prices so that the changes that occur are investment risks on the capital market [11]. The occurrence of inflation is an increase in prices for goods and services on an ongoing basis can have positive and negative impacts for investors on the movement of stock prices in the capital market is no exception to ISSI [14].

In Indonesia, the rupiah exchange rate has increased significantly against the US Dollar over the past two (2) years, so that all aspects of the economy, companies, entrepreneurs, investors and others have increased operating and production costs or the costs consumed by the public are high. The competitiveness of companies increases with the support of greater operational costs, so that the level of profitability becomes greater [12]. In addition, the exchange of the value of local currencies against foreign currencies (dollars) can give a negative reaction to investors and other business entities. This certainly adds to the risk for investors to continue investing, so to avoid these risks investors will tend to carry out selling transactions of ownership of shares until the economic condition is stable or improved [3].

Interest rates have an impact on the overall health of the economy because interest rates can not only affect consumers' willingness to consume

or save but also affect their decisions in investing [11]. In financial theory it is said that stock prices have an inverse relationship with interest rates. This is because basically investors will look for the most profitable investment alternatives so that if interest rates are high then investors will tend to invest their funds in banks compared to the capital market because it will provide a more attractive investment alternative, and vice versa. Such investor behavior will naturally cause share prices to decline in line with conventional interest rate increases.

The results of previous studies have varied findings on the development of stock prices. The findings related to inflation rates with stock prices have a negative and significant effect on Islamic stock prices [4], [13], [14], and [17], but there are several research results that have opposite directions, namely positive and significant influences on prices shares [9] and [12]. In addition, an increase in inflation can have a negative effect and is not proven to affect stock prices in the Islamic industry [1], [3], [11], and [15].

Research on the analysis of the rupiah exchange rate with sharia stock prices, has a variety of results, where the rupiah exchange rate has a negative relationship and has a significant effect on sharia stock prices [3], [11], [12], [17], and [18]. The relationship of the exchange rate of the rupiah is also the opposite direction to the stock price, which has a positive and significant effect [15]. However, different from the findings that are not proven to have a significant influence on the price of Islamic stocks for the long term [3].

Furthermore, the findings of the BI rate also have various findings which state that the BI rate has a negative relationship and has a significant effect on Islamic stock prices [4], [9], [14], and [18]. In addition, several other results have proven that the BI rate has no significant effect on sharia stock prices [3], [11], [13], and [17]. Based on the description above, the purpose of this study is to empirically confirm the factors of macroeconomics, namely inflation, the rupiah

exchange rate, and the BI rate of interest on sharia stock prices.

This research has significance through three things: first, research on the relationship of macroeconomics with the Islamic stock market still has a variety of differences so efforts to reconfirm need to be done, especially Islamic banking. Second, from a theoretical point of view, research findings can signal whether the sharia market is robust to fluctuations in macroeconomic conditions. This will provide justification for the strength of the Islamic stock market against macroeconomic conditions compared to conventional stock markets. Third, this research can provide useful information for saam sharia market investors in making investment decisions, as well as providing useful information to the government in carrying out control and evaluation of macroeconomic conditions to support the growth of the sharia stock market.

1.1 Sharia Stock Price

DSN Fatwa No: 40/DSNMUI/X/2003, describes that Islamic stocks are proof of ownership of a business entity that has fulfilled sharia principles and does not include (preferred stock) or which has special rights for stockholders [16]. To increase the value of a company's stock, the price of shares issued by the company must describe the company's good performance so that it has a large share price value when closing the stock market. The share price is determined by the issuer in assessing each share issued [7]. The stock price is the value issued by a company that has gone public by having the benefit of information for investors in making decisions on company performance and the price of the stock [19] is influenced by the demand and supply of shares that occur in the capital market [13]. So the price of sharia shares is the value of shares issued by companies going public in accordance with sharia principles.

1.2 Inflation

In general, inflation is a symptom of a continuous increase in the price of goods [10]. Conditions where an increase in the cost of goods and services for daily necessities causes the

purchasing power of the people to decrease and the cost of living to increase so that there is the potential for an economic crisis with the exchange rate to continue to decline [13]. In this case, inflation has an important meaning that is the increase in prices in general and the price increase is sustainable (continuous) that the increase in goods and services consumed has an impact on the economy and is not caused by seasonal factors such as Eid al-Fitr [4].

Rupiah exchange rate comparison between the value of a country's currency against the value of another country's currency is one of the concepts of exchange rates or exchange rates [18]. In addition, the exchange rate (exchange rate) against a currency worth one unit of foreign currency with domestic currency or vice versa [4]. The role of the government is BI (Bank Indonesia), which functions as a central bank that sets policies and standardization in the exchange rate of a country in order to stabilize economic conditions such as fixed exchange rate policy, floating exchange rate, and managed floating rate [17].

Based on the National Sharia Board Fatwa states that Bank Indonesia Sharia Certificates (SBIS) are securities denominated in Rupiah issued by Bank Indonesia which have short-term based on sharia principles using the *ju'alah* contract, which is a promise or commitment (*iltizam*) to give certain rewards (*'iwadh / ju'l*) for an agreement on the achievement of results (*natijah*) obtained from a particular job where the rewards are obtained based on the discount rate set by BI [14].

1.3 Interest Rate (BI Rate)

In general, interest rates are loan costs. But on the other hand that interest rates are monetary policies issued by the government namely Bank Indonesia openly to the public [4]. Therefore, the interest rate is issued by the authorized party, namely Bank Indonesia as the Central Bank or commonly called the BI Rate [9].

1.4 Conceptual Framework and Hypothesis

1.4.1 Relationship of Inflation with Sharia Stock Prices

Stock prices are formed on the demand and supply of stock values that occur in the capital market [13]. Investors in conducting transactions in the capital market aim to get capital gains, namely resale of shares owned at a higher price so that, changes in stock prices fluctuate influenced by the strength of demand and supply that occur on the exchange [5]. One significant factor influencing stock price movements is inflation. Inflation will occur if an increase in the price of goods and services continuously for a certain period can hamper economic growth and especially the movement of the capital market on the stock market. So the percentage of inflation will affect stock prices and affect stock demand [3].

For investors, the existence of inflation is a negative signal for the stockholders because if inflation increases, the company's operating and production costs will increase, so that the expected income also increases [11]. This will affect the movement of stock prices on the stock market to the inflation rate. The greater inflation that occurs, the stock price movement will decrease. Several previous studies support this concept which states that inflation can have a significant negative effect on stock prices [14], [17], [13], [4]. Based on this description, the hypotheses proposed in this study are as follows:

H1: Inflation has a significant effect on the price of sharia shares on the Indonesian Sharia Stock Index on the IDX.

1.4.2 Relationship of Rupiah Exchange Rates with Sharia Share Prices

Strengthening the value of a country's currency against the value of foreign currencies or other countries can illustrate that the country's economic conditions are good and stable. The exchange rate of a country's currency or the exchange rate of rupiah (IDR) can be compared and exchanged in the form of foreign currency or dollars (USD), where the value is influenced by high or low demand and supply on the foreign

exchange market (foreign exchange) [3]. A significant change in the value of a currency will have different effects, both positive and negative effects on each type of stock [12]. The long-term impact caused by the depreciation of the exchange rate can increase share prices on the stock market in some countries and, in the short term, the depreciation of the currency provides an increase in market returns [15].

Unstable changes in the exchange rate of the rupiah against the dollar can encourage fluctuating stock price movements in the capital market which gives a negative signal to investors [12]. Thus the strengthening of the exchange rate can have a negative effect on the instability of stock prices. This is supported by the results of previous studies which stated that changes in unstable currency exchange rates have a negative signal for investors on stock prices [11], [3], [12], [17], [18]. Based on this description, the hypotheses proposed in this study are as follows:

H2: The rupiah exchange rate has a significant effect on the price of sharia shares on the Indonesian Sharia Stock Index on the IDX.

1.4.3 Relationship of Interest Rates (BI Rate) with Sharia Stock Prices

Interest rates in Indonesia are issued by Bank Indonesia or commonly known as the BI rate which is the interest rate set by BI as part of the inflation target framework (Inflation Targeting Framework) [3]. The monetary policy stipulated by BI regarding the determination of interest rates announced publicly through the BI website [17]. If there is an increase in the BI rate, it can give a sign that economic conditions will deteriorate, because the changes in the increase will have an impact on other financial investment aspects such as stocks and bonds so that investors will shift their investment in the capital market by moving to the banking sector [9].

Changes in stock prices on rising interest rates provide a stock investment effect decreases, because investors tend to deposit or save their funds rather than investing in shares and affect the decline in share prices in companies [12]. Changes in the value of interest rates will have a negative

effect on the development of shares. The greater the interest rate, the interest costs will increase and will reduce the value of the company's profits obtained or the value of sales will decrease so that it has an impact on stock prices in the capital market [17]. This statement is supported by the results of previous studies that the interest rate that

is the BI Rate can have a negative and significant effect on stock price movements [15], [4], [9], [17]. Thus, the research hypothesis proposed is as follows:

H3: BI Rate has a significant effect on the price of sharia shares on the Indonesian Sharia Stock Index on the IDX.

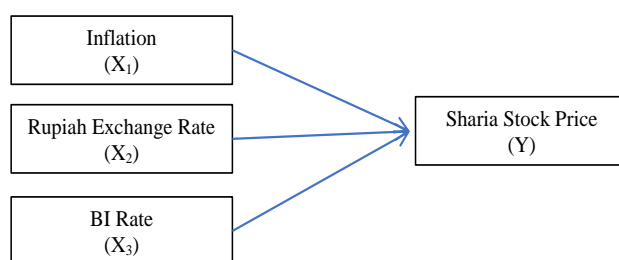


Fig.1.Conceptual Framework and Hypothesis

2 Research Methodology

2.1 Research design

This research model includes the type of quantitative research that aims to develop research hypotheses through a statistical or mathematical approach [20]. The data used in this study are secondary data types that have been published through official websites, such as the BI and IDX websites. This research is a correlational/associative study with a causal relationship between the independent variables and the dependent variable. The observation period on the data to be examined for the last five (5) years, namely 2014 to 2018 with the object of research in the Consumer Goods Industry sector on the Indonesian Sharia Stock Index (ISSI).

2.2 Sample Procedure and Data Collection

The population of this study are 18 companies listed in ISSI in the Consumer Goods Industry sector, of which the company has fulfilled sharia principles. The sample in this study were 13 companies that met the sampling criteria by means of purposive sampling during the 2014-2018 period.

The technique in collecting data by means of documentation is by collecting secondary data obtained from the Indonesia Stock Exchange (IDX) to obtain stock price data and through the

web of Bank Indonesia (BI) in obtaining interest rate (BI rate), inflation and exchange rates currency (rupiah) uses monthly data types in rupiah scale.

2.3 Measurement

The measurement of the variables used in this study are independent (i.e. variables) namely Inflation, Rupiah Exchange Rate and BI rate While the dependent variable in this study is the Islamic stock price. Following is the operationalization of each research variable as follows:

2.3.1 Sharia Stock Price (Y)

Sharia share price is the value of a company issued by a company that has gone public by complying with sharia principles in accordance with the DSN-MUI fatwa.

2.3.2 Inflation (X1)

Inflation is a continuous increase in the price level of goods and services that will affect the policy trends of government, entrepreneurs and individuals [11]. The indicator used in this study is the Indonesian Consumer Price Index (CPI) with the following formula:

$$\text{Inflation} = \frac{(\text{IHK to month } n - \text{IHK to month } n-1) \times 100}{\text{IHK to month } n-1}$$

2.3.3 Rupiah Exchange Rate (X2)

The exchange rate is the exchange rate of the local currency compared to foreign currencies or other countries [11]. So the formula used to obtain the rupiah exchange rate is as follows:

$$\text{Middle exchange rate} = \frac{(\text{sell rate} + \text{buy rate})}{2}$$

2.3.4 BI Rate (X3)

BI rate is the interest rate set by Bank Indonesia which has been published through the Bank Indonesia website. So the formula used in determining the BI rate is as follows:

$$\text{SBI Interest Rate} = \frac{\text{Total daily interest rate for 1 month}}{\text{Number of time periods 1 month}}$$

2.4 Data analysis method

The analysis technique used in the study uses multiple regression analysis (multiple regression analysis) with IBM SPSS (Statistics Package For Social Science) software tools. By fulfilling the assumptions in analyzing multiple regression, the classical assumptions consist of multicollinearity, heterokedastidity, and autocorrelation assumptions, as well as normality and linearity assumptions. Following are the multiple regression equations in the research model as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \quad (1)$$

Information:

Y = Dependent Variable (Sharia Stock Price)

a = constant

b₁, b₂, b₃ = Regression coefficients on the independent variables

X₁ = Independent Variable (Inflation)

X₂ = Independent Variable (Rupiah Exchange Rate)

X₃ = independent variable (BI rate)

e = Error / error

3 Result and Discussion

3.1 Result

3.1.1 Statistical Descriptive Analysis

Based on the results of the descriptive statistical analysis shown in table 1 that reflects the characteristics of the study sample such as the number of samples, the value of the average sample (Mean), the maximum value as well as the minimum value and standard deviation for each research variable. The results of the analysis through SPSS from table 1 explain that the number of observations in the study was 65 (i.e. the results of the multiplication between the study periods and the number of samples). The mean value obtained for the exchange rate variable (rupiah exchange rate) is 1,324.4 with a standard deviation of 882.27, where the data has a relatively larger variable. Overall, the exchange rate (rupiah exchange rate) is a minimum of 11,640 and a maximum of 14,318.

While the mean value of the inflation variable is 4.29 with a standard deviation of 2.058, where the data has a relatively smaller variable. Overall inflation is a minimum of 3.02 and a maximum of 8.36. The mean value for the BI rate variable was obtained 13,628.6 with a standard deviation value of 804.24 where the data had relatively larger variables so the minimum value was 12,436 and the maximum value was 14,929. And the average value (mean) for the Islamic stock price variable is 10,448.23 and has a standard deviation value of 48,135.77 which indicates that the data has a smaller variable. Besides that the minimum value for the variable sharia stock price is 168 and a maximum of 390,000.

Table 1. Descriptive Statistic

	N	Minimu m	Maximu m	Mean	Std. Deviation
Exchange IDR	65	11640	14318	13248.4	882.27511
Inflation	65	3.02	8.36	4.294	2.0589

BI Rate	65	12436	14929	13628.6	804.24345
Stock Price	65	168	390000	10448.23	48135.769
				08	1
Valid N(listwise)	65				

Source: processed data (SPSS)

3.1.2 Analysis of Research Models

Based on the results of calculations with multiple linear regression analysis techniques (multiple linear regression), the output results of the coefficient of determination shown in table 2 are stated that the relationship between the independent variables to the dependent variable, in this model is an inflation variable, the rupiah exchange rate and the BI rate of 0.169 with an

adjusted R-squared value of negative 0.019 and has a very weak influence on the dependent variable. So it can be concluded that the variation of Islamic share prices is very weak contribution which is explained by the inflation rate, the rupiah exchange rate, and the BI rate of 1.9%, and the rest is influenced by other factors outside the research model.

Table 2. Results of The Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.169	0.029	-0.019	0.6114

Source: processed data (SPSS)

3.1.3 Hypothesis Analysis

3.1.3.1 Simulation Test (F Test)

In table 3, the F test results for the independent variables namely inflation, the rupiah exchange rate, and the BI rate on the dependent variable, sharia stock prices show a probability value of $0.619 > 0.05$ which concludes that the hypothesis

chosen is rejecting H_a . That is, the magnitude of the influence of macroeconomic factors namely inflation, the rupiah exchange rate and the BI rate simultaneously are not proven to significantly affect the price of Islamic shares so that they accept H_o .

Table 3. Test Results F

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.67	3	0.223	0.597	.619
1 Residual	22.803	61	0.374		
Total	23.472	64			

Source: processed data (SPSS)

3.1.3.2 Multiple Regression Analysis

Based on the results of the analysis of the research model using multiple regression techniques shown in table 4 as follows are:

Table 4. Output of Multiple Regression Coefisen

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	37.118	100.267		0.37	0.713
Inflasi	-0.158	1.328	-0.073	-0.119	0.905
Kurs	-36.96	99.016	-0.428	-0.373	0.71
BI Rate	4.991	15.716	0.21	0.318	0.752

Source: processed data (SPSS)

Based on table 4 above, the regression equation in this research model is as follows:

Sharia Stock Price = 37,118 - 0.158 Inflation - 36.96 Exchange Rates + 4,991 BI rate

In the regression equation above, that the value of the constant is 37.12, if it is assumed that all values of other variables have a value of zero (0), then the sharia stock price obtained in the Consumer Goods Industry sector is valued at Rp 37. If the inflation variable is experiencing a decline by 1% or 15.8%, then the value of the sharia stock price will also decrease by Rp 1 or by Rp 0.158, if it is assumed that other independent variables are constant or equal to zero (0). This condition will be the same for rupiah exchange rates to decrease by Rp. 1, or by Rp. 37, then the price of sharia shares will decrease by Rp. 1, or worth Rp. 37, assuming other independent variables are constant or zero.). Whereas if the value of the BI rate increases 1% or 5%, it will cause an increase in the price of Islamic shares by 1% or by 5%, assuming the other independent variables are of constant value or zero (0).

3.1.3.3 Partial Significance Test (T Test)

The results of the partial significance test in this research model are shown in table 4, which is by looking at the probability value <0.05 that it is concluded that the independent variable can significantly influence the dependent variable, and vice versa. Thus, it can be seen that the rupiah exchange rate, inflation and the BI rate show that

each probability value obtained is greater than 0.05, ie the rupiah has a p-value of 0.71, inflation has a p-value of 0.905, and the BI rate obtained a p-value of 0.752. This shows that the value of sig. (p-value) > 0.05, then the variable exchange rate of the rupiah, inflation, and the BI rate has not been proven to have an effect on sharia stock prices. Thus, the conclusion of the hypothesis is to reject the alternative hypothesis (reject H1, H2, and H3). Thus overall the variables in the research model are not proven to significantly influence the development of sharia stock prices.

3.2 Discussion

3.2.1 Relationship of Inflation with Sharia Stock Prices

Based on the results of the analysis in the T Test shown in table 4, that the variable (X1) obtained a probability result (p-value) of 0.905 > 0.05, then the results were not proven to affect sharia stock prices on the Index. Thus the conclusion of the hypothesis is to reject H1 namely that the inflation variable has a negative direction and is not significant to the price of Islamic stocks.

A price increase that occurs continually or commonly called inflation will have a negative impact on investors because the greater the inflation, the operational costs and the company's production will be greater, so that the expected income will also increase [11]. The results of this study are supported by a number of findings that

inflation is not proven to have a significant influence and has a negative direction opposite to the price of Islamic stocks [1], [3], [11], and [15].

Thus, the movement of sharia stock prices on the capital market will decline which will affect investors' funding decisions to allocate funds in the long term by expecting a large rate of return. An increase in inflation provides a rate of return on investment to decline with a high level of risk, so investors will take action to sell shares that affect the decline in sharia stock prices.

3.2.2 Relationship of Rupiah Exchange Rates with Sharia Share Prices

Based on the results of the analysis in the T Test shown in table 4, that the rupiah exchange rate variable (X_2) obtained a probability result (p-value) of $0.71 > 0.05$, then the results were not proven to affect sharia stock prices in the Industrial Sector Consumer Goods. Thus the conclusion of the hypothesis is to reject H2, namely that the rupiah exchange rate variable has a negative direction and is not significant to the price of Islamic stocks.

The rupiah exchange rate is one indicator of macroeconomic factors that influence stock price voting [18]. The depreciation of the rupiah against the value of foreign currencies (dollars), the value of the rupiah will experience a weakening of foreign exchange, especially in export-import companies [14]. When the value of profitability performance decreases, investors will tend to sell their shares and switch to other investments that have a small risk with a stable rate of return. This shows that investors make the rupiah exchange rate as one of the factors considered in making investment decisions in the capital market [11].

However, the depreciation of the rupiah against foreign currencies only has a significant impact on the short-term relationship to sharia stock prices and the relationship for the long-term strengthening of the rupiah does not have a significant relationship to stock prices [3]. The results of the study are in line with the findings of this study, where the relationship between the

rupiah exchange rate is negative and does not have a significant effect on sharia stock prices at ISSI.

3.2.3 Relationship between BI Rate and Sharia Share Prices

Based on the results of the analysis in the T Test shown in table 4, that the BI rate (X_3) interest rate variable obtained a probability (p-value) of $0.752 > 0.05$, the results were not proven to be able to affect sharia stock prices in the Goods Industry Sector Consumption. Thus the conclusion of the hypothesis is to reject H3, namely that the BI rate variable has a positive direction and is not significant to the Islamic stock price.

An increase in the BI Rate can provide a negative signal for investors towards stock prices which will tend to move their investments to other investment alternatives that have a more stable rate of return with a low level of risk [11] such as deposits, savings, and bonds. And the alternative for sharia investment products is sukuk [21] or also called State Sharia Securities by obtaining margins with profit sharing and without usury which is different from other conventional investment products such as bonds.

But in this study, the results of the analysis show a positive relationship that contradicts previous research and theory on stock prices, even though the BI rate is not proven to have a significant effect on stock prices. This finding is supported by several previous studies which stated that the BI rate has a positive and not significant relationship to stock prices [11], [13], and [17]. During the observation period that was carried out on ISSI's sharia share price, the companies incorporated in ISSI were companies that had met sharia standard criteria, namely by not having usury concept and limitation on the value of debt not exceeding 45%, and interest income earned a maximum of 10% [11]. So that this becomes a distinct advantage for the development of sharia investment, especially with the changes that occur in the BI rate, will not have a significant impact on sharia stock prices.

4 Conclusion

The purpose of this study is to prove that macroeconomic factors can determine the development of sharia stock prices. Based on the results of the analysis using multiple regression techniques in the Consumer Goods Industry sector of stock prices obtained through the Indonesian Syariah Stock Index (ISSI) that all independent variables namely inflation, the rupiah exchange rate, and the BI rate have no significant effect on sharia stock prices. So in this study that the three macroeconomic factors cannot influence the stock price of sharia which has sharia principles, namely usury, gharar, maisir, risyawah, dharar. The results of this study confirm that the sharia stock market is robust to macroeconomic fluctuations even though in a limited period. However, because macroeconomics are related to national economic conditions in general, including price increases and people's purchasing power that are likely to have an impact on Islamic stocks in the long run, the government needs to stabilize and control other macroeconomic factors that can affect market developments Islamic capital so that the growth of the Islamic business can develop properly. And, investors can consider in determining their investment in the capital market, especially for sharia stock products or other sharia investment alternatives.

Limitations in this study are: First, the object of research conducted on companies registered at ISSI, where the turnover of companies that have criteria based on sharia principles is quite large, so that many companies come out of the list of ISSI because they do not meet the criteria of Islamic principles. So that subsequent research, it is necessary to expand the scope of the area of research object in order to get generalized observations. Second, this research variable is the macroeconomic factors that determine the movement of stock prices, so it needs to be developed again other macroeconomic factors outside of the research model such as oil prices, gold values, money supply, GDB, and other fundamental factors that are considered for analysis. Third, the analysis technique in the study only uses multiple regression through SPSS.

In subsequent research, financial studies should use Eviews software with different analysis techniques such as regression panels, ARIMA models, ARCH models and GARCH that can provide varied research results so that they can be generalized.

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