

ABSTRACT

This study examines the influence of macroeconomic variables on the performance of Islamic Stock Indices in Indonesia (Jakarta Islamic Index) and Malaysia (FTSE Bursa Malaysia Hijrah Shariah Index). The independent variables analyzed are interest rates, exchange rates, money supply (M2), world gold prices, inflation, and GDP. The research uses time series data, specifically quarterly data from Q1 2020 to Q4 2024, with multiple linear regression analysis using Eviews 13.

The results show a difference in responses between the two indices. For the JII, interest rates, gold prices, and GDP have a significant negative effect, while money supply (M2) and inflation have a significant positive effect. On the other hand, the FBMHS is negatively and significantly affected by interest rates and M2, whereas gold prices have a significant positive effect. Exchange rates have no significant influence in either country.

The findings indicate that while interest rates consistently have a negative effect in both markets, the differing responses to other variables highlight the unique characteristics of each market. These results can be a consideration for investors in developing cross-country portfolio strategies and for regulators like Bank Indonesia, Otoritas Jasa Keuangan, and Bank Negara Malaysia in formulating adaptive monetary policies to maintain the stability of the Islamic capital market.

Keywords: JII, FBMHS, Islamic stocks, macroeconomic variables, gold prices

