

## ABSTRACT

*There are distinct dynamics between the performance of the Jakarta Islamic Index 70 (JII) and the Composite Stock Price Index (IHSG) in the post-pandemic period. Although the Islamic capital market in Indonesia has shown development in terms of market capitalization and the number of instruments, the movement of JII has tended to stagnate and exhibit a downward trend in recent years. This condition indicates the presence of structural challenges as well as differences in market responses to information reflected in stock index movements.*

*This study aims to analyze the effects of inflation, the BI 7-Day Reverse Repo Rate, the Composite Stock Price Index (IHSG), the Dow Jones Islamic Market Index (DJIM), and the FTSE Bursa Malaysia Hijrah Shariah Index (FBMHS) on the Jakarta Islamic Index (JII). The method employed is linear regression using quarterly data from 2019-2024 analyzed with EViews version 13.*

*The results show that inflation has no effect on JII, while the BI Rate and DJIM has a significant negative effect. Meanwhile, IHSG and FBMHS have significant positive effects on JII. These findings confirm that JII is influenced by domestic macroeconomic conditions as well as movements in global Islamic stock markets. This study provides implications for investors and policymakers regarding the importance of considering national and international economic dynamics in making Islamic investment decisions.*

**Keywords:** JII, Inflation, BI Rate, IHSG, DJIM, FBMHS.

