

ABSTRACT

This study was conducted to determine the effect of the Dow Jones Islamic Market Index (DJIMI) in several countries, namely the Dow Jones Islamic Market Index United States (IMUS), Dow Jones Islamic Market Index Europe (DJIEU), Dow Jones Islamic Market Index Japan (DJJIP), The Dow Jones Islamic Market Index of Malaysia (DJIMY) and the Dow Jones Islamic Market Index of China / Hong Kong (DJCHK) against the Jakarta Islamic Index (JII) movement. The population of this study is the Jakarta Islamic Index (JII) sharia stock price index and the Dow Jones Islamic Market Index (DJIMI) sharia index in five countries from January 2010 to December 2018.

The analytical method used is the Vector Autoregressive (VAR) to analyze the effect between variables as a whole. VECM results show that all variables do not have a significant effect on the Jakarta Islamic Index (JII) in the short term. In the long run, IMUS and DJCHK have a significant negative effect on JII, while DJJIP and DJIMY have a significant positive effect. While DJIEU did not have a significant influence on JII in both the short and long term. The results of the IRF (Impulse Response Function) test show the fastest response from JII reaches equilibrium (Balance) when it receives a shock (shock) from the IMUS variable. The results of FEVD (Forecast Error Variance Decomposition) show that IMUS is the variable that most influences JII.

This study recommends strengthening stakeholder coordination, improving the economy in the real sector, maintaining national stability, and improving the conductivity of business and investment in Indonesia.

Keywords: Jakarta Islamic Index, Dow Jones Islamic Market Index (DJIMI), Vector Error Correction Model (VECM), IMUS, DJIEU, DJJIP, DJIMY, DJCHK