

Research Path on Indonesia Shariah Stock Index Literatures

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Indonesia Shariah stock index provide screening criteria for Shariah-compliant stocks, and investors interested in Shariah-compliant investments can use these criteria to select stocks themselves or invest in Shariah-compliant funds that adhere to these principles. This study tries to map research related to Indonesia sharia stock index using a bibliometric approach. This research discusses "Indonesia Sharia Stock Index" by utilizing 500 publications of journal articles indexed in Dimensions. In the development of research related to "Indonesia Sharia Stock Index" based on bibliometric keyword mapping, it is divided into 3 clusters with the most used words being exchange rate, stock price, and covid. The findings of bibliometric analysis studies demonstrate that financial performance, as well as micro and macroeconomic factors, have a considerable direct and indirect impact on ISSI variations.

Keywords: Indonesia Shariah Stock; Islamic Capital Market; SLR

OPEN ACCESS

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Received: 3 November 2023
Accepted: 19 December 2023
Published: 31 December 2023

Citation:
(2023) Research Path on Indonesia
Shariah Stock Index Literatures.
Finance and Sustainability
1.1.

INTRODUCTION

The growth of capital market investment has accelerated, accompanied by millennials' strong interest in investing and rising public awareness of the subject of investing. The government has started working to create sharia investment, also referred to as sharia capital market investment. Sharia-compliant investments are those that adhere to the morals of sharia law and conduct their transactions in compliance with its regulations. Sharia investing is similar to conventional investment in most of its operations. The foundations of business transactions in the sharia sector and sharia standards form the foundation of the idea of sharia investing itself.

The value of the stock index, as well as trading instruments and procedures, show the distinctions in sharia investment itself. The Jakarta Islamic Index (JII) was initially used as the standard for evaluating the effectiveness of the Islamic capital market. However, the sharia investment industry has grown quickly since Bapepam-LK and the National Sharia Council of the Indonesian Ulama Council launched the Indonesian Sharia Stock Index (ISSI) on May 12, 2021. The Indonesian Stock Exchange (BEI) lists every Sharia Stock Index. For example, several studies related to Indonesia shariah stock index can be found in [Agustin \(2019\)](#), [Mubarok et al., \(2020\)](#), and also [Alam et al., \(2020\)](#).

The global economy underwent a precipitous downturn in 2020 as a result of the pandemic, which persisted for a considerable amount of time. This slows down the economy and affects a number of industries, including the buying of sharia stocks. Based on information obtained from the Financial Services Authority (OJK) website in October 2020, investors purchased 3,061 trillion worth of sharia shares overall, a reduction from the 3,744 trillion nominal value in 2019. For investors who made sharia investments during the pandemic, this has a clear effect. When compared to the years prior to the pandemic, it can be stated that there has been a considerable drop in investment. Almost every industrial sector has changed in response to the effects of a pandemic of this scale. The Indonesian Sharia Stock Index (ISSI) is just one of the factors that affect the fluctuating movements of the Sharia stock market, which is not an exception. Using bibliometric data, this study attempts to determine how the Islamic stock index responded to the COVID-19 pandemic. This study tries to map research related to Indonesia sharia stock index using a bibliometric approach.

METHODOLOGY

This study using bibliometric analysis. Bibliometric analysis is a quantitative method used to analyze publications within a specific field of study or topic area. It involves the statistical analysis of bibliographic data, such as citations, publication counts, authorship patterns, and journal impact factors. This method is commonly used in academic research to evaluate the impact and influence of scholarly work, identify emerging trends, and assess the productivity and collaboration patterns of researchers, institutions, or countries.

Bibliometric analysis is widely applied in studies in various scientific fields. In economics, for example, bibliometric studies can be seen in [Laila et al. \(2021\)](#), [As-Salafiyah et al. \(2021\)](#), [Nasution et al. \(2022\)](#), and [Puspita \(2023\)](#). Meanwhile, in the field of management, studies with a bibliometric approach can be found in [Antonio et al. \(2020\)](#), [Al-Qital et al. \(2022\)](#), [Uula & Devi \(2021\)](#), and [As-Salafiyah et al. \(2023\)](#). As for the field of law, the application of bibliometric studies can be seen in studies conducted by [Antonio et al. \(2021\)](#), [Fitria et al. \(2022\)](#), and [Maulida & Ali \(2023\)](#).

Other examples of studies with bibliometric methods include studies in the fields of accounting ([Taqi et al., 2021](#); [Taqi et al., 2022](#); [Firmansyah & Rusydiana, 2021](#)), finance ([Srisusilawati et al., 2021](#); [As-salafiyah et al., 2022](#); [Maulida, 2023](#)), marketing ([Rusydiana et al., 2023](#); [Uula & Avedta, 2023](#); [Putri & Irfany, 2023](#); [Sari & Maysyaroh, 2022](#)) Islamic economics ([Marlina et al., 2021](#); [Sukmana et al, 2021](#); [Nuraini, 2022](#)), social finance ([Nuraini, 2021](#); [Niswah, 2022](#)) to studies related to the halal industry ([Izza, 2021](#); [Nekha & Kartikawati, 2022](#); [Rahardjo, 2023](#); [Al Qital, 2022](#)). The most widely used tools in bibliometric studies are VosViewer ([Uula & Ikhwan, 2022](#); [Avedta, 2023](#); [Sanrego & Taufiq, 2023](#); [Riani, 2021](#)) and the Biblioshiny-R application ([Gunawan & Herman, 2022](#); [Nuraini & Jazil, 2023](#); [Puspita et al., 2023](#); [Ikhwan, 2021](#)).

RESULT & ANALYSIS

Research Map

This research discusses "Indonesia Sharia Stock Index" by utilizing 500 publications of journal articles indexed in Dimensions. A technique called bibliometrics is used to quantify and assess scientific achievement by accounting for many elements like publications, patents, citations, and other more intricate indications. Bibliometric analysis is used to assess the performance of nations and scientific specialisations, as well as research endeavours, labs, and scientists. Finding the

research's historical context, gathering the necessary databases, and selecting the key indicators for the study are a few of the processes involved in bibliometric analysis.

The figure below describes the trend of keywords appearing in research on the theme "Indonesia Sharia Stock Index" and the larger shapes are the most used words in journal publications on the theme "Indonesia Sharia Stock Index".

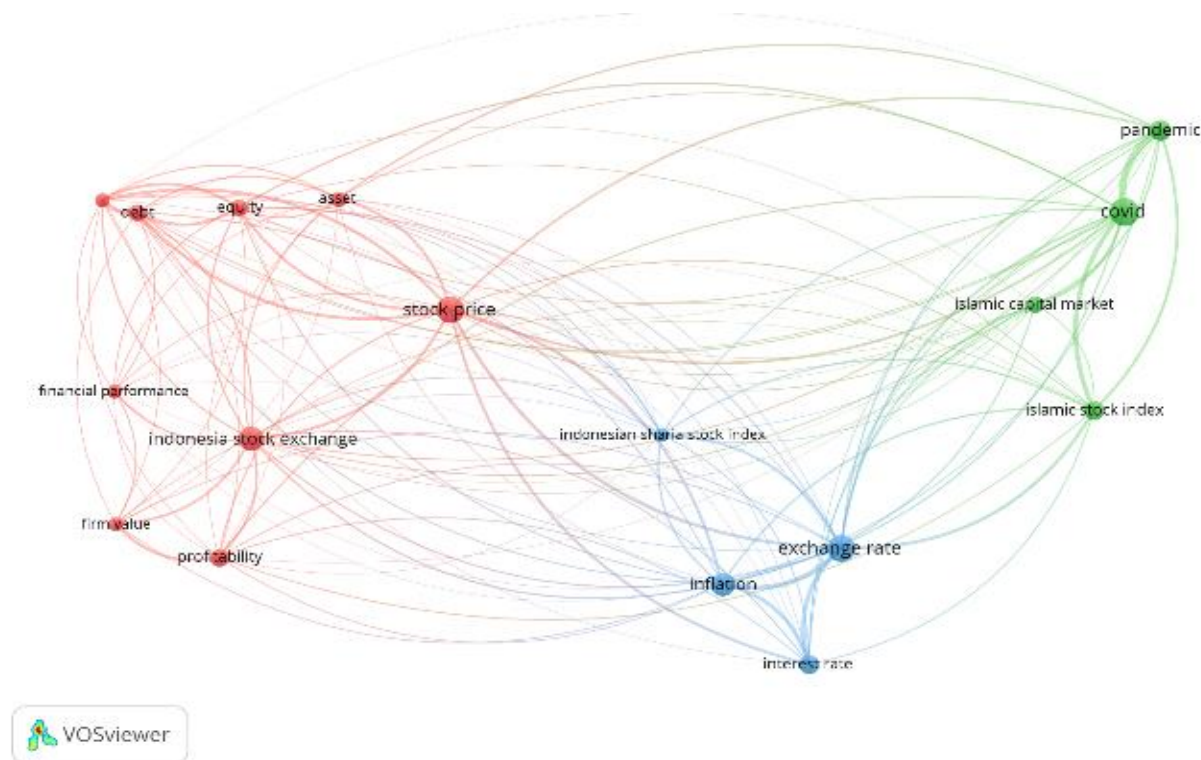


Figure 1. Research Cluster

The mapping reveals that the most often occurring terms in the "Indonesia Sharia Stock Index" publication are exchange rate, stock price, and covid.

These keywords are further categorised into 3 clusters, which are as follows:

Table 1. Research Map on Indonesia Shariah Stock Index Literatures

Cluster	Keywords
Cluster 1 (9 items)	Asset, debt, equity, equity ratio, financial performance, firm value, Indonesia stock exchange, profitability, stock price.
Cluster 2 (4 items)	Exchange rate, Indonesian sharia stock index, inflation, interest rate.
Cluster 3 (4 items)	Covid, Sharia capital market, Sharia stock index, pandemic.

Cluster 1: Microeconomics and Financial Ratios

There is quite a lot of research on this topic, [Jamaluddin Majid et al., \(2022\)](#) evaluated the impact of Return On Assets (ROA), Earnings Per Share (EPS), Debt to Equity Ratio (DER), and Return On Equity (ROE) on the stock prices of Sharia trading and investment services businesses on the Indonesia Sharia Stock Index. Results show that ROA significantly

influences stock prices, while EPS and DER do not. However, ROE negatively affects stock prices.

In another study, [Isa & Mahardika, \(2022\)](#) stated that the real estate industry in particular has seen a substantial decline in profits for property companies listed on the Indonesian Sharia stock index as a result of the Covid-19 pandemic. The pandemic is to blame for the decline in real estate sales as well as the decline in

purchasing power. Nonetheless, the study looks at how these organisations' profitability is affected by solvency and liquidity.

The pandemic has allowed companies to delay paying their debts, altering profitability and increasing investor confidence despite possible revenue losses. The pandemic has prompted debt suspension regulations for business owners and contributed to a decline in home sales, underscoring the need of comprehending how debt and liquidity affect real estate industry profitability. In contrast to earlier studies, [Arifudin & Rofuiddin, \(2022\)](#) think that a high DER (Debt to Equity Ratio) figure indicates both the high risks the company is facing and a good signal from the company to investors. A high proportion of debt in the capital of the business is indicated by a high Debt to Equity Ratio score. Therefore, DER has no bearing on changes in share prices because it is not a benchmark used by investors when purchasing shares. High debt levels put businesses at risk of payment default. Therefore, the Indonesian Sharia Stock Index is not always impacted by DER.

Liquidity has a major impact on the financial performance of sharia companies in the JII, with more liquid companies exhibiting lower risk. Lower debt reduces risk, so debt policy also has a positive effect on stock risk. Liquidity in sharia corporations is more vulnerable to risk in high-performing businesses, but debt policy is more susceptible to stock risk in low-performing businesses ([Hidayat, 2022](#)).

Cluster 2: Macroeconomics Factor on Indonesia Sharia Stock Index

Financial performance metrics and the performance of the companies involved are the main factors influencing the swings of the sharia stock index. However, there are instances when we can't ignore things that happen in our immediate environment, which includes the GDP, inflation, and exchange rate of the rupiah. These are the macroeconomic elements, as we generally refer to them, and they are just as important to take into considerations. In recent research, [Triuspitorini \(2021\)](#) examined how exchange rates affected the Indonesia Sharia Stock Index in his research. According to her, the exchange rate moved by more than 25 basis points between 2016 and 2018, specifically by 125 basis points, from 6.5% to 5.25%. Investors will move their money from the foreign exchange market, where the profit rate is higher than in the capital market, to the capital market when the BI interest rate declines, which will boost demand for shares and raise the stock index. The exchange rate has

a direct impact on ISSI developments because investors use it to make less investment decisions, which in turn affects share purchases.

The study by [Triuspitorini \(2021\)](#) supports research results which is done by [Trishardiyanti. A, \(2018\)](#) which stated that the long-term value of the Indonesia Sharia Stock Index is impacted by its exchange rate. In addition, his research indicated that while inflation has no effect in the short term, it does have an impact on ISSI over the long run. Contrary to the results of research conducted by [\(Trishardiyanti. A, 2018\)](#), [Nasir et al., \(2021\)](#) claimed that a phenomenon known as inflation, which lowers the purchase power of money, can have an effect on people, businesses, and the government. However, because the inflation experienced during the study period was not turbulent, this study concluded that inflation had no substantial impact on the Jakarta Islamic Index (JII) or investors' decisions to invest.

Cluster 3: COVID-19 Effect on Indonesia Sharia Stock Index

The COVID-19 pandemic has taken the world by surprise in recent years. The outbreak had a major impact on a number of industrial sectors at the same time, both positively and negatively, including the stock investment industry. The pandemic has caused suffering for numerous enterprises, with some even having to close their doors due to the challenges of running their businesses throughout the outbreak. While some shares saw notable gains, many others saw substantial declines. As a result, a large deal of study on COVID-19 has surfaced lately in an effort to mitigate or stop further losses. Numerous studies that expound on this pandemic incidence are available in the stock investment industry. [Pratitis & Setiyono, \(2021\)](#) attempted to make a comparison between the Indonesia Sharia Stock Index's pre- and post-COVID-19 states. Notably, the average ISSI share price before and after the Covid-19 pandemic did not significantly alter, according to the research findings. The collapse of the Composite Stock Price Index (IHSG) and a number of other outside causes likely contributed to investor panic, which in turn caused the Indonesia Sharia Stock Index (ISSI) to plunge at the beginning of the pandemic. The Indonesia Sharia Stock Index (ISSI), which has interest-based debt that cannot account for more than 45% of the company's total assets, is expected to offer issuers greater resilience in the face of the pandemic-related recession than the Composite Stock Price Index (IHSG). A year after the publication of research conducted by [Pratitis &](#)

Setiyono, (2021), Several studies have emerged that support the results of previous research. (Kholid et al., 2022) stated despite the continued Covid-19 pandemic, the government imposed extensive social restrictions on April 10th 2020, which resulted in a brief decline in the JII. After April 24 prohibition on returning home, the index gained momentum again, suggesting that investors were reluctant to respond to the ban despite the ongoing Covid-19 lawsuits and death cases. The rise in the index was ascribed to investors' faith in the government's strategy for mitigating the infection.

The same thing was stated by Huda et al., (2022), their study's findings clearly demonstrate that performance during COVID-19 was better to that of prior COVID-19. This is evident in the computation of return and risk for Islamic stock indexes. Additionally, only the ISSI index exhibits a noticeably different level of returns before and during the Covid-19 period.

CONCLUSION

The global COVID-19 outbreak in 2019 was a "Game Changer" for many different industrial sectors. The epidemic has had an impact on numerous industries, and as a result, many businesses have gone bankrupt. Of fact, in recent years, the COVID-19 epidemic has also presented a number of chances for specific companies to grow and prosper. One industry that has had both positive and negative effects from the pandemic is the stock market. The results of the study show that the number of research publications related to "Indonesia Sharia Stock Index" is 500 dimensions indexed journal articles. Furthermore, in the development of research related to "Indonesia Sharia Stock Index" based on bibliometric keyword mapping, it is divided into 3 clusters with the most used words being exchange rate, stock price, and covid. The findings of bibliometric analysis studies demonstrate that financial performance, as well as micro and macroeconomic factors, have a considerable direct and indirect impact on ISSI variations. These variables will have a direct impact on changes in Sharia share prices, which will subsequently affect the ISSI. Remarkably, in contrast to the IHSG, ISSI's performance improved during the COVID-19 pandemic as compared to its pre-pandemic state. A contributing aspect to ISSI's ability to maintain a positive performance is the interest-based debt value of Sharia shares registered with ISSI, which is limited to 45% of the total assets of the firm. Investors can benefit from reduced risk during the COVID-19 pandemic with this.

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