

STOCK COMPANIES FROM THE PERSPECTIVE OF ISLAMIC ECONOMICS IN INDONESIA

Danil

Universitas Sultan Muhammad Syaifiuddin Sambas

Danilrpct123@gmail.com

Rahma Helal Al_Jbour

Mutah University, Jordan

Hydzulkifli Bin Haji Hashim

Universiti Utara Malaysia

Abstract

This study is intended to explore the relationship between company data and stock performance, particularly in the realm of Indonesia's Islamic economy. The main focus of this research is on stock corporations that operate in compliance with the principles of Islamic economics. The main data sources are sourced from company financial data as well as stock price data involving a specific research time. The research method applied is a qualitative approach through literature study. The research found that information sourced from financial statements plays a crucial role in shaping stock performance. In particular, this information has a significant impact on the stock performance of Islamic companies. In addition, aspects of Islamic economics, such as fairness and transparency, also play an important role in maintaining the integrity and trust of investors in the company. Thus, this study contributes to a deeper understanding of the essential relationship between corporate information and stock performance, opening new perspectives in the context of Islamic economics in Indonesia.

Keywords: stock corporation, Islamic economy, corporate information, stock performance, transparency, fairness

INTRODUCTION

Stock companies in the perspective of Islamic economics in Indonesia have an important role in developing an economy based on Islamic principles. Indonesia's sharia economy has grown in recent years. has grown rapidly, with more and more businesses operating according to sharia economic principles. This includes the prohibition of *riba* (interest), *gharar* (uncertainty), *haram* (forbidden things in Islam), and *maysir* (gambling). Stock companies that apply Islamic economics in this situation have a broader objective than simply

generating financial returns; they also endeavour to provide social benefits and promote fairness in economic transactions. According to the principles of Islamic economics, fairness, transparency and social responsibility are essential for business.

In Indonesia, Islamic financial institutions and Islamic stock companies have grown rapidly. This indicates a strong demand from the public for financial goods and services that comply with Islamic fundamentals. Islamic equity companies in Indonesia are also active in developing products and services that fulfil the needs of the market and comply with the principles of Islamic economics. However, in the context of the Islamic economy, listed companies are faced with unique challenges and opportunities. They must examine elements such as compliance with Islamic economic principles, risk management, and fulfilment of corporate social responsibility. In addition, Islamic stock companies must also consider economic and social factors that affect their stock performance. In this study, we will analyse the relationship between corporate information and stock performance in the existing sharia-based economic situation of Indonesia. The main focus of this study is on stock companies that operate in accordance with the principles of Islamic economics. We will look at how corporate information, especially with regard to financial statements, affects the stock performance of the company. In addition, we will also consider other Islamic economic factors that may affect the stock performance of the company.

It is expected that this study will provide a better understanding of the relationship between corporate information and stock performance in the perspective of Islamic economics in Indonesia. Companies can benefit from the findings of this research, Islamic stocks in developing their business strategies. This research can also contribute to the growth of the Islamic economy in Indonesia by determining the components that affect the performance of Islamic stock companies.

RESEARCH METHODS

Desk study, a qualitative research method, allows data collection from various literature sources related to the research subject. Desk study is conducted by searching, collecting, and analysing previous literature to enhance understanding of the research topic.

RESULTS AND DISCUSSION

1. Anggun Enjelina Sirait and M Khoiri's article entitled The Effect of Profitability and Liquidity on Share Prices in Manufacturing Companies on the Indonesia Stock Exchange (Food and Beverage Sector) concluded that there is a significant positive correlation between share prices and profitability (ROA). The resulting ROA t_{count} value is 4.255 with a relevance of 0.000, which indicates that the t table value is greater than the t_{count} value, which is 4.255 wider than 2.02619. In addition, the coefficient of determination (R^2) shows that ROA and CR have a 60.5% impact on the overall share price. However, the 39.5% difference caused by outside variables not included in the variables of this study suggests that additional factors affecting stock prices need to be considered. The results suggest that researchers should conduct additional research to find other independent factors that may affect stock prices. Investors are also advised to consider the various variables that affect prices. (Sirait & Khoiri, 2022) This data is interesting from the perspective of Indonesian stock companies on the Islamic economy. According to the mentioned research, there is an increasing good correlation between profitability (ROA) and stock value. High levels of profitability tend to result in higher share prices. This result can be an important consideration for stock companies in Indonesia working within the Islamic economy.
2. Ulandari and Sulistya Rusgianto's article with the title The effect of stock returns, stock risk, economic growth, deposit profit sharing, company size and underwriting surplus sharing income on the percentage of Islamic life insurance fund investment in Indonesia is influenced by stock returns, risk to stocks, growth in the economy, results obtained by deposits, size of the company, and income as well as underwriting surplus sharing. These results can be considered when making regulations governing how much funds will be invested by Islamic life insurance companies. Fulfilling the company's obligation to increase capital or profit is important to improve competitiveness and financial health. (Ulandari & Rusgianto, 2020) This data is very valuable from the point of view of stock companies from the study of Islamic economic studies in Indonesia shows that several elements have a significant influence on the amount of investment made by Islamic life insurance companies. Islamic stock investment, return rate, stock risk, economic growth, deposit yield, and business form or size are some of these factors. The results provide an in-depth insight into how these elements interact with each other and influence investment decisions in Indonesia's Islamic economy and the resulting debt sharing income. The results suggest that stock companies can benefit from the

perspective of the Islamic economy in Indonesia. Companies can take these into consideration when making policies on the proportion of fund investments. For example, companies can consider the stock return rate and stock risk when choosing the amount of funds to invest. The amount of investment can also be influenced by economic growth, business size, and greater underwriting share income.

3. Vabila Ananta Setya and Bayu Arie Fianto's article with the title The influence of financial and non-financial variables on the underpricing of shares in service companies during the initial public offering (IPO) on the Indonesian stock exchange (IDX): a case study on sharia and non-sharia stocks concluded that the reason why the IPO prices of service provider companies that have been listed on the Indonesia Stock Exchange (IDX) are low from 2012 to 2017 is shown that two factors, underwriter reputation and auditor reputation, affect sharia and non-sharia stocks in service companies. However, underpricing at IPO is not affected by financial leverage and return on assets. (Setya & Fianto, 2020) This data provides important information from the point of view of stock companies from the perspective of Islamic economics in Indonesia about the influences that impact the underpricing of service companies listed on the Indonesia Stock Exchange (IDX) from 2012 to 2017. The study was conducted using multiple regression method and Statistical Expert for Social Science (SPSS) version 16. The results show that sharia and non-sharia stocks in service companies are affected by two components, underwriter and auditor reputation. The findings suggest that the trustworthiness of auditors and underwriters is crucial to determine the level of underpricing at IPO.
4. Muhammad Adnan Azzaki's article entitled Stock Returns, Fundamental Factors, and Systematic Risks in Construction and Infrastructure Companies Listed on the Indonesia Stock Exchange in 2015-2019 concluded that this study analyses the factors that influence underpricing in the Initial Public Offering (IPO) period of service companies on the Indonesia Stock Exchange (IDX) from 2012 to 2017, with a focus on the perspective of Islamic economic stock companies. Using multiple regression method with SPSS version 16, this study found that the reputation of underwriters and auditors affect the level of underpricing in Islamic and non-Islamic stocks. These results indicate the importance of trust in underwriters and auditors in determining underpricing at IPO. (Azzaki & Haryono, 2021) This study shows that the reputation of underwriters and auditors plays an important role in underpricing at IPO of

sharia and non-sharia stocks in service companies on the Indonesia Stock Exchange from 2012 to 2017. To reduce the risk of underpricing and increase investor confidence, Islamic economy stock companies in Indonesia need to build a good reputation by engaging trusted underwriters and auditors. Trust and transparency are key factors in the Islamic economy. Therefore, in planning IPO strategies and strengthening the company's position in the Islamic stock market, service companies should consider the reputation of the underwriters and auditors they engage.

5. Apta Hadyan Sulistijo and Erman Sumirat's article entitled Analysis of Undervalue Companies in Each Sector in the Indonesian Stock Market concludes that 700 companies in the Indonesian stock market, only five are included in the undervalue category with good financial performance, according to analysis using the value investing approach and financial ratios. In choosing undervalued stocks to maximise profits, this study suggests that the five companies PT Intanwijaya International Tbk, PT Unggul Indah Cahaya Tbk, PT Wilmar Cahaya Indonesia Tbk, PT Provident Agro Tbk, and PT Wismilak Inti Makmur Tbk are companies that belong to groups that must consider the company's sectoral conditions. (Sulistijo & Sumirat, 2021) In the context of an Islamic economic perspective in Indonesia, the previously mentioned data does not specifically refer to stock companies operating within the framework of Islamic economics. However, if we want to relate it to stock companies from the perspective of Islamic economics in Indonesia in a nutshell, further research should be conducted to identify those companies that fulfil the criteria of undervalue and have stable finances in the context of Islamic economics. Thus, these companies can be considered as investment options that are in accordance with the principles of Islamic economics.
6. Aris Winanti's article entitled The Impact of Covid-19 on the Share Price of Islamic Banks on the Indonesia Stock Exchange concluded that the government's announcement of COVID-19 had a major impact on the current share price of Islamic banks. This announcement caused a decrease in the share price of Bank BRI Syariah (BRIS) and Bank BTPN Syariah (BTPS). The share price of Bank Panin Dubai Syariah (PNBS) remained below the lower limit of 50 per share. In order for them to still be able to earn attractive returns, investors should be careful when selecting stocks of well-performing companies. In addition, the bank's digital services should be updated to make it easier for users. Further research should use a longer period of data both before and after the COVID-19 announcement to gain a more comprehensive understanding. (Winanti, 2020) The share prices of Islamic banks in Indonesia

were greatly affected by the government's announcement of COVID-19. Shares of Bank BRI Syariah (BRIS) and Bank BTPN Syariah (BTPS) declined, while shares of Bank Panin Dubai Syariah (PNBS) remained below 50 per share. To earn attractive returns, investors should carefully select company stocks. In addition, banks' digital products should be upgraded to become more user-friendly. To see the impact of the COVID-19 announcement on the Islamic economic perspective of stock companies in Indonesia in the long term, further research is recommended to be conducted with a longer data period.

7. Mutia Dwiana University article with the title The Effect of Islamic Bond Issuance on Stock Returns (Case Study on Companies That Issue Islamic Bonds and Listed on the Indonesia Stock Exchange (IDX) Research has focused on how the use of Islamic tribes or bonds has an impact on stocks. Studies show that factors such as issuance value, issuance rating, and sukuk age can affect stock returns. Even some studies are contradictory, such as Savitri's 2015 study which contradicts the findings of other studies on how sukuk issuance variables affect stock returns. Other studies have also conducted additional analyses on how stock returns before and after sukuk issuance differ, and the focus is the Indonesia Stock Exchange. The results of this study indicate that factors such as rating, value, and trading volume of sukuk are very important to understand how sukuk issuance affects company performance in the stock market.(Dwiana, 2020) A study shows important facts about how Islamic bond announcements impact stocks. There is a large Average Abnormal Return (AAR) on the fifth day before the announcement, indicating that stock profits will increase. There is a significant relationship between Islamic bond announcements and stock companies in Indonesia, according to statistical analysis with a paired sample t test. The significance value (Sig.) is 0.023, lower than the 5% significance level. This result, in the context of Islamic economics, strengthens the understanding that Islamic bond issuance drives stock market movements. It also provides a clearer understanding of the relationship between the performance of stock companies and Islamic financial instruments.
8. Nova's article entitled The influence of company external factors on stock prices in Indonesia concluded that stock prices in Indonesia are influenced by inflation or monetary and interest rates. (Nova, 2021) Stock prices in Indonesia are influenced by interest rates and inflation. Inflation can affect people's purchasing power and company performance, which in turn affects stock

prices. However, investors may not be interested in investing in stocks if interest rates are high. The relationship between stock prices, inflation and interest rates is also relevant from the perspective of Indonesia's Islamic economy. Islamic companies operate in accordance with Islamic principles, including the avoidance of usury. As a result, compared to conventional companies, Islamic companies may be more sensitive to changes in inflation and interest rates. It is important for investors to consider inflation and interest rates when they make stock investments from the perspective of Islamic economics in Indonesia. Investors can make better investments by understanding how stock prices, inflation, and interest rates correlate with each other.

9. Agnes Oktavia Pramitha and Yuniningsih's article entitled Analysis of factors affecting stock returns with firm value as a moderating variable in coal companies listed on the Indonesia stock exchange concluded that company value (Z) does not develop on stock returns (Y), but Inflation, Net Profit Margin and Economic Value Added have a large and good impact on Stock Returns. In addition, the quality of the company (Z) cannot renew the impact of NPM, monetary, Dividend Yield, and EVA on Stock Returns in situations like this, companies must provide more accurate information about their financial statements. Investors should also understand EVA calculations, even though they are complex, as they can give a good idea of how a business can maximise its capital. To make a more in-depth comparison, future research can also involve other variables besides those that have been studied.(Pramitha & Yuniningsih, 2022) In this study, it was found that firm value (Z), inflation, dividend yield, and stock returns were not influenced by Value Added Economic (EVA) (Y) affecting stock returns massively so, net profit margin (NPM) affects stock returns significantly and positively. these gains have important meaning for the Islamic economy in Indonesia, because variables like these do not have a significant impact on stock returns. Investors are advised to understand the calculation of EVA and consider the NPM factor when making investment decisions, while companies should provide more accurate financial reports in this situation. It is suggested to include additional variables and analyses for future research.
10. The article by Tristan Axelino, Mohamad Adam and, Isni Andriana with the title Analysis of the Effect of Stock Split on Stock Prices and Stock Trading Volume

in Go Public Companies on the Indonesia Stock Exchange in 2018-2021 concluded that a company must provide data that is acceptable to the public if it splits shares. The purpose of providing information is to support the stock split action and increase the company's share price and the number of shares sold. Corporations must provide complete and transparent information to the public. By doing this, the public will think positively about the stock split action, which can increase the liquidity of the company and its stock price.(Axelino et al., 2023) In the perspective of Islamic economics in Indonesia, it is important for a company to provide information that is acceptable to the public regarding the stock split plan. The purpose of providing this information is to support the stock split process and increase the company's stock price and the number of shares traded. Corporations should remain transparent by providing the public with complete and clear information. By doing this, the public will view the stock split in a more favourable light, which in turn can increase the stock price and liquidity of the company. In Islamic economics, the principles of transparency and fairness in providing information to the public are also very important to maintain the integrity and trust of investors in the company.

KESIMPULAN

A number of articles related to Islamic economics in Indonesia have provided significant findings related to stock companies. These findings include how profitability (ROA) affects the share price of manufacturing companies, how the proportion of fund investment in Islamic life insurance companies, how the reputation of underwriters and auditors affects the share price of service companies during IPO, the identification of undervalued companies that are in accordance with the principles of Islamic economics, the effect of government announcements about Coronavirus on the share price of Islamic bank companies, the effect of Islamic-based bond issuance on stock returns, and the importance of transparent information in stock splits. These findings provide important insights in understanding the dynamics of the Islamic economy in Indonesia, particularly in the context of stock companies. This research can provide valuable information to help stakeholders make investment decisions that are in accordance with the principles of Islamic economics and understand the factors that influence the stock performance of Islamic stock companies in Indonesia.

REFERENCES

- Axelino, T., Adam, M., & Andriana, I. (2023). Analisis Pengaruh Stock Split terhadap Harga Saham dan Volume Perdagangan Saham pada Perusahaan Go Public di BEI Periode 2018-2021. *Al-Kharaj : Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(3), 1556–1566. <https://doi.org/10.47467/alkharaj.v6i3.3981>
- Azzaki, M. A., & Haryono, S. (2021). Return Saham, Faktor Fundamental, Dan Resiko Sistematis Pada Perusahaan Konstruksi Dan Infrastruktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2019. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, 4(1), 606–619. <https://doi.org/10.36778/jesya.v4i1.362>
- Dwiana, M. (2020). Pengaruh Penerbitan Obligasi Syariah Terhadap Return Saham (Studi Kasus Pada Perusahaan Yang Menerbitkan Obligasi Syariah dan Terdaftar Pada Bursa Efek Indonesia (BEI)). *Jurnal Bisnis, Manajemen, Dan Ekonomi*, 1(2), 1–10. <https://doi.org/10.47747/jbme.v1i2.13>
- Nova, N. (2021). Pengaruh Faktor Eksternal Perusahaan Terhadap Harga Saham Di Indonesia. *Jurnal Ekonomika*, 15(1), 19–24. <https://doi.org/10.51179/eko.v15i1.539>
- Pramitha, A. O., & Yuniningsih, Y. (2022). Analisis Faktor-Faktor Yang Mempengaruhi Return Saham Dengan Nilai Perusahaan Sebagai Variabel Moderasi Pada Perusahaan Batubara Yang Terdaftar Di Bursa Efek Indonesia. *Oikos : Jurnal Ekonomi Dan Pendidikan Ekonomi*, 7(1), 72–84. <https://doi.org/10.23969/oikos.v7i1.6100>
- Setya, V. A., & Fianto, B. A. (2020). Pengaruh Variabel Keuangan Dan Non-Keuangan Terhadap Underpricing Saham Pada Perusahaan Jasa Saat Initial Public Offering (Ipo) Di Bursa Efek Indonesia (Bei): Studi Kasus Pada Saham Syariah Dan Non Syariah Periode 2012-2017. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 7(5), 886. <https://doi.org/10.20473/vol7iss20205pp886-900>
- Sirait, A. E., & Khoiri, M. (2022). Pengaruh Profitabilitas dan Likuiditas Terhadap Harga Saham di Perusahaan Manufaktur Yang Terdapat di Bursa Efek Indonesia (Sektor Makanan dan Minuman). *Ekonomi, Keuangan, Investasi Dan Syariah (EKUITAS)*, 3(3), 6–7. <https://doi.org/10.47065/ekuitas.v3i3.1175>
- Sulistijo, A. H., & Sumirat, E. (2021). Analisis Perusahaan Undervalue di Setiap Sektor di Pasar Saham Indonesia. *Jurnal SEKURITAS (Saham, Ekonomi, Keuangan Dan Investasi)*, 4(3), 253. <https://doi.org/10.32493/skt.v4i3.10550>
- Ulandari, U., & Rusgianto, S. (2020). Pengaruh Return Saham, Risiko Saham, Pertumbuhan Ekonomi, Bagi Hasil Deposito, Ukuran Perusahaan Dan Pendapatan Pembagian Surplus Underwriting Terhadap Proporsi Investasi Dana Perusahaan Asuransi Jiwa Syariah Pada Saham Syariah Di Indonesia. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 7(11), 2267. <https://doi.org/10.20473/vol7iss202011pp2267-2285>

Winanti, A. (2020). Dampak Covid - 19 Terhadap Harga Saham Bank Syariah. *Al-Kharaj : Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 4(1), 159–174.