

FINANCIAL PERFORMANCE, MACROECONOMICS, AND SYSTEMATIC RISK ON ISLAMIC STOCKS OF MANUFACTURING ENTITIES

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ABSTRACT

This study is to examine and analyze the effect of financial performance as measured by Return On Assets (ROA), Current Ratio (CR) and Earning Per Share (EPS), macroeconomic indicators using the BI rate, exchange rate and inflation as well as adding systematic risk as an intervention variable to the Islamic stock returns in the manufacturing sector on the Indonesian Sharia Stock Index (ISSI). The research sample was 51 companies with observations from 2016 to 2020, using the Structural Equation Modeling (SEM) method and IBM AMOS (Analysis of Structural Moment) V.22 software to test the available data. The direct test results show that financial performance and systematic risk have an effect on Islamic stock returns, while macroeconomic indicators have no effect. The test results through the intervention variables show that financial performance has an effect, but macroeconomic indicators still have no effect on Islamic stock returns through systematic risk. The activities of the consumer goods industry and basic industry which have always been the main needs are the reason why issuers in the manufacturing sector at ISSI are not affected by changes in macroeconomic indicators.

Keywords: Financial Performance, Macroeconomic Indicators, Systematic Risk, Islamic Stock Returns.

ABSTRAK

Penelitian ini untuk menguji dan menganalisis pengaruh kinerja keuangan yang diukur dengan *Return On Assets* (ROA), *Current Ratio* (CR) dan *Earning Per Share* (EPS), indikator makroekonomi menggunakan BI *rate*, nilai tukar dan inflasi serta menambahkan risiko sistematis sebagai variabel intervensi terhadap *return* saham syariah sektor manufaktur pada Indeks Saham Syariah Indonesia (ISSI). Sampel penelitian sebanyak 51 perusahaan dengan pengamatan dari tahun 2016 sampai dengan tahun 2020 menggunakan metode *Structural Equation Modeling* (SEM) dan *software* IBM AMOS (*Analysis of Structural Moment*) V.22 untuk menguji data yang tersedia. Hasil pengujian langsung menunjukkan bahwa kinerja keuangan dan risiko sistematis berpengaruh terhadap *return* saham syariah, sedangkan indikator makroekonomi tidak berpengaruh. Hasil pengujian melalui variabel intervensi menunjukkan bahwa kinerja keuangan berpengaruh, namun indikator makroekonomi masih belum berpengaruh terhadap *return* saham syariah melalui risiko sistematis. Aktivitas industri barang konsumsi dan industri dasar yang selalu menjadi kebutuhan utama menjadi alasan emiten di sektor manufaktur di ISSI tidak terpengaruh oleh perubahan indikator makroekonomi.

Kata kunci: Kinerja Keuangan, Indikator Makroekonomi, Risiko Sistematis, Return Saham Syariah

1. INTRODUCTION

Stocks are the riskiest investment instruments compared to other investment instruments but do not make investors avoid investments that are traded with fluctuating values, investors always have higher expectations than the level of risk inherent in stock investments (Widagdo et al., 2020). However, in fact not all companies in the Indonesian Sharia Stock Index (ISSI) category are able to provide high stock returns to investors (Aldiena & Hanif al Hakim, 2019). So far, many companies have only focused on profit growth, even though companies are facing big risks. which is possible if the company does not manage these risks well the company can lower the stock price in the stock market (Prasetyo & Sulaiman, 2018).

Information from the consistency of stocks that never come out on the Indonesian Sharia Stock Index (ISSI) is also a very serious consideration. If previously sharia shares were announced as non-sharia, it is likely that investors will sell the shares and replace them with sharia shares (Sherif & Lusyana, 2017). Time differences have also changed the company's financial performance, thus making investors really need to set the right strategy in buying shares (Boudt et al., 2019). Screening to determine sharia shares that has been carried out so far has made the interest-based debt ratio owned by the company more controlled, making companies included in the ISSI category have better profitability ratios, liquidity ratios and market ratios than outside companies (Ayedh et al., 2019). Screening on Islamic stocks has the potential to substantially change the company's financial performance (Boudt et al., 2019).

Indonesia's manufacturing sector has recently been in the spotlight. The website of the Ministry of Industry of the Republic of Indonesia (2020) announced that the contribution of the manufacturing sector to the Indonesian economy reached 19.87%. While the contribution of other sectors is still below, the agricultural sector is 12.27%, wholesale and retail trade is 13.08% and the remaining is less than 10%. For issuers in the manufacturing sector, financial performance, macroeconomic indicators and systematic risk are the most dominant factors in influencing stock volatility (Purnami et al., 2020). In line with this, research that only focuses on certain sector companies will provide more relevant results, because the different activities of the business sector cannot represent the actual market conditions (Rizvi & Arshad, 2018).

Fluctuations in the rupiah exchange rate will have several impacts on the economy. The impact is usually an increase in commodity prices in the real sector, this is because the availability of raw materials still relies on imports from outside (Akbar & Afiezan, 2018). In a stock market that is dominated by foreign investors, such as Indonesia, changes in exchange rates are a risk that must be considered because it can cause greater losses which

can have an impact on the value of the company and its share price (Suryadi et al., 2021). Exchange rate stability is very much needed to keep the company's finances well maintained. The need for raw materials that rely on imports will have a huge impact on the company's financial condition, as a result of the weak Rupiah against the USD which will increase the total price to be paid for imports (Enjelin Rosari Wiyono, 2020) .

The sensitivity of Islamic stock returns has been widely studied before. (Akbar & Afiezan, 2018), (Widagdo et al., 2020), found that macroeconomic indicators using SBI, inflation and exchange rates had no effect on Islamic stock returns and systematic risk had no effect on Islamic stock returns. Another result is that financial performance as measured by profitability ratios, solvency ratios, liquidity ratios, activity ratios and market ratios has a positive and significant effect on sharia stock returns. (Sukmajati & Hastuti, 2019), (Abdul Jabar & Cahyadi, 2020) in their research, macroeconomic indicators affect Islamic stock returns, financial ratios used to measure financial performance have a positive and significant effect on Islamic stock returns. The company's performance is directly affected by the exchange rate and interest rates. An increase in interest rates may lead to an increase in interest spending, which in turn increases spending and thereby reduces profitability.

Financial performance describes if the company has good opportunities or prospects in the future. Erzad & Erzad (2017), Yuliarti & Diyani (2018) in their research found the financial ratios used to measure financial performance had an effect on Islamic stock returns. The same study was conducted by Aldiena & Hanif al Hakim (2019) which found that financial performance had a positive and significant effect on Islamic stock returns. Maharani (2021) show that only microeconomic factors have a significant effect on stock prices in the Jakarta Islamic Index (JII) and LQ-45. The results also show that there are significant differences between the fundamental micro factors in JII and LQ-45. While on macro factors there is no significant difference.

The company's management can only control the business and its business activities, other than that the company's management can only follow the rules determined by the government through macroeconomic policies. In his research, Aziz et al., (2020), found that macroeconomic indicators did not have a significant effect on Islamic stock returns. Nita Puspitasari (2019) found that macroeconomic indicators that use interest rates and the BI rate reference do not have a significant effect on systematic risk in Islamic stocks. These results are different from research by Astuty (2017), Purnami et al., (2020) which found that macroeconomic indicators and company performance have a significant influence on systematic risk in manufacturing sector companies. This further confirms that financial performance and macroeconomic indicators are interrelated with each other.

Based on this explanation, it is important to do research to identify and analyze how far financial performance, macroeconomic indicators and systematic risk can affect the sensitivity of Islamic stock returns. Systematic

risk in stock trading, in this study, becomes an intervening variable (intermediary) which is closely related to the price of shares traded in the stock market, this makes stock prices vulnerable to fluctuating. Previous researchers have done a lot of research on companies listed on JII and ISSI but did not focus on companies in the manufacturing sector. For this reason, this study specifically analyzes Islamic stock returns in manufacturing sector companies that are included in ISSI.

2. LITERATUR REVIEW

2.1 SHARIA STOCK MARKET CONCEPT IN INDONESIA

The capital market is a medium that bridges between people who have more funds or investors and those who need funds. Islamic shares share the same market as conventional shares, although the main thing is that these shares must meet certain conditions in order to be included in the Islamic stock market (Hassan et al., 2020). Issuers of sharia shares are required to follow all policies, system provisions and procedures as well as business activities carried out by sharia financial institutions in accordance with OJK regulations, DSN fatwas, applicable government laws and regulations and legal provisions set by the Islamic Financial Service Board (IFSB) International Standards and Organization of Accounting and Auditing for Islamic Financial Institutions (AAOIFI). Apart from the criteria set out in OJK regulations, issuers or public companies must also meet various financial ratios in order to be listed as sharia shares. The ratio is that the total interest-based debt owned by the issuer does not exceed 45% of total assets. And non-halal income should not be more than 10% of total business income. In particular, the global sharia index excludes sectors, such as cinemas, hotels, music, gold and silver trading, as well as weapons and defense that are deemed permissible by ISSI.

2.2. STOCK RETURNS

Stock return is the expected profit from a number of funds invested in the ownership of a company, stock returns can be in the form of capital gains or results. Capital gain is a form of return that is expected to be obtained by investors from the difference between the purchase price and the selling price of the stock, while yield is the percentage of dividends to stock prices in the previous period. Stock returns are obtained from the difference in the current stock price minus the stock price at the time of purchase, stock returns can also be defined as the change in the increase in stock prices at the end of the period compared to the stock price at the beginning of the period. The higher the increase in stock prices will have a positive impact on the high stock returns received (Brigham & Houston, 2018).

2.3. FINANCIAL PERFORMANCE AGAINST SHARIA STOCK RETURNS

Financial performance is measured using various financial ratios that are analyzed carefully and correctly, which can help in analyzing the company's internal conditions, of course, by investigating the ratios further using other calculations. The calculated ratio analysis can reveal important conditions in the company that are difficult to identify, but with the help of ratio analysis it can be seen how the company's actual condition is (Brigham & Houston, 2018). To measure the company's financial performance, the ratios used are:

1. Return on Assets (ROA) is one of the profitability ratios, the greater the ROA value, the better the company's performance, because the higher the rate of return on investment. Companies that have large assets allow them to perform better because they have more assets to carry out their business activities. It can be interpreted that the high value of ROA owned by the company should be able to increase the share price, because it shows that the company has a good performance.
2. To analyze how smoothly the company fulfills its obligations, investors can use the current ratio (CR), the higher the CR owned by the company will be considered good by investors because the company is able to pay off its obligations. Ideally, a high CR value will help increase the company's stock price, because investors feel that the company has had a good performance.
3. Earnings per share (EPS) is the income received by shareholders from each share owned. This ratio analysis can provide information on the level of profit obtained by shareholders from each share owned. The impact that arises from the greater the EPS ratio, the higher the profits received by shareholders, this happens because of an increase in shares in the company.

2.4. MACROECONOMIC INDICATORS AGAINST SHARIA STOCK RETURN

Macroeconomics has a national scale whose impact is felt in almost all fields such as public consumption, banking and government policies (Brigham & Houston, 2018). One of the macroeconomic indicators of a country's strength is the weakening domestic currency exchange rate against other countries' currencies. This condition makes the company's financial fundamentals weaken, and can reduce the company's profitability in generating revenue. The development of the Islamic capital market is not free from the influence of macroeconomic factors. Investors generally believe that macroeconomic activities have a large impact on stock price volatility. Macroeconomic indicators used in this study include:

1. Benchmark BI rate or a high central bank benchmark interest rate will change investors' decisions to withdraw their investments in stocks and prefer to move them to investments in savings or time deposits that have lower risk. However, it highlights that interest rates may not have an impact on Islamic stock market volatility as

Islamic principles prevent shariah compliant companies from dealing with interest or.

2. The exchange rate is another macroeconomic fundamental that has a significant influence on the performance of the stock market, fluctuations in the exchange rate of a country's currency, some of which are influenced by the level of exports and imports. The depreciation of the domestic currency against foreign currencies increases exports which in turn has an impact on increasing stock returns, conversely the depreciation of the domestic currency increases import costs which reduce stock returns.
3. Inflation can be defined as a monetary phenomenon due to a decrease in the value of the monetary unit of calculation for a commodity. Inflation causes the tendency of prices to rise continuously. Thus, an increase in only one or two types of goods cannot be called the price of other goods cannot be called inflation.

2.5. SISTEMATIC RISK

Systematic risk is the most relevant event that occurs in an investment instrument, this risk cannot be avoided or even eliminated (Brigham & Houston, 2018). It was further explained that the risk will always be attached to the stock and in line with the expected rate of return. The tendency of a stock to move with the market is measured by the Beta coefficient (β). This risk comes from several fundamental factors of a company and the market characteristics of the company's shares.

Ideally, when estimating a stock's beta, it's like having a crystal ball that tells you how the stock will move relative to the overall stock market in the future. But because investors cannot see into the future, investors often use historical data and assume that a stock's historical Beta (β) will give them a reasonable estimate of how the stock will move relative to the market in the future. According to Ross (1976) beta is "The amount of systematic risk present a particular risky asset relative to that in an average risky asset". It can be concluded that beta is a measure of the volatility of a systematic risk on a stock. Beta on shares can be calculated by point estimation using historical data or subjective estimates. Historical beta can be calculated using historical data in the form of market data (securities returns and market returns).

2.6. SIGNALING THEORY

Dividend announcements contain information that can be used to predict company profits and expected stock returns for investors so that they are useful as material for consideration in the investment decision-making process. Signaling theory assumes that the manager has accurate information about the value of the company that investors may not know and he is also interested in maximizing his profits (Brigham & Houston, 2018). The announcement of dividends has an important meaning for investors, besides

being able to give a signal to the company's prospects, it is also predicted to affect market valuations such as stock prices and stock returns.

Most earnings-related stock returns occur before earnings announcements, suggesting that the stock market is capable of inferring many earnings news long before it is announced. This evidence suggests that accounting information to a large extent plays a feedback role as it confirms and provides prior confidence from the market. Stock returns after earnings announcements also seem to be tied to earnings news. This phenomenon, called post-earnings announcements, is arguably a form of stock market inefficiency and is being exploited by some momentum-based investment strategies.

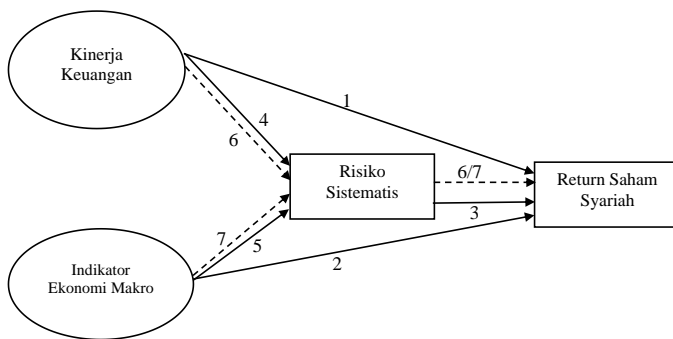


Figure 1. Research Framework Model

The hypothesis in this study is as follows:

- H1: financial performance has an effect on Islamic stock returns.
- H2: macroeconomic indicators have an effect on Islamic stock returns.
- H3: systematic risk has an effect on Islamic stock returns.
- H4: financial performance has an effect on systematic risk.
- H5: macroeconomic indicators affect systematic risk.
- H6: financial performance has an effect on Islamic stock returns through systematic risk.
- H7: macroeconomic indicators have an effect on Islamic stock returns through systematic risk.

3. RESEARCH METHODOLOGY

This research is quantitative research, using secondary types and data, for financial performance data obtained from the financial statements of manufacturing companies that have been included in the constituents of the Indonesian Sharia Stock Index (ISSI) and are routinely published by the Indonesia Stock Exchange (IDX) starting from the 2016 - 2020 period. Data on macroeconomic indicators is obtained from Bank Indonesia, the Financial Services Authority as well as data published officially by government

institutions. Using the data analysis method with SEM (Structural Equation Model) analysis using IBM AMOS (Analysis of Structural Moment) software Version 26, using the Maximum Likelihood Estimation (MLE) method.

3.1. DIRECT TEST

The test on this hypothesis is used to determine how strong the direct influence of the exogenous variables separately on the endogenous variables (Ghozali, 2017). In this test, the criteria used to determine the significance of the effect of exogenous variables on endogenous variables are if the significance value is $\alpha < 0.05$ and β is a positive value, then the existing hypothesis is accepted, if the significance value is $\alpha > 0.05$ and β on a negative value, then the existing hypothesis is rejected (Ghozali, 2017).

3.2. TEST THROUGH INTERVENING VARIABLES

This test was conducted to examine the indirect effect of exogenous variables (X) on endogenous variables (Y) through intervening variables (Z). The criteria in this test are if the Sobel test value is > 1.96 and P-Value < 0.05 , then the variable (X) affects the variable (Y) through the intervening variable (Z). Hypothesis testing using the intervening variable is carried out using a procedure developed by Sobel (1982) known as the Sobel test, the test is formulated as follows:

$$Sab = \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2}$$

Description:

- Sab* : Indirect effect (Indirect error standard)
- a* : Correlation coefficient $X \rightarrow Z$
- b* : Correlation coefficient $X \rightarrow Y$
- ab* : The result of multiplying the correlation coefficient $X \rightarrow Y$ with the correlation coefficient $X \rightarrow Z$
- Sa* : Standard error coefficient *a*
- Sb* : Standard error coefficient *b*

4. RESULTS AND DISCUSSION

4.1. SAMPLE FEASIBILITY TEST

Testing using the maximum likelihood estimation technique requires a sample of more than 100 data to be tested (Ghozali, 2017). In this study, there were 51 manufacturing companies sampled with an observation range of 5 years, starting from 2016 to 2020, meaning that in this study there were 255 data. This amount has met the standard criteria for testing using the maximum likelihood estimation technique.

4.2. OUTLIER TEST

In the first test results, it is known that the values of p_1 and $p_2 < 0.05$, which means that there are outliers. For this reason, outlier data needs to be eliminated so that the data used can be used in testing. After eliminating the outlier data, the results obtained are p_1 and p_2 values > 0.05 , so it can be concluded that the data in this study are in accordance with the criteria and can be tested further.

4.3. MULTICOLLINEARITY AND SINGULARITY TEST

From the test results, it is known that the value of the determinant of sample covariance matrix is away from zero or more than 1. This means that the research data does not have multicollinearity and singularity. So, it can be concluded that the data in the study can be used for the next test stage.

4.4. STRUCTURAL MODEL TEST

Table 1. Results of the Goodness of Fit Index on the structural model

| Goodness of Fit Index | Cut off Value | Hasil Uji | Keterangan |
|--------------------------|----------------|-----------|-----------------|
| X^2 (Chi-Square) | Expected Small | 14,07 | Df=16, Good fit |
| Significancy Probability | $\geq 0,05$ | 0,59 | Good fit |
| RMSEA | $\leq 0,08$ | 0,00 | Good fit |
| GFI | $\geq 0,90$ | 0,99 | Good fit |
| AGFI | $\geq 0,90$ | 0,97 | Good fit |
| CMIN/DF | $\leq 2,00$ | 0,88 | Good fit |
| TLI | $\geq 0,90$ | 1,00 | Good fit |
| CFI | $\geq 0,90$ | 1,00 | Good fit |

Source: The data results are processed using Amos, 2022

From the results of the tests that have been carried out, it is found that the structural model in the study has met the criteria for the Goodness of Fit Index. So, it can be said that the variables used in the study were good and the research model was acceptable.

4.5. HYPOTESIS TESTING

Based on the results of tests conducted using Amos SEM, the following hypothesis test results were obtained:

1. Direct Test

Table 2. Hypothesis Test Results

| | | | Estimate | S.E. | C.R. | P | Description |
|-------------|------|--------|----------|------|------|-----|----------------|
| Performance | ---> | Return | 9,44 | 3,42 | 2,76 | ,01 | Significant |
| Macro | ---> | Return | ,11 | ,17 | ,65 | ,51 | Not Signifikan |
| Risk | ---> | Return | 1,60 | ,31 | 5,20 | *** | Significant |

| | | | Estimate | S.E. | C.R. | P | Description |
|-------------|------|------|----------|------|------|-----|-----------------|
| Performance | ---> | Risk | 3,44 | ,91 | 3,79 | *** | Significant |
| Macro | ---> | Risk | -,02 | ,05 | -,31 | ,76 | Not Significant |

Source: The data results are processed using Amos, 2022

Based on the results of the tests that have been carried out, it is known that financial performance has a significant effect on Islamic stock returns because the C.R value is $2.76 > 1.96$ and the probability value (P) is $0.01 < 0.05$, which means that hypothesis 1 is accepted. The results of this study prove that, issuers in the manufacturing sector have stock returns that are influenced by their financial performance. The increase in the issuer's financial performance will have an impact on increasing stock returns, and vice versa. The results of this study are in line with Erzad & Erzad (2017) and Akbar & Afiezan (2018) that financial performance has an effect on Islamic stock returns.

Then the next result is that macroeconomic indicators have no effect on sharia stock returns because the C.R value is $0.65 < 1.96$ and the probability value (P) is $0.51 > 0.05$, which means that hypothesis 2 is rejected. These results have proven that if there is a change in macroeconomic indicators it will not affect the return generated on the stock of issuers in the manufacturing sector. The results of this study differ from those of (Sukmajati & Hastuti, 2019) and Yusufiarto & Pambekti (2020), these differences occur due to the scope of observations and the year of the sample used.

It was also found that systematic risk has an effect on Islamic stock returns because the C.R value is $5.20 > 1.96$ and the probability value (P) is $0.00 < 0.05$, meaning that hypothesis 3 is accepted. These results prove that the increase in systematic risk contained in Islamic stocks will also increase the resulting return. The results of this study support the findings of previous researchers that have been studied by Jaafar et al., (2020) and Mawardi et al., (2019) and strengthen that systematic risk in stocks has an effect on Islamic stock returns.

Another result is that financial performance has an effect on systematic risk, the test results show that the CR value is $3.79 > 1.96$ and the probability value (P) is $0.00 < 0.05$, while macroeconomic indicators have no effect on systematic risk because the value CR $-0.31 < 1.96$ and the probability value (P) is $0.76 > 0.05$. Thus hypothesis 4 is accepted but hypothesis 5 is rejected. The results of this study prove that, increased financial performance will also have an impact on increasing existing systematic risk, but if there is a change in macroeconomic indicators it will not affect the systematic risk of Islamic stock issuers in the manufacturing sector.

2. Test Through Intervening

Table 3. Hypothesis Rest Results

| Variabel | Result Sobel Test | P-Value | Description |
|--------------------------------|-------------------|---------|----------------|
| Performance --> Risk--> Return | 3,063 | 0,002 | Significant |
| Macro--> Risk--> Return | 0,313 | 0,75 | Not Signifikan |

Source: The data results are processed using Amos, 2022

Based on the results of the tests that have been carried out, the results of financial performance have an effect on Islamic stock returns through systematic risk. The test results show the Sobel Test value of 3.063 > 1.96 with a P-Value value of 0.002 < 0.05, meaning that hypothesis 6 is accepted. Other results also found that macroeconomic indicators have no effect on Islamic stock returns even though they are through systematic risk. The test results show the Sobel Test result value of 0.313 < 1.96 with a P-Value of 0.75 > 0.05, meaning that hypothesis 7 is rejected.

The test results have proven that increasing issuer's financial performance will also increase the systematic risk that must be accepted, as well as stock returns that will result from increased financial performance and increased systematic risk in Islamic stocks. If there is a change in macroeconomic indicators, it will not affect the systematic risk of Islamic stock issuers in the manufacturing sector. Changes that occurred in macroeconomic indicators in the research year were not too significant, namely changes in the BI rate benchmark, the exchange rate of Rp. to USD and inflation which was still within reasonable limits so that it did not affect the systematic risk of Islamic stocks. The still controlled macroeconomic indicators have caused the systematic risk of Islamic stocks to not have a significant effect. This is also because the transition mechanism between changes from macroeconomic indicators to financial performance does not directly impact the performance of Islamic stocks, but through changes in the performance of the real sector and financial institutions which then has an impact on the performance of the stock market.

The macroeconomic indicators have no effect even though they have gone through systematic risk because the products produced by issuers in the manufacturing sector are a much sought-after requirement. Such as the cement industry, which is urgently needed to improve infrastructure which is the main focus of the government, chemicals and pharmaceuticals which are continuously sought and needed even though they are expensive, and the food and beverage industry which is a basic human need. The absence of macroeconomic indicators on stock returns, even through systematic risk, provides adequate confidence that the issuers of the manufacturing sector at ISSI have excellent capabilities, because they are able to survive in the midst of macro changes. Issuers of the manufacturing sector are the main pillars of various industries, various basic processing that manages the industry can become the driving force of the economy. Various basic needs of society

exist in the manufacturing sector, this makes the issuers of the manufacturing sector stronger and not affected by changes in macroeconomic indicators.

5. CONCLUSION AND SUGGESTIONS

From the results of the analysis and testing that has been carried out in this study, various conclusions can be drawn. Financial performance and systematic risk have an effect on Islamic stock returns on manufacturing issuers at ISSI, but macroeconomic indicators have no effect on Islamic stock returns. Other results obtained based on the test results are known that macroeconomic indicators also have no effect on systematic risk. Testing through the intervening variable is systematic risk, only financial performance has an effect on Islamic stock returns while macroeconomic indicators still have no effect on Islamic stock returns. With the influence of financial performance on Islamic stock returns, either directly or through intervening variables, it provides an explanation that the volatility of Islamic stock issuers in the manufacturing sector is strongly influenced by financial performance and existing systematic risk. Suggestions for further researchers are to use or add different financial ratios to measure financial performance to make it more comprehensive. The use of different macroeconomic indicators in order to predict the future, such as economic growth targets, Oil and Gas Lifting, or it can also add to the pandemic conditions that are still happening today. Opportunities for more specific research in other sectors are also very wide, such as agriculture and mining.

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