

THE EFFECT OF INFLATION, EXCHANGE RATES, INTEREST RATES AND MONEY SUPPLY ON THE JAKARTA ISLAMIC INDEX (JII) STOCK PRICE INDEX FOR THE PERIOD 2018-2022

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ABSTRACT

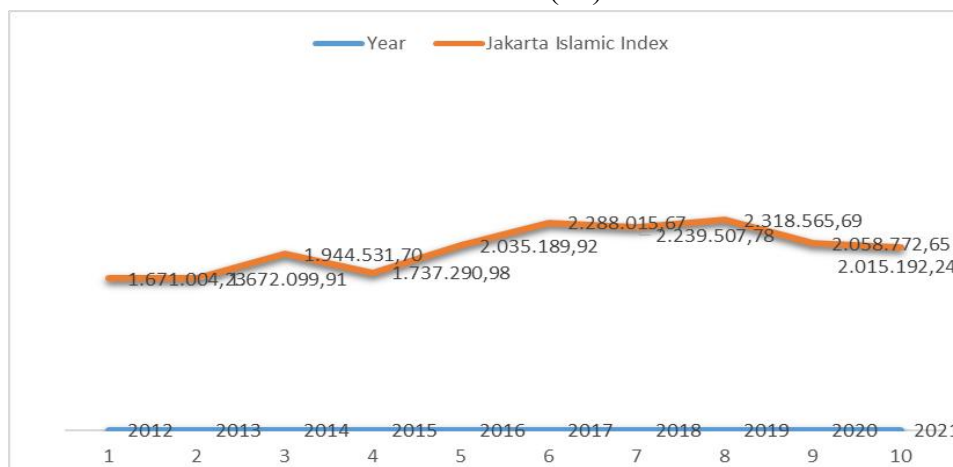
The capital market is an important element in the economy in Indonesia. Measuring the performance of shares marketed on the stock exchange is used an index, namely the Stock price index (IHS). This study aims to determine the effect of Inflation, Exchange Rate, Interest Rate and Money Supply on the Stock Price Index listed on the Jakarta Islamic Index (JII) for the period 2018-2022. The analysis method used is the panel data regression method with the selected model being the Common Effect Model (CEM). The population in this study were all companies listed on the Jakarta Islamic Index (JII) for the 2018-2022 period, totaling 30 companies. Determination of the number of samples was carried out using Purposive Sampling technique and determined as many as 9 Company samples. The t test results show that partially Inflation has a negative and significant effect on the Stock Price Index, Exchange Rate and Interest Rate have a positive and significant effect on the stock price index. While the money supply does not have a significant effect on the Stock Price Index. The results of the F test show that simultaneously Inflation, Exchange Rate, Interest Rate and Money Supply have a significant effect on the stock price index in the Jakarta Islamic Index (JII) for the period 2018-2022.

Keywords: Inflation, Exchange Rates, Interest Rates, Jakarta Islamic index (JII).

INTRODUCTION

The capital market in Indonesia is know The Islamic capital market can also be described as a gathering place for investors and issuers in Islamic financial transactions, which in the implementation of commerce in accordance with Islamic teachings, and does not hold elements of fraud or fraud.

Figure 1: Development of Index Market Capitalization on the Indonesia Stock Exchange on the Jakarta Islamic Index (JII) 2012 2021

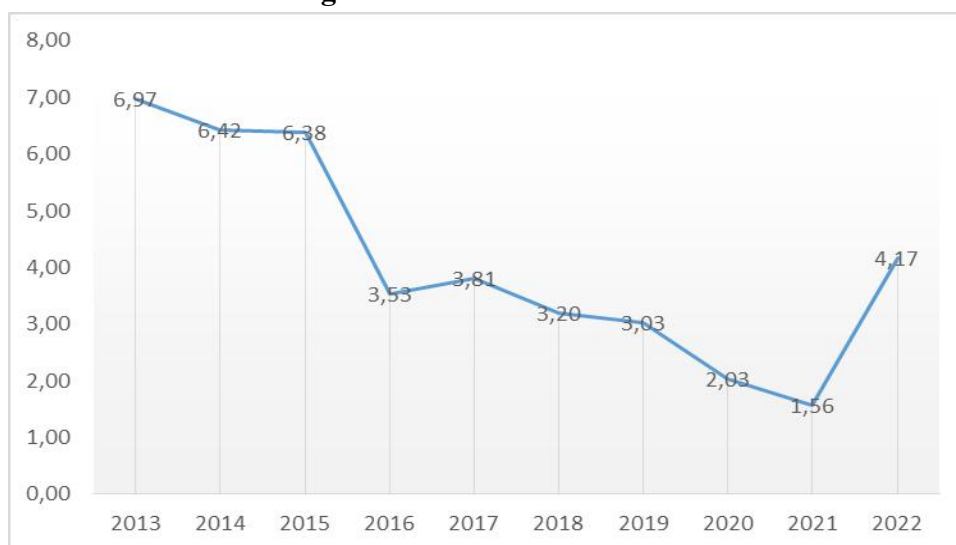


One of the Sharia Capital Markets in Indonesia is the Jakarta Islamic index (JII) in which there are 30 emitters that have been registered based on Sharia criteria consisting of stocks that have sharia criteria and consist of stocks that have large capitalization and high liquidity. The growth of Sharia stocks on the Jakarta Islamic Index (JII) makes a depiction of Sharia stocks in

Indonesia which has continued to grow for more than 20 years since its establishment in 2000. The stock index continues to grow rapidly by fluctuating from year to year.

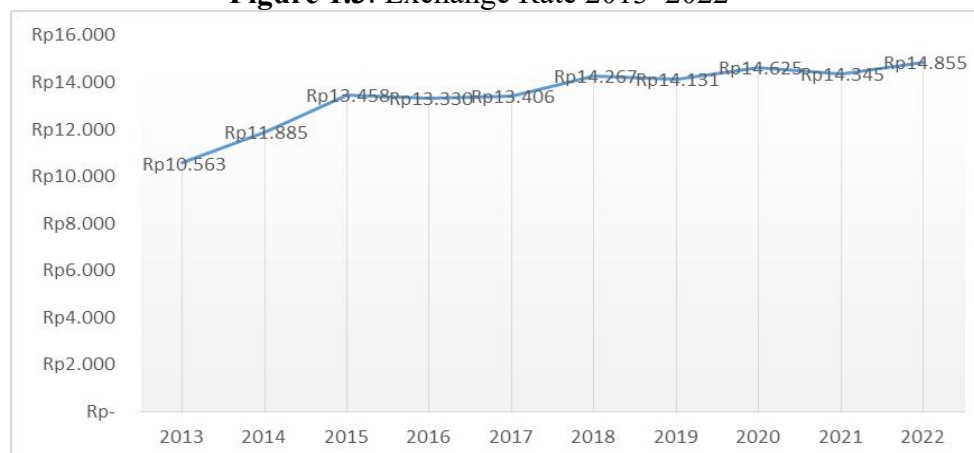
Based on Figure 1, shows that over a period of 10 years the JII Stock Index has fluctuated. JII experienced a continuous increase and also experienced a decline in certain years. In 2012 it was 1,671,004.23 and continued to increase in 2016 to 2,035,189.92, in 2019 it increased to the highest figure of 2,318,565.69. In 2020 it began to decline to 2,058,772.65. In 2021 it decreased to 2,015,192.24. Fluctuations in the stock index that experience increases and decreases are caused by several factors. These factors can be grouped into internal and external factors. Internal factors, namely: factors related to the character or behavior of the company. While external factors are macroeconomic fundamental conditions. These macroeconomics include interest rates, inflation, exchange rates and money supply.

Figure 2: Inflation 2013 2022



Based on figure 2, Inflation has fluctuated over the last 10 (ten) years. In 2013-2015 it decreased by 6.97% - 6.38%. In 2016-2021, it experienced a continuous decline, namely in 2016 it amounted to 3.53%, in 2021 it decreased dramatically to 1.56%. In 2020 it increased to 4.17%.

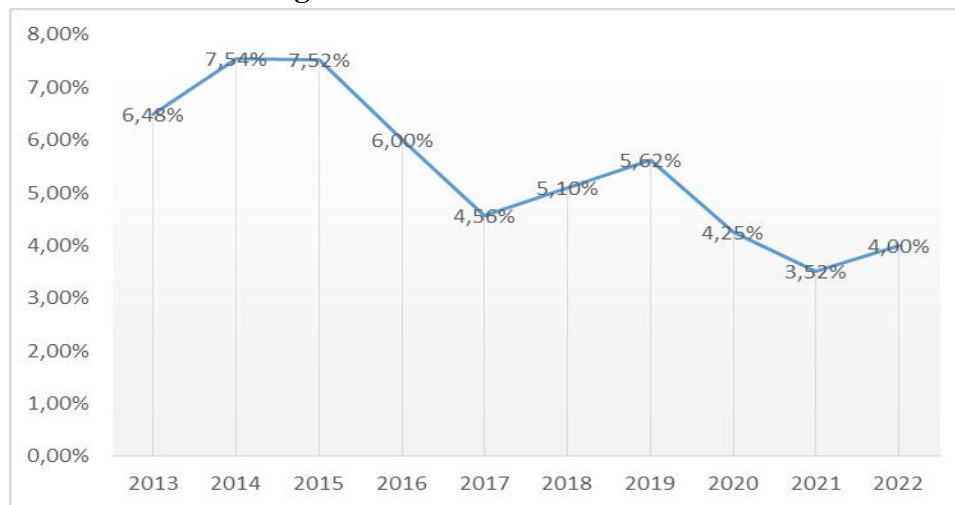
Figure 1.3: Exchange Rate 2013 2022



Based on figure 3, The exchange rate has fluctuated over the last 10 (ten) years. In 2013 it was IDR 10,563, in 2014-2015 it increased by IDR 11,885 - 13,458. In 2016-2017 it decreased,

namely in 2016 by 13,330% in 2017 by 13,406. In 2018-2022, it fluctuated up and down, namely in 2018 it was IDR 14,267, in 2022 it was 14,855.

Figure 4: Interest Rate 2013 2022



Based on figure 4, interest rates have fluctuated over the last 10 (ten) years. In 2013 it was 6.48%. In 2014-2015 experienced an increase of 7.54% -7.52%. In 2016-2017 it decreased, namely 2016 by 6% in 2017 by 4.56%. In 2018-2022 there was an increase and also a decrease, namely in 2019 it increased by 5.62%, in 2022 it decreased to 4%.

Fluctuations that occur in the development of the JII Stock Price Index and the factors that influence each period, the variables used in this study are macroeconomic variables, namely inflation, exchange rates, interest rates and money supply. The data used in this study is the JII stock price index, because the stocks in the JII calculation show the movement of stocks that are active in trading affect the market situation. Based on the above background, the researcher will examine more deeply the research with the title: **“The Effect of Inflation, Exchange Rates, Interest Rates, and Money Supply on the Jakarta Islamic Index (JII) Stock Price Index for the 2018 2022 Period”**.

LITERATURE REVIEW

Stock Price Index

According to Lubis (2018: 157) the Stock Price Index is a measure based on statistical calculations to determine changes in stock prices at any time against the base year. According to Sunariyah (2011:136) The individual stock price index describes a series of historical information about the price movements of each stock, up to a certain date. Usually the stock movement is presented every day, based on the closing price on the exchange on that day. The formula for calculating individual stocks is.

$$SI = \frac{P_s}{P_{base}} \times 100\%$$

Inflation

Inflation is an event that shows a continuous increase in the price level. High inflation has a considerable impact on the economy which can be seen from the increasing production costs that must be borne by companies due to the increasing cost of raw materials, and companies

still take the risk of reducing demand for goods produced due to higher price jumps (Ari and Himawan, 2019).

Exchange Rate

The exchange rate is a comparison between the price of one country's currency and another country's currency. The decline in the Rupiah exchange rate against the USD reflects the decline in public demand for the Rupiah currency due to the declining role of the national economy (Indah, 2020). The exchange rate is a comparison of the value of a domestic currency with the value of another country's currency. If formulated the domestic exchange rate against the dollar, for example, the rupiah needed to buy one dollar. If the rupiah exchange rate increases, it means that the rupiah is depreciating (weakening), while if the rupiah exchange rate decreases, it means that the rupiah is appreciating (strengthening). (Dini, 2021).

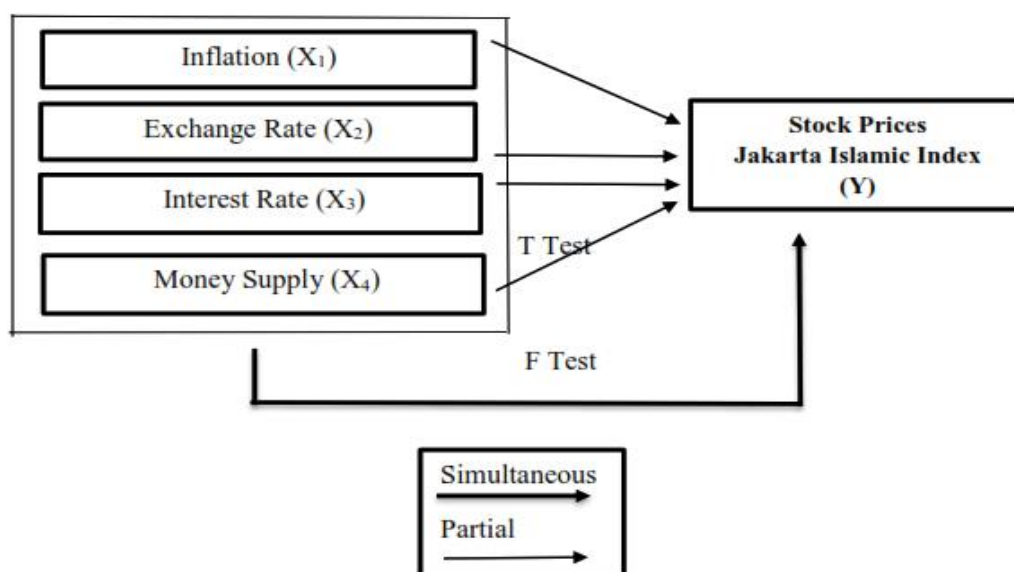
Interest Rate

According to (Saputra, 2019) interest rates are payments made for the use of money, interest rates are the amount of interest that must be paid per unit. According to Jannah in Rismala & Elwisam (2019) interest rates have a contradictory relationship with stock prices so that, when interest rates increase, stock prices will decrease, so investors will prefer to withdraw their shares and choose to save their money in the bank because the interest is higher so that the deposit interest will increase rather than investing their money in the capital market where the profit level fluctuates.

Money Supply

The money supply is the product of primary money with a money multiplier, the value of changes in the money supply is determined by the results of interactions that occur between the public, financial institutions and the Central Bank. The money supply also has a relationship with deposit interest rates. (Ani and Norma, 2021).

Figure 5: Conceptual Framework



Hypothesis

Ha₁: Inflation partially has a significant effect on the stock price index of companies listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

Ha₂: Exchange rates partially have a significant influence on the stock price index of companies listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

Ha₃: Interest rates partially have a significant effect on the stock price index of companies listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

Ha₄: Money supply partially has a significant influence on the stock price index of companies listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

Ha₅: Inflation, exchange rates, interest rates, and money supply simultaneously have a significant influence on the stock price index of companies listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

RESEARCH METHODS

Object of Research

This study consists of dependent variables, namely stock price index and the independent variables, namely inflation, exchange rate, interest rate and money supply. The object of research in this study is a company listed in the Jakarta Islamic Index (JII) for the 2018-2022 period.

Types and Techniques of Data Collection

The type of data used in this study is secondary data in the form of panel data (pooled data). This research uses a quantitative approach, by taking data from the Indonesian Financial Economic Statistics (SEKI) published directly from the official website of Bank Indonesia by accessing the link www.bi.go.id, economic and financial statistics of Indonesia (SEKI) data used in this study are monthly data. As for obtaining Stock Price Index, researchers took data on www.investing.com. Data processing in this study used the help of Eviews 12 software.

Population and Sample

The population in this study consists of 30 issuers registered in the Jakarta Islamic Index (JII) for the 2018-2022 period. Sample selection in this study used *purposive sampling* method. Here are the criteria used in sample selection:

1. Issuers of Sharia shares that are successively listed in the Jakarta Islamic Index (JII) Period 2018-2022.
2. Sharia issuers that consistently issue shares in the Jakarta Islamic Index during the 2018-2022 period.

Based on the criteria that have been stated, the selected sample is 9 samples from 30 issuer populations.

Table 1: Research Sample Companies

Code	Company Name
ADRO	Adaro Energy Tbk
ICBP	Indofood CBP Sukses Makmur Tbk
INDF	Indofood Sukses Makmur Tbk
KLBF	Kalbe Farma Tbk

PGAS	Perusahaan Gas Negara Tbk
SMGR	Semen Indonesia (Persero) Tbk
TLKM	Telkom Indonesia (Persero) Tbk
UNTR	United Tractors Tbk
UNVR	Unilever Indonesia Tbk

Source: Indonesia Stock Exchange (2024)

RESEARCH RESULTS AND DISCUSSION

Discriptive Statistics

Table 2: Discriptive Statistics

	STOCK PRICE INDEX (JII)	INFLATION	EXCHANGE RATE	INTEREST RATE	MONEY SUPPLY
Mean	1.002873	2.798000	14444.60	4.444000	6615343
Median	0.998148	3.030000	14345.00	4.250000	6521450
Maximum	1.668709	4.170000	14855.00	5.620000	7963215
Minimum	0.898431	1.560000	14131.00	3.250000	5518337
Std. Dev	0.107990	0.929107	264.0167	0.842932	890236.3
Obs	45	45	45	45	45

Source: Data Processing Results with eviews 12 (2024)

Based on table 2, the discriptive statistics can be explained as follows:

1. The variable stock price index has a sample number of 45, a minimum value of 0.898, a maximum value of 1.668 mean (average value) of 1.002, and a Standard Deviation of 0.1079.
2. The variable Inflation has a sample number of 45, a minimum value of 1.560, a maximum value of 4.170 mean (average value) of 3.030 and a Standard Deviation of 0.9291.
3. The variable Exchange Rate has a sample number of 45, a minimum value of 14131, a maximum value of 14855 mean (average value) of 14345, and a Standard Deviation of 264.01.
4. The variable Interest Rate has a sample number of 45, a minimum value of 3.250, a maximum value of 5.620 mean (average value) of 4.444 and a Standard Deviation of 0.8429.
5. The variable Money Supply has a sample number of 45, a minimum value of 5518337, a maximum value of 7963215 mean (average value) of 6615343 and a Standard Deviation of 890236.3.

Regression Model Selection

There are 3 (three) regression models in the panel data, namely Common Effect Model, Fixed Effect Model, and Random Effect Model. So to get the best model, it is necessary to carry out the testing stage. The Chow test is the first stage of testing that must be done. The chow test is used to determine whether the selected model is a common effect model or a fixed effect model. If based on the chow test the selected model is a common effect, then a panel data regression test is immediately carried out.

Table 3: Chow Test Result

Effect Test	Statistic	d.f	Prob.
Cross-section F	1.162757	(8.32)	0.3511
Cross-section Chin-Square	11.482939	8	0.1758

Source: Data Processing Results with eviews 12 (2024)

Based on the results in table 3 shows the probability of the chi-square of 0.1758 and the Probability F of 0.3511 is greater than 0.05. So in accordance with the decision-making criteria, the more appropriate model used in this study is the Common Effect Model. Therefore, there is no need to do a hausman test and can directly perform a panel data regression test.

Common Effect Model Regression Estimation Results

Table 4: Common Effect Model Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-25.10779	8.934035	-2.810353	0.0076
Inflation	-0.147551	0.059396	-2.484200	0.0173
Exchange Rate	2.642765	1.014041	2.606171	0.0128
Interest Rate	0.227145	0.162018	1.401973	0.1686
Money Supply	-0.022642	0.212778	-0.106413	0.9158

Source: Data Processing Results with eviews 12 (2024)

Based on the results of the Common Effect Model regression in table 4, it can be seen that the value of the regression coefficient of the Inflation variable is -0.147551, the value of the regression coefficient of the Exchange Rate variable is 2.64276, the value of the regression coefficient of the Interest Rate variable is 0.227145, and the value of the regression coefficient of the Money Supply variable is -0.022642. The variable probability value of Inflation is 0.0173 and the variable probability value of Exchange Rate is 0.0128. So it shows that the variables Inflation and Exchange Rate have a significant influence on stock price index, because they have a probability value of < 0.05 . While the probability value of the Interest Rate variable of 0.1686 and the variable probability value of Money Supply is 0.9158 probability shows that the variable does not have a significant influence on stock price index, because it has a probability value of > 0.05 .

CLASSICAL ASSUMPTION TEST

Multicollinearity Test

Table 5: Multicollinearity Test Results

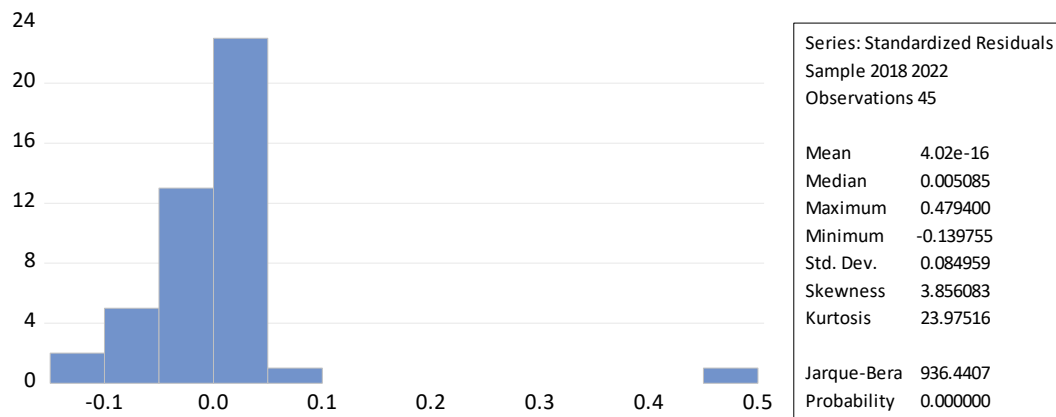
	Inflation	Interest Rate	Exchange Rate	Money Supply
Inflation	1.000000	0.558787	0.247269	-0.024233
Interest Rate	0.558787	1.000000	-0.476010	-0.771209
Exchange Rate	0.247269	-0.476010	1.000000	0.775771
Money Supply	-0.024233	-0.771209	0.775771	1.000000

Source: Data Processing Results with eviews 12 (2024)

Based on the test results shown in table 5, it is known that the value of the coefficient between variables is smaller than 0.85. This is in accordance with the criterion that the result of the multicollinearity test is that there is no correlation coefficient value between variables that is more than 0.85. So it can be concluded that the data does not have a multicollinearity problem.

Normality Test

Figure 6: Normality Test Results



Source: Data Processing Results with eviews 12 (2024)

Based on the test results shown in Figure 6 shows a probability jarque-bera of 0.000000 which is smaller than 0.05, so it can be concluded that the data is not normally distributed. Based on the Central Limit Theorem, if $N > 30$, it can be assumed that the data meets the assumption of distributed normality (Savitri et al., 2021: 107) (Marhawati et al., 2022: 142) (Ruth Pranadipta & Natsir, 2023: 282) (Wahyuningsih et al., 2024: 40) (Febriyanto et al., 2023: 180). The amount of data in the study was $45 > 30$, so it can be concluded that the data is normally distributed.

TEST THE HYPOTHESIS

Partial Significant Test (t Test)

The t test aims to determine whether the independent variables partially or individually have a significant effect on the dependent variable.

Table 6: t Test Results

Variable	t-Statistic	t-Table	Probability	Conclusion
Inflation	-2,06050	2,021075	0,0459	Significant at $\alpha = 5\%$

	4			
Exchange Rate	3,24985 7	2,021075	0,0023	significant at $\alpha = 5\%$
Interest Rate	2,27892 8	2,021075	0,0281	Significant at $\alpha = 5\%$
Money Supply	1,30925 4	2,021075	0,1979	Not significant at $\alpha = 5\%$

Source: Data Processing Results with eviews 12 (2024)

Based on table 6, it can be explained the influence of each independent variable on the dependent variable as follows:

- Inflation has a calculated t of 2,060504 with a significance level of 0,0459. So this shows that t_{count} is greater than t in table ($2,060504 > 2,021075$) with significance values ($0,0459 < 0,05$). So it can be concluded that, Inflation partially has a significant effect on the Stock Price Index of Companies listed on the Jakarta Islamic index (JII) for the 2018–2022 period.
- Exchange Rate has a calculated t of 3,249857 with a significance level of 0,0023. So this shows that t_{count} is greater than t in table ($3,249857 > 2,021075$) with significance values ($0,0023 < 0,05$). So it can be concluded that, Exchange Rate partially has a significant effect on the Stock Price Index of Companies listed on the Jakarta Islamic index (JII) for the 2018–2022 period.
- Interest Rate has a calculated t of 2,278928 with a significance level of 0,0281. So this shows that t_{count} is greater than t in table ($2,278928 > 2,021075$) with significance values ($0,0281 < 0,05$). So it can be concluded that, Interest Rate partially has a significant effect on the Stock Price Index of Companies listed on the Jakarta Islamic index (JII) for the 2018–2022 period.
- Money Supply has a t_{count} of 1,309254, with a significance level of 0,1979. This shows that t_{count} is smaller than t in table ($1,309254 < 2,021075$) with significance values ($0,1979 > 0,05$). So it can be concluded that the partial Money Supply does not have a significant effect on the Stock Price Index of Companies listed on the Jakarta Islamic index (JII) for the 2018–2022 period.

Simultaneous Significance Test (F Test)

The F-statistical test is used to determine how much influence the independent variable has on the dependent variable simultaneously or together.

Table 7: F Test Results

Root MSE	0.072279	R-squared	0.369459
Mean dependent var	-0.019599	Adjusted R-squared	0.306405
S.D. dependent var	0.092082	S.E. of regression	0.076664
Sum squared resid	0.235092	F- statistic	5.859405
Durbin Watson stat	2.139343	Prob (F- statistic)	0.000828

Source: Data Processing Results with eviews 12 (2024)

Based on table 7, the results of the F Test can be seen, namely the calculated F value of 5.859405 with a significance level of $0.00828 < 0.05$ while the F_{table} is 2.605975. Therefore, the $F_{value\ is\ calculated} > F_{table}$ or $5.859405 > 2.605975$, this proves that the variables Inflation, Interest Rate, Exchange Rate and Money Supply together (simultaneously) affect stock the Stock Price Index of Companies listed on the Jakarta Islamic index (JII) for the 2018–2022 period.

Common Effect Model Panel Data Regression Equation

Based on the results of the tests that have been carried out, the panel data regression equation for this study can be written as follows:

$$IHS_{it} (Y) = 9.568552 (\alpha) - 0.032190 (INF_{it}) + 0.097114 (SB_{it}) + 0.866775 (KURSit) + 0.073272 (JUBit) + \varepsilon$$

Information:

Y = Stock Price Index

α = Constant

INF = Inflation

SB = Interest Rate

KURS = Exchange Rate

JUB = Money Supply

ε = Error factor (Error term)

The coefficient regression equation of the panel data above can be explained as follows:

1. The constant value in the equation above of 9.568552 shows that if all independent variables are considered to be 0 (zero) or constant, then the Stock Price Index is 9.568552.
2. The value of the Inflation coefficient is 0.032190 which shows a negative nature, meaning that if there is an increase in Inflation while other variables are considered constant, the Stock Price Index will decrease by 0.032190. Conversely, if there is a decrease in Inflation while other variables are considered constant, the *stock return* will increase by 0.032190.
3. The value of the Interest Rate coefficient is 0.097114 which shows positive properties, meaning that if there is an increase in Interest Rate while other variables are considered constant, then the Stock Price Index will increase by 0.097114. Conversely, if there is a decrease in Interest Rate while other variables are considered constant, the Stock Price Index will decrease by 0.097114.
4. The value of the Exchange Rate coefficient is 0.866775 which shows a positive properties, meaning that if there is an increase in Exchange Rate while other variables are considered constant, then the Stock Price Index will increase by 0.866775. Conversely, if there is a decrease in Exchange Rate while other variables are considered constant, the stock price index will decrease by 0.866775.
5. The value of the Money Supply coefficient is 0.073272 which shows a positive properties, meaning that if there is an increase in Money Supply while other variables are considered constant, then Stock Price Index will increase by 0.073272. Conversely,

if there is a decrease in Money Supply while other variables are considered constant, the stock price index will decrease by 0.073272.

DISCUSSION

The Effect of Inflation on Stock Price Index

Based on the tests conducted, the results of this study show that the Inflation variable has a negative and significant effect on Stock Price Index, where t_{count} greater than t_{table} ($2.060504 > 2.021075$) and the significance value is 0.0459 which means less than 0.05. The results of this study are in line with research conducted by Paska Prina Br. Bangun, Debbi Chyntia Ovami and Sri Fitria Jayusman (2023) "Analysis of the Determinants of the Stock Price Index in Companies Listed on the Jakarta Islamic Index (JII)" states that Inflation has a negative and significant effect on the Stock Price Index.

Inflation below 10% per year is still relatively mild. If inflation exceeds 10% or more, the capital market will be disrupted because Bank Indonesia will increase the BI rate which will cause investors to shift their capital to the banking sector. Inflation has a negative correlation with the stock price index. This condition indicates that when inflation increases, the stock price will decrease. Inflation has a negative effect on stock prices because inflation increases the cost of a company. If the increase in costs is higher than the company's revenue, then the profitability of the company decreases. A decrease in company profits will cause investors to not be interested in investing in the company, this will result in a decrease in stock prices.

The Effect of Interest Rate on Stock Price Index

Based on the tests conducted, the results of this study showed that the Interest Rate positive and significant effect on Stock Price Index, where t_{count} greater than t_{table} ($2.278928 > 2.021075$) and the significance value is 0.0281 which means it is smaller than 0.05. The results of this study are in line with research conducted by Ardhansyah Putra Harahap (2019) entitled "The Effect of Bi Rate on the Jakarta Islamic Index (JII) Stock Price Index Listed on the Indonesia Stock Exchange" which states that Interest Rates have a positive and significant effect on the Stock Price Index.

When interest rates fall investors remain hesitant to invest in stocks, investors also have other strong reasons (beyond the interest rate factor) when they are not interested in investing in stocks. Investment decisions involve technical and psychological factors from the investors themselves. When interest rates rise, it will have an impact on improving economic development so that investors will be interested in investing in the capital market.

The Effect of Exchange Rate on Stock Price Index

Based on the tests conducted, the results of this study show that the variables Exchange Rate positive and significant effect on Stock Price Index, where t_{count} greater than t_{table} ($3.249857 > 2.021075$) and the significance value is 0.0023 which means it is smaller than 0.05. The results of this study are in line with research conducted by Cindi Rahmawati and Wahyu Dwi Warsitasari entitled (2023) "Factors Affecting the Stock Price Index in the Jakarta Islamic Index (JII)" which states that the Exchange Rate has a positive and significant effect on the Stock Price Index.

Low rupiah exchange rate and declining company value. Consider individually for investors to increase profitability and cost savings for products. Economic actors or in this case import and export activities will certainly be affected by exchange rates. The exchange rate itself is one measure of the value of trade between countries which triggers the flow of trade. An unstable exchange rate will make it difficult for exporters to determine the price and purchase of goods so that it can reduce the profits earned. This difficulty also affects the price of shares owned.

The Effect of Money Supply on Stock Price Index

Based on the tests conducted, the results of this study showed that the Money Supply variable did not have a significant effect on Stock Price Index, where t_{count} smaller than t_{table} ($1.309254 < 2.021075$) and the significance value is 0.1979 which means it is greater than 0.05. The results of this study are in line with research conducted by Rini Widiastuti, Iin Emy Prastiwi and Sumadi entitled (2024) “The Effect of Money Supply, Inflation, and BI Rate on the Jakarta Islamic Index (JII) Period 2020 - 2022” which states that the Money Supply has no effect on the Stock Price Index.

When the money supply increases, the public will tend to be dominated by the obligation to fulfill bills for payment of bank interest costs. So that an increase in the money supply has no effect on increasing stock prices because there are no additional funds in the community that can be used for investment in the capital market. Economic actors in the capital market are still limited to entrepreneurs who have access and information to enter the capital market so that the increase in the money supply in the community does not touch the capital market.

CONCLUSION

Based on the results of research and discussion that have been described earlier, the conclusions that can be drawn in this study are as follows:

1. The results showed that Inflation partially had a significant effect on the stock price index of Companies listed on the Jakarta Islamic Index (JII) for the 2018–2022 period with t_{count} results greater than t_{table} ($2.060504 > 2.021075$) with significance values ($0.0459 < 0.05$).
2. The results showed that Exchange Rate partially had a significant effect on the stock price index of Companies listed on the Jakarta Islamic Index (JII) for the 2018–2022 period with t_{count} results greater than t_{table} ($3.249857 > 2.021075$) with significance values ($0.0023 < 0.05$).
3. The results showed that Interest Rate partially had a significant effect on the stock price index of Companies listed on the Jakarta Islamic Index (JII) for the 2018–2022 period with t_{count} results greater than t_{table} ($2.278928 > 2.021075$) with significance values ($0.0281 < 0.05$).
4. The results showed that the partial Money Supply did not have a significant effect on stock price index of Companies listed on the Jakarta Islamic Index (JII) for the 2018–2022 period with $t_{calculated}$ results smaller than t_{table} ($1.309254 < 2.021075$) with significance values ($0.1979 > 0.05$).
5. The results showed that Inflation, Exchange Rate, Interest Rate and Money Supply together (simultaneously) had a significant effect on stock price index of Companies listed

on the Jakarta Islamic Index (JII) for the 2018–2022 period with $F_{\text{calculated}}$ results greater than F_{table} ($5.8559405 > 2.605975$) with significance values of $0.00828 < 0.05$.

SUGGESTION

Referring to the results of research in the previous chapter, the author gives advice to:

1. For investors, Investors should pay attention to the latest information, especially regarding the state of the economy and government policies, both domestic and foreign policies, because this can affect stock prices which will have an impact on stock returns. Investors can use the variables of Inflation, Interest Rates, Exchange Rates and Money Supply to the Stock Price Index as a reference for investing in the capital market.
2. Future researchers are expected to use a larger sample with more diverse characteristics from various sectors and extend the research period. In addition, future researchers should also change and add independent variables that influence the Stock Price Index.

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