

ISLAMIC CAPITAL MARKET VOLATILITY: RESILIENCE OF SHARIA STOCK INDEX AMID RISING GLOBAL UNCERTAINTY

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Abstract

This study examines stock price dynamics amid increasing global economic uncertainty, compounded by geopolitical conflicts, bank interest rate policies, the pandemic, and financial crises, which have had a serious impact on the stability of a country's economy. In this context, the Islamic capital market has emerged as an alternative investment offering a safe haven amid global economic uncertainty. This study aims to analyze how global economic uncertainty affects stock price fluctuations in the Islamic capital market in ASEAN countries, as seen from the growth of the Islamic stock index. This study uses a qualitative approach based on a review of literature and empirical data. The results indicate that Islamic stocks can be affected by global economic uncertainty but are more resilient to external or internal factors related to usury, gambling, and uncertainty. Despite facing pressure from global market fluctuations, Islamic stocks still demonstrate growth potential, particularly in ASEAN countries with majority Muslim populations. The results of this study are expected to provide investors with insights for planning investment strategies as hedging instruments in accordance with sharia principles, while considering global economic conditions and a country's macroeconomy.

Keywords: Islamic capital market; stock index; global economic uncertainty

Abstrak

Penelitian ini mengkaji dinamika harga saham di tengah ketidakpastian ekonomi global yang semakin meningkat, kemudian diperkeruh dengan konflik geopolitik, kebijakan suku bunga bank, pandemi dan krisis keuangan sehingga berdampak serius pada stabilitas perekonomian suatu negara. Dalam konteks ini, pasar modal syariah muncul dengan menawarkan alternatif investasi sebagai

safe haven di tengah ketidakpastian ekonomi dunia. Penelitian ini bertujuan untuk menganalisis bagaimana dampak ketidakpastian ekonomi global memengaruhi pergerakan harga saham pada pasar modal syariah di negara ASEAN dilihat dari pertumbuhan indeks saham syariah, penelitian ini menggunakan pendekatan kualitatif dengan menggunakan studi literatur dan teknik dokumentasi. Selanjutnya menghasilkan sebuah temuan yang menunjukkan bahwa saham syariah dapat dipengaruhi oleh ketidakpastian ekonomi global, namun lebih tahan terhadap faktor eksternal atau internal yang berkaitan dengan riba, maysir dan gharar. Walaupun menghadapi tekanan fluktuasi pasar global, indeks JII masih dapat menunjukkan kinerja yang kompetitif dan stabil, hasilnya menunjukkan bahwa indeks syariah lebih cepat pulih dari tekanan daripada konvensional. Hasil ini menyoroti peran prinsip syariah dalam mengurangi risiko spekulatif dan meningkatkan ketahanan pasar. Temuan penelitian ini diharapkan memberikan wawasan bagi para investor dalam merencanakan strategi investasi sebagai instrumen mengelola keuangan yang sesuai dengan prinsip syariah dengan mempertimbangkan kondisi perekonomian global dan ekonomi makro suatu negara.

Kata kunci: pasar modal syariah; indeks saham; ketidakpastian ekonomi global

A. Introduction

The increasingly complex dynamics of the global economy have driven a transformation in industrial and trade strategies. The era of globalization has spurred the development of modern economic systems that are increasingly competitive yet fraught with uncertainty¹. Current global market fluctuations, influenced by rising geopolitical tensions, exchange rates, central bank interest rate policies, and supply chain disruptions, have also shaped the dynamics of the Islamic capital market amid the current global economic uncertainty². Sharia capital market is an important component of the global financial system, offering investment alternatives aligned with Islamic principles for investors seeking fair and transparent

¹ Bayu Arie Fianto, *Pasar Modal Syariah: Teori Dan Praktik* (Surabaya: Airlangga University Press, 2023), <https://doi.org/https://doi.org/10.20473/aup.924>.

² Mashilal Mashilal, Farah Amalia, and Luksi Visita, "Global Economic Policy Uncertainty and Islamic Stock Market in Indonesia," *Muqtasid: Jurnal Ekonomi Dan Perbankan Syariah* 14, no. 2 (March 30, 2024): 115–32, <https://doi.org/10.18326/muqtasid.v14i2.115-132>.

investments. In this market, practices such as usury, gambling, and uncertainty are prohibited, thereby providing investors with opportunities to participate in ethical investment activities that adhere to Islamic principles prioritizing public welfare and social well-being³.

Indonesia and Malaysia are ASEAN countries with significant market potential, a Muslim majority population, a competitive workforce, and the region's leading Islamic capital markets. Therefore, the Jakarta Islamic Index and Hijrah Shariah Index are two shariah stock indices that are highly relevant for use as research samples in analyzing the dynamics of stock price movements in the Islamic capital market⁴. Previous studies have also stated that this market has higher prudential characteristics than conventional markets, due to strict issuer selection and a focus on the real sector. Similar to conventional capital markets, Islamic capital markets are also influenced by external factors, including highly dynamic global economic conditions. Previous research has found that Islamic stock indices such as the JII and ISSI exhibit lower volatility compared to conventional indices during periods of global uncertainty, such as the 2008 financial crisis and the Covid-19 pandemic⁵. Therefore, the Islamic capital market is an important subject of study in assessing the resilience of the financial system to global pressures, and is relevant for formulating sustainable and Sharia-based investment strategies. This situation raises questions about how stock price movements in the Islamic capital market are influenced by changes in international

³ Shofiyan Hidayat, M. Abdul Gapur, and Joni Hendra, "Tantangan Dan Peluang Pasar Modal Syariah Di Era Ketidakpastian Ekonomi Global," *Indonesian Research Journal on Education* 4, no. 4 (2024): 2935–2940, <https://irje.org/irje/article/view/1662/1147>.

⁴ Sinta Ayu Purnamasari, "Merespons Volatilitas Global: Strategi Penguatan Pasar Modal Syariah Indonesia," *Jurnal Syariah Dan Hukum Islam* 4, no. 1 (2025): 14–24, <https://doi.org/https://doi.org/10.47902/jshi.v4i1.391>.

⁵ Rizka Khaerunnisa, "BI: Keuangan Syariah Lebih Resilien Terhadap Gejolak Ekonomi," *ANTARA*, 2025, <https://www.antaranews.com/berita/4925689/bi-keuangan-syariah-lebih-resilien-terhadap-gejolak-ekonomi?>.

economic conditions, and how these markets can continue to operate under such conditions⁶.

In a study conducted by Dedi Suselo and Fitria, it is stated that high inflation will cause the exchange rate to decline, which in turn will cause prices in the market to be higher than usual. For companies with foreign debt, this will cause greater losses due to increased interest payment costs. This condition can cause a decline in company profit margins, and if profits continue to decline over a long period of time, this can send a negative signal to investors. On the other hand, high interest rates can discourage people from investing in the real sector because it offers lower returns compared to investing in the financial sector⁷.

The Islamic capital market is considered more stable than conventional market, but it is not entirely immune to external factors. Global market uncertainty, inflation, monetary policies of developed countries, and geopolitical conflicts continue to impact fluctuations in Islamic stock prices, but they are more resilient than conventional stocks⁸. On the one hand, ASEAN countries are striving to navigate these risks through macroeconomic policies, including fiscal stimulus, inflation control, monetary stabilization, and even bureaucratic reforms to support the acceleration of problem resolution. Research conducted by Samuel Kwaku Agyei et al. highlights that sharia stocks in the real sector and service sector are classified as safe assets for hedging against the risks of global economic

⁶ Tono Wartono, *Ekonomi Indonesia Tantangan Peluang Dan Masa Depan Perekonomian Indonesia 2030* (Jambi: PT Sonpedia Publishing Indonesia, 2024).

⁷ Zulfa Fitria and Dedi Suselo, "Pengaruh CR, DER, ROE Dan EPS Terhadap Harga Saham Pada Perusahaan Pertambangan," *Jurnal Ekonomi, Manajemen, Bisnis Dan Sosial (EMBISS)* 2, no. 3 (2022): 275–83.

⁸ Mohamed Rached Bouziri, "The Impact of Macroeconomic Factors on Stock Return," *Journal of International Trade, Logistics and Law* 10, no. 2 (2024): 114–24, <https://www.jital.org/index.php/jital/article/view/514>.

uncertainty⁹. In this study, the Islamic capital market is assessed as having the potential to demonstrate greater resilience and competitiveness than the conventional market, given that this market applies the principle of prudence, thereby reducing systemic risks caused by global economic uncertainty. Therefore, it is important to understand how the sharia capital market responds to the dynamics of stock movements influenced by global conditions, and how this market can remain resilient and continue to grow despite facing external shocks.

Although the Islamic capital market is often considered more stable than the conventional market, there are still limitations in comparative studies that specifically highlight the ASEAN region, especially in the context of increasing global economic uncertainty¹⁰. This study aims to fill this gap by analyzing the impact of global uncertainty on Islamic capital markets through a stock index-based approach. The main focus of this article is to understand how investors respond to global dynamics through their investment strategies, including an analysis of sharia stock price movements and the adaptation strategies used to cope with international economic changes. The main objective is to evaluate the stability of Islamic capital markets amid global turmoil and compare them with conventional capital markets. Through an analysis of the resilience and volatility of sharia stock indices, this study seeks to provide a more comprehensive picture of the challenges and opportunities faced by the Islamic capital market in the ASEAN region. Thus, this research not only contributes to the literature on

⁹ Samuel Kwaku et al., "Global Risk Aversion and Returns from Faith-Based Assets Across Market Conditions," *Journal of Business and Enterprise Development* 13, no. 1 (2025): 1-13, <https://doi.org/10.47963/jobed.v13i.172>.

¹⁰ Yongming Shi, Khalid Ahmed, and Sudharshan Reddy Paramati, "Determinants of Stock Market Development and Price Volatility in ASEAN plus Three Countries: The Role of Institutional Quality," *International Journal of Finance and Economics* 26, no. 1 (January 28, 2021): 560-72, <https://doi.org/10.1002/ijfe.1804>.

the sharia capital market in ASEAN, but also offers practical insights into the patterns, risks, and potential opportunities arising from global uncertainty.

B. Research Method

The research method is qualitative approach using literature research and documentation techniques that use books, articles, journals and e-books¹¹. Qualitative research is a study whose results are not in the form of numbers, but rather statements or studies that are discussed narratively. This study uses a literature study method to analyze and synthesize research findings and the thoughts of previous researchers in fields relevant to this article. A literature review was used in this study to explore various reference sources, such as books, scientific journals, research reports, and other relevant articles. By utilizing the Mendeley and Publish or Perish applications, researchers can obtain literature reviews and data that are ready for review. The data sources used were obtained from electronic journals, books, and reports from other reliable sources, such as the Indonesia Stock Exchange (IDX), investing.com, Bank Indonesia, and global ESG studies. Secondary data were processed descriptively in narrative form, then analyzed based on theory and stock price growth charts on the sharia stock index, and finally the findings were interpreted in narrative text form.¹²

C. Research Findings and Discussion

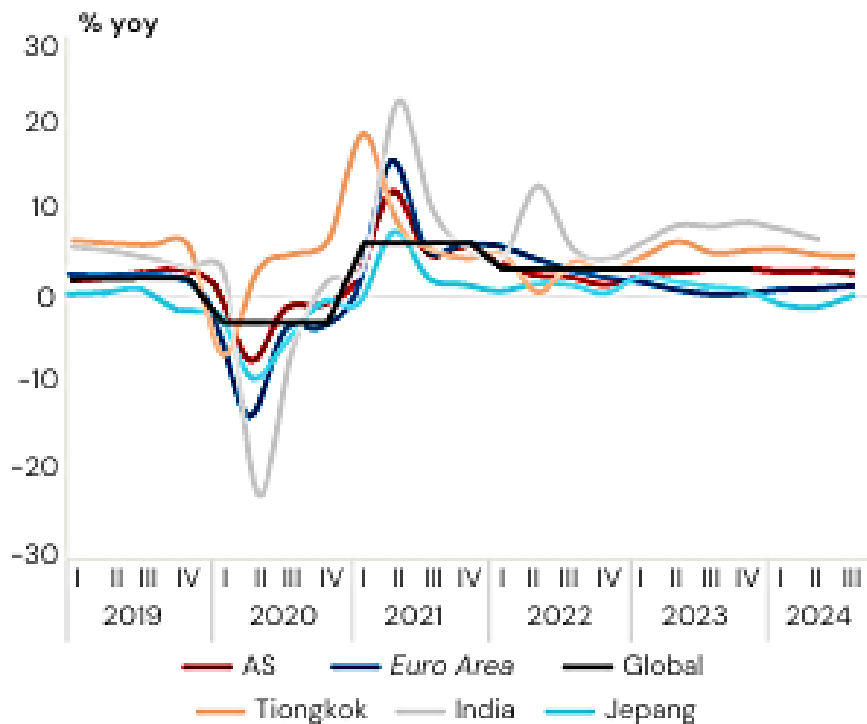
Sharia Stock Price Response to the Global Economy

In the face of global economic uncertainty triggered by geopolitical conflicts, commodity price fluctuations, and monetary policies of developed countries, sharia stock prices show different sensitivities compared to

¹¹ Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D* (Bandung: CV Alfabeta, 2012).

¹² Ismail Suardi Wekke, *Metode Penelitian Ekonomi Syariah, Gawwe Buku* (Kulonprogo: CV Adi Karya Mandiri, 2019).

conventional stocks. These stock price fluctuations are caused by internal and external factors of the company, and sharia stocks show complex dynamics in response to global economic growth¹³. According to the Bank of Indonesia's analysis in the Report on Economic, Financial, and International Cooperation Developments (PEKKI), the global economy in 2024 is projected to slow slightly overall. The following is a graph of global economic growth:



Source: Bank Indonesia, 2024

Figure 1.
Global Economic Growth

The image above shows the economic growth of developed countries around the world. It can be observed that global economic growth in 2020 declined compared to the previous year, a condition caused by the COVID-19 pandemic. Then, in 2021, there was an increase as a result of global

¹³ Ajeng Lestari and Azizan Hadi, "Dynamics of Stock Prices in The Sharia Capital Market: The Important Role of Financial Fundamental Analysis," *Asy Syar'iyah: Jurnal Ilmu Syari'ah Dan Perbankan Islam* 9, no. 1 (June 29, 2024): 22-39, <https://doi.org/10.32923/asy.v9i1.4431>.

economic recovery efforts post-pandemic. From 2022 to 2024, a continued decline is expected due to escalating geopolitical tensions, financial crises, and other external factors, resulting in increasing uncertainty in global economic development¹⁴. Previous research conducted by Jerry Setiawan and Alpon Satrianto stated that uncertainty in US economic policy and global oil prices had a significant negative impact on Islamic stock prices, while global gold prices had a significant positive impact¹⁵. This situation strengthens the role of gold as a safe asset in sharia portfolios and demonstrates that sharia stocks remain an effective investment option amid global economic uncertainty.

Sharia stock prices show a dynamic response to changes in macroeconomic variables. Inflation, interest rates, GDP growth, and exchange rates are key players in determining the direction of stock movements. Although they often experience declines, the Islamic capital market responds more stably than the conventional capital market¹⁶. This is because Islamic investment principles emphasize caution, avoiding speculation and overly risky investment instruments, as well as transactions involving usury. The current global economic uncertainty significantly impacts the sharia capital market in the ASEAN region, particularly in countries with Islamic capital markets¹⁷. Therefore, Islamic investors are

¹⁴ Bank Indonesia, "Laporan Perkembangan Ekonomi Keuangan Dan Kerja Sama Internasional" (Jakarta, 2024), <https://www.bi.go.id/id/publikasi/laporan/Pages/PEKKI-2024.aspx>.

¹⁵ Jerry Setiawan and Alpon Satrianto, "Analisis Harga Saham Syariah Di Indonesia: Ketidakpastian Kebijakan, Harga Minyak Dunia Dan Harga Emas," *Ecosains: Jurnal Ilmiah Ekonomi Dan Pembangunan* 10, no. 1 (May 5, 2020): 24–37, <https://doi.org/10.24036/ecosains.11563357.00>.

¹⁶ Miss Rashidatu Abdullai et al., "The Impact of Macroeconomic Variables on Stock Market Performance in Ghana," *Journal of Production, Operations Management and Economics*, no. 36 (August 26, 2023): 1–14, <https://doi.org/10.55529/jpome.36.1.14>.

¹⁷ Erlina Rufaidah and Surnayanti, *Dinamika Ekonomi Internasional: Perubahan, Ketidakpastian, Dan Peluang Di Era Society 5.0* (Indramayu: Penerbit Adab, 2024), <https://penerbitadab.id/dinamika-ekonomi-internasional-perubahan-ketidakpastian-dan-peluang-di-era-society-5-0/>.

required to develop investment strategies to address these challenges amid unstable economic conditions. In this context, Islamic stocks exhibit unique characteristics compared to conventional stocks, as they are more resilient to transactions involving interest, uncertainty, and gambling. Previous research conducted by Shofiyan Hidayat, M. Abdul Gapur, and Joni Hendra shows that Islamic stocks tend to be more stable in the face of economic crises compared to conventional stocks, particularly due to the profit-loss sharing mechanism applied in Islamic investments¹⁸.

Analysis of Stock Price Fluctuations in Sharia Capital Market

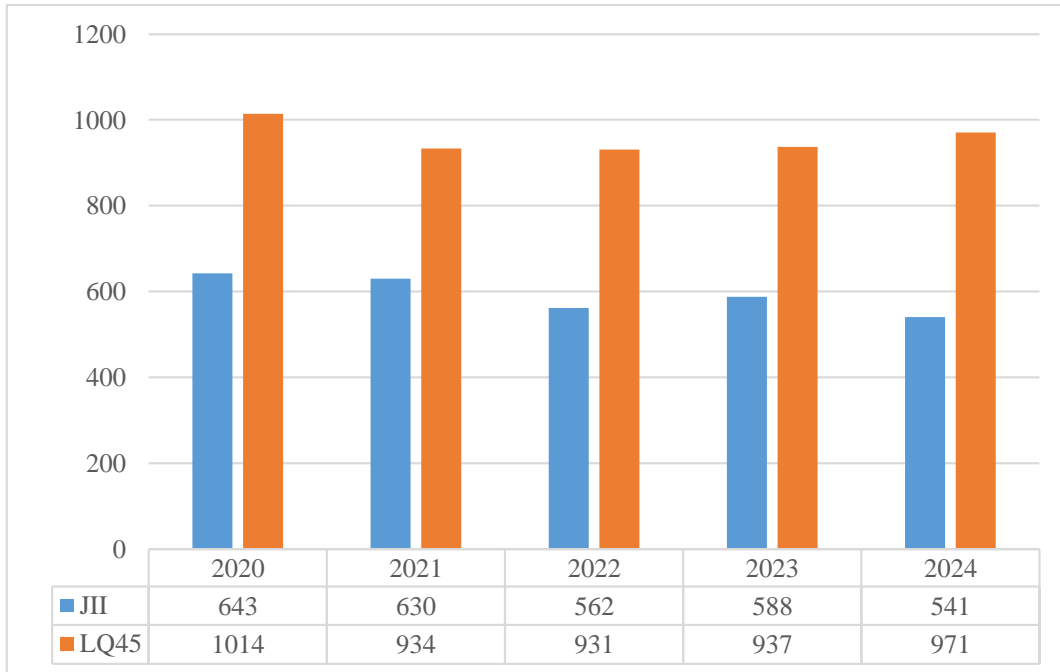
Global economic uncertainty has caused stock prices to become increasingly volatile. Dynamic changes in stock prices not only reflect domestic economic conditions but also reflect investor speculation regarding the stabilization of a country's macroeconomy¹⁹. The principles of Islamic economics, based on justice, transparency, and the prohibition of usury, uncertainty, and gambling, impart unique characteristics to the response of the Islamic capital market amid global economic uncertainty²⁰. Research conducted by Muhammad Ryan Romadhon and Misnen Ardiansyah revealed that the Islamic stock indices of Thailand, Singapore, and the Philippines had a significant positive influence Indonesian Islamic stock index during Covid-19 pandemic, while the Malaysian index showed a negative influence. This situation may have been triggered by other global

¹⁸ Hidayat, Gapur, and Hendra, "Tantangan Dan Peluang Pasar Modal Syariah Di Era Ketidakpastian Ekonomi Global."

¹⁹ Elvin Ruswanda Yudistira and I Made Pradana Adiputra, "Pengaruh Faktor Internal Dan Eksternal Terhadap Harga Saham," *Jurnal Ilmiah Akuntansi Dan Humanika* 10, no. 2 (August 31, 2020): 176–84, <https://doi.org/10.23887/jiah.v10i2.25862>.

²⁰ Nur Aisyah Indarningsih and Hasbi, "Analisis Perbandingan Risiko Volatilitas Indeks Harga Saham Syariah Dan Konvensional (Jakarta Islamic Indeks Dan Indeks LQ45)," *Jurnal Ekonomi Syariah Teori Dan Terapan* 9, no. 5 (September 30, 2022): 694–709, <https://doi.org/10.20473/vol9iss20225pp694-709>.

external factors²¹. The graph below shows the growth of JII Stock Index and LQ45 Stock Index:



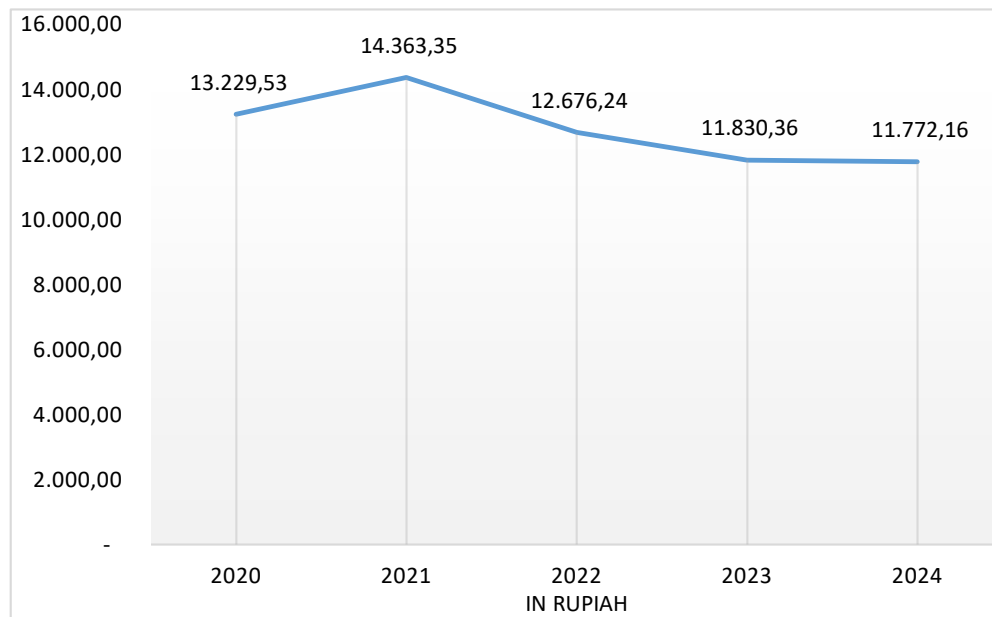
Source: Indonesia Stock Exchange, 2025

Graph 1.
Development of Sharia Stock Prices and Conventional Stock Prices
2020-2024

From the graph above, it can be observed that in 2021 each index experienced a decline, a condition caused by the global economy being shaken by pandemic. The JII stock index in 2021 experienced a decline of 2.0% from the previous year's value, while the LQ45 stock index in 2021 also experienced a decline of 7.9% from the previous year. This data shows that the global economic uncertainty caused by the Covid-19 has proven that the sharia capital market is more resilient to this shock because it applies the

²¹ Muhammad Ryan Romadhon and Misnen Ardiansyah, "Analisis Pasar Modal Syariah 5 Negara ASEAN Di Era Pandemi COVID 19," *E-Journal Ekonomi Bisnis Dan Akuntansi* 9, no. 1 (March 29, 2022): 36–41, <https://doi.org/10.19184/ejeba.v9i1.30412>.

principles of prudence and avoids usury and speculation²². In such a situation, investors are required to plan a safer asset allocation strategy. One method used in a study conducted by Norashikin Adam is the Markov Switching and Wavelet Coherence model, which can identify vulnerable market phases and different market volatility responses across countries and



Source: Investing.com, 2025

Graph 2.

Growth in the Price of FTSE Bursa Malaysia Hijrah Shariah Index Shares for the Period 2020-2024

company financial reporting periods²³. Additionally, as a comparison between the two best sharia stock indices in the region, the growth chart of FTSE Bursa Malaysia Hijrah Shariah Index for the period 2020-2024 can also be observed.

²² Choiruddin Choiruddin et al., "Islamic Stock Market Efficiency: Volatility and Performance Analysis Amid Global Economic Uncertainty," *Journal Transnational Universal Studies* 3, no. 1 (January 18, 2025): 21-27, <https://doi.org/10.58631/jtus.v3i1.144>.

²³ Norashikin Adam et al., "The Effect of Global Economic Policy Uncertainty on Selected Islamic Stock Market Returns," *International Journal of Research and Innovation in Social Science* 8, no. 10 (2024): 195-210, <https://doi.org/10.47772/IJRISS.2024.8100017>.

From the graph above, it can be seen that from 2021 to 2024, the FTSE Bursa Malaysia Hijrah Shariah stock index continued to decline, although in 2020 there was an increase of 92.1% to 14,363.35 from 13,229.53²⁴. The primary cause of this decline is the global economic uncertainty that prevailed during this period, compounded by the COVID-19 pandemic and escalating geopolitical tensions, which led to a significant decline in the FBMHS Index during 2021-2024 period²⁵. Stock prices are influenced by various internal factors, include company management policies and company fundamentals, while external factors are influenced by market sensitivity, money supply, inflation, interest rates, rupiah exchange rate and government policies²⁶.

Improving information transparency, strengthening the role of Islamic financial institutions, and developing hedging instruments in accordance with Islamic principles, such as derivative sukuk or commodity-based istisna' contracts, must be done to strengthen the stability of sharia capital market amidst economic uncertainty²⁷. In addition, integration of sharia capital markets in ASEAN region is also a strategic solution to reduce external shocks. For example, collaboration between the Islamic Stock Exchanges of Malaysia, Brunei, and Indonesia will open up greater liquidity and increase the resilience of the Islamic sector to external shocks²⁸. At the

²⁴ Investing, "FTSE Bursa Malaysia Hijrah Shariah Index," Investing.com, 2025, <https://id.investing.com/indices/ftse-malaysia-hijrah-shariah-historical-data>.

²⁵ Muhammad Khozin Ahyar, Angga Hergastyasmawan, and Dzul Febrian, "The Impact of the Covid-19 Pandemic and Macroeconomics on the Sharia Stock Indexes in Indonesia," *Jurnal Ekonomi Syariah Teori Dan Terapan* 10, no. 4 (July 31, 2023): 322–36, <https://doi.org/10.20473/vol10iss20234pp322-336>.

²⁶ Kusnadi Kusnadi, Sufyati HS, and Ginta Ginting, "Pengaruh Faktor Fundamental Perusahaan Terhadap Return Saham Sektor Keuangan Syariah Yang Terdaftar Dalam Daftar Efek Syariah Tahun 2015-2017," *Asy Syar'iyah: Jurnal Ilmu Syari'ah Dan Perbankan Islam* 6, no. 2 (December 25, 2020): 247–70, <https://doi.org/10.32923/asy.v5i2.1378>.

²⁷ Zikri Rahmani et al., "Implementation of Sharia Economic Principles in The Globalization Era," *Asy Syar'iyah: Jurnal Ilmu Syari'ah Dan Perbankan Islam* 8, no. 2 (November 30, 2023): 186–201, <https://doi.org/10.32923/asy.v8i2.3516>.

²⁸ Budi Setiawan, Endah Purnamasari, and Muhammad Bahrul Ulum, "Macroeconomic Indicators and Stock Market Development on Economic Growth: Empirical Evidence from

portfolio level, Islamic investors are recommended to invest in sectors that are resistant to global crises, including renewable energy, green technology, and the health industry. Research conducted by Cory Vidiati explains that these sectors actually experienced growth during periods of global uncertainty, as they are considered safe havens in sharia portfolios²⁹.

Sharia Investors Adaptation Strategies to Global Economic Changes

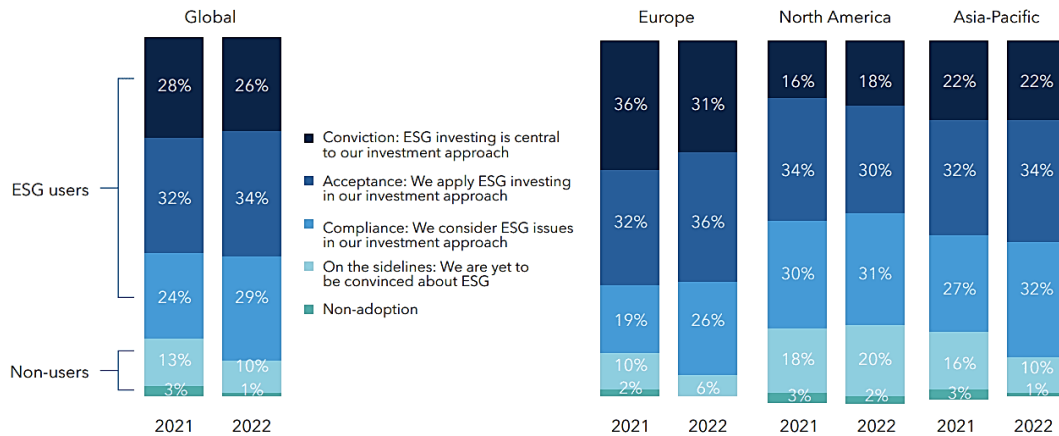
Stock price fluctuations amid global economic uncertainty have required sharia investors to develop more flexible strategies based on sharia values in order to adapt to the global market. One key approach is portfolio diversification by allocating funds to more stable instruments, such as sukuk and real asset-backed stocks³⁰. As investment interest grows, Islamic investors are increasingly considering sustainability aspects in their investment decisions, as evidenced by the rising interest in green sukuk and ESG (Environmental, Social, Governance) based instruments. This confirmed by previous research implemented by Azka Muharam, that shows that ethical and sustainability-based sectors have higher resilience to global economic uncertainty³¹. The following are the levels of use of ESG-based instruments in several regions:

ASEAN Countries," *SRIWIJAYA INTERNATIONAL JOURNAL OF DYNAMIC ECONOMICS AND BUSINESS*, 2020, <https://doi.org/10.29259/sijdeb.v3i4.271-282>.

²⁹ Cory Vidiati, Alisa Qotrunada, and Ari Arizki, "Investasi Syariah Dan Pasar Modal: Kinerja Saham Syariah Di Tengah Ketidakpastian Ekonomi Global," *INTELEKTIVA: Jurnal Ekonomi, Sosial Dan Humaniora* 6, no. 3 (2024): 88-100, <https://jurnalintelektiva.com/index.php/jurnal/article/view/1119>.

³⁰ Deny Sunaryo, *Manajemen Keuangan Pertama* (Pasuruan: CV Penerbit Qiara Media, 2021).

³¹ Azka Muharam, "Integrasi Ekonomi Syariah Dalam Sistem Keuangan Global," *Jurnal Inovasi Global* 1, no. 1 (2023): 6-13, <https://doi.org/https://dx.doi.org/10.58344/jig.v1i1.2>.



Source: ESG global study, 2022

Figure 2.
Level of ESG Adoption

The image shows that Europe continues to lead ESG efforts in the 2021-2022 period, with ESG-based investment in Europe continuing to increase by 31% in 2022, higher than the global average. Meanwhile, the Asia-Pacific region, which has the largest Muslim population in the world, only accounts for 22%, indicating that ESG-based investments and the legal framework in Europe are far more developed. Conversely, North America has the lowest confidence in ESG and the minimum percentage of ESG users³². In fact, only 13% of global investors agree that ESG is an outdated investment trend, while others view ESG as a superior component of the investment landscape, offering a more environmentally, socially, and corporate governance-friendly system. As a result, confidence in ESG information is steadily increasing.

Digitalization and innovation in Islamic finance are playing an increasingly important role in maintaining the stability of Islamic capital markets amid global economic uncertainty. The application of financial

³² Jessica Ground, "ESG Global Study 2022," Harvard Law School Forum on Corporate Governance, 2022, <https://corpgov.law.harvard.edu/2022/06/17/esg-global-study-2022/>.

technology (fintech), such as blockchain and smart contracts, helps improve transparency and efficiency in investment transactions. The trend of sustainable finance is also shaping the investment landscape, with an increasing issuance of green sukuk and ESG (Environmental, Social, Governance) based instruments. Previous research conducted by Cory Vidiati, Alisa Qotrunada, and Ari Arizki shows that sectors based on ethics and sustainability, such as renewable energy and sustainable technology, have better resilience against global economic uncertainty³³. Government regulations and policies also contribute to maintaining the stability of sharia capital market. Countries with best sharia capital markets in the region, such as Indonesia and Malaysia, have strengthened their Islamic financial ecosystems through the harmonization of Islamic accounting standards and the provision of incentives for Islamic issuers. Previous research by Bimantoro highlights that strong regulatory support can increase investor confidence and strengthen the fundamentals of sharia capital markets in ASEAN region. Therefore, a good assessment of stock prices is needed, which can be obtained with the help of company operational data, audited financial statements, future company performance prospects, and analysis of the impact of global economic conditions³⁴.

D. Conclusion

Stock prices are influenced by internal factors such as company performance and policies, as well as external factors such as government policies, geopolitics and macroeconomic conditions. Sharia stocks

³³ Vidiati, Qotrunada, and Arizki, "Investasi Syariah Dan Pasar Modal: Kinerja Saham Syariah Di Tengah Ketidakpastian Ekonomi Global."

³⁴ Jonathan Bimantoro, Madnasir Madnasir, and Ersi Sisdianto, "Macroeconomic Dynamics and Sustainability Index Reporting: An Islamic Economic Perspective on ASEAN Markets," *JIFA (Journal of Islamic Finance and Accounting)* 7, no. 1 (August 20, 2024): 55-65, <https://doi.org/10.22515/jifa.v7i1.9735>.

demonstrate greater stability compared to conventional stocks because they adhere to principles of prudence that avoid usury, gambling, and uncertainty. Sharia financial innovations such as financial technology and ESG-based investment trends enhance the market's resilience to global economic uncertainty, while sound regulations through government policies further boost investor confidence and strengthen Islamic capital market ecosystem.

The sharia capital market exhibits unique characteristics and resilience in the face of crises, by avoiding all transactions involving usury and speculation. Investors are required to develop adaptive asset allocation strategies through market analysis approaches such as Markov Switching, with sustainable sectors like renewable energy and green technology emerging as top choices for diversifying Islamic portfolios in response to global crises. Investment strategies in sukuk and real asset backed stocks, as well as ESG (Environmental, Social, and Governance) based instruments, are considered more resilient in experience of global economic uncertainty. The use of blockchain and smart contracts also serves as an innovative solution to enhance investment efficiency and security, while regulatory support from the government plays a crucial role in maintaining stability and investor confidence.

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