

ABSTRACT

The purpose of this study is to examine the relationship among Global Islamic Index, Regional Islamic Index, Macroeconomics Variables and Indonesia Islamic Index. The global islamic index is Dow Jones Islamic Market Index. The Regional Islamic Index is FTSE Bursa Malaysia Hijrah Shariah Index. The macroeconomics variables such as exchange rate, consumer price index, money supply and Bank Indonesia interest rate. The Indonesia Islamic Index is Jakarta Islamic Index. The methodology used in this study is Cointegration test to find the long-run relationship among these variables, furthermore Vector Error Correction Model (VECM) were used to find any short-run relationship among these variables. The period of this study is January 2010 to December 2014. The result showed that there is cointegration (long-run relationship) among JII, DJIM, FHSI, M2 and BIR. The VECM estimation result show that in the short term, JII influenced by DJIM and M2 positive significantly. Meanwhile, FHSI, EXRATE, CPI and BIR negatively significant influence JII.

Keywords: *Islamic Stock Market, Jakarta Islamic Index (JII) Dow Jones Islamic Market Index (DJIM), Cointegration, VECM.*