GMM Analysis of Jakarta Islamic Index during the 2020–2024 Crisis

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ABSTRACT

This study aims to examine and analyze the influence of fundamental macroeconomic indicators (Interest Rate/BI Rate and Rupiah Exchange Rate) and microeconomic indicators (Current Ratio and Return on Equity) on the stock returns of Jakarta Islamic Index (JII) constituents during the crisis period of 2020-2024. This study uses a quantitative approach with a dynamic panel data regression design. The sampling technique used purposive sampling, resulting in 30 Islamic companies with an annual observation frequency. Data analysis was conducted using the System Generalized Method of Moments (System GMM) to address the problems of endogeneity and autocorrelation that often occur in financial market data during crises. The empirical test results indicate that all variables namely the BI Rate, Exchange Rate, Current Ratio, and Return on Equity do not have a significant influence on JII yields. These findings demonstrate the occurrence of a detachment phenomenon, where the Islamic capital market has shifted from the Efficient Market Hypothesis (EMH) to a market driven entirely by sentiment. The contagion effects of the COVID-19 pandemic panic and geopolitical uncertainty have forced investors to disregard monetary transmission instruments and historical financial statement metrics. The implications of this research underscore the urgency for investors and policymakers to further incorporate forward-looking sentiment indicators to mitigate risk during extreme systemic shocks.

Keywords: *Jakarta Islamic Index, GMM System, Macroeconomic Crisis, Financial Performance, Behavioral Finance, Investor Sentiment*

ANALISIS GMM TERHADAP JAKARTA ISLAMIC INDEKS SELAMA KRISIS 2020–2024

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ABSTRAK

Penelitian ini bertujuan untuk menguji dan menganalisis pengaruh indikator fundamental makroekonomi (Suku Bunga/*BI Rate* dan Nilai Tukar Rupiah) serta indikator mikroekonomi (*Current Rati*o dan *Return on Equity*) terhadap nilai indeks *Jakarta Islamic Index* (JII) pada masa krisis periode 2020-2024. Penelitian ini menggunakan pendekatan kuantitatif dengan desain regresi data panel dinamis. Teknik pengambilan sampel menggunakan *purposive sampling* yang menghasilkan 30 perusahaan syariah dengan frekuensi pengamatan tahunan. Analisis data dilakukan menggunakan metode *System Generalized Method of Moments* (Sistem GMM) guna mengatasi masalah endogenitas dan autokorelasi yang kerap terjadi pada data pasar keuangan di masa krisis. Hasil pengujian empiris menunjukkan bahwa seluruh variabel *BI Rate*, Nilai Tukar, *Current Ratio*, dan *Return on Equity* tidak memiliki pengaruh yang signifikan terhadap nilai indeks JII. Temuan ini membuktikan terjadinya fenomena *detachment* (keterputusan), di mana pasar modal syariah terbukti bergeser dari Hipotesis Pasar Efisien (EMH) menjadi pasar yang dikendalikan oleh sentimen (*sentiment-driven market*). Efek kontagion dari kepanikan pandemi COVID-19 dan ketidakpastian geopolitik memaksa investor untuk mengabaikan instrumen transmisi moneter maupun metrik laporan keuangan historis. Implikasi dari penelitian ini menegaskan urgensi bagi investor dan pembuat kebijakan untuk lebih menginkorporasikan indikator sentimen *forward-looking* dalam memitigasi risiko saat terjadi guncangan sistemik ekstrem.

Kata kunci: *Jakarta Islamic Index*, System GMM, Krisis Makroekonomi, Kinerja Keuangan, Perilaku Keuangan, Sentimen Investor