



ISLAMICONOMIC: Jurnal Ekonomi Islam
Department of Islamic Economics
Faculty of Islamic Economics and Business
Universitas Islam Negeri Sultan Maulana Hasanuddin Banten
Jalan Jenderal Sudirman No. 30 Serang 42118
BANTEN - INDONESIA

Phone: +62254 200323 || Fax: +62254 200022 || Website: www.journal.islamiconomic.or.id

DETERMINANT OF SHARIA STOCK PRICE EVIDENCE SHARIA STOCK PRICE IN INDONESIA AND MALAYSIA

**Syofi Aruni Mafaza,¹ Atika Rukminastiti Masrifah,^{2*} Eka Risana Putri,³
Anisa Rosdiana Zein⁴**

^{1 2 3 4} Universitas Darussalam Gontor, Indonesia

* Corresponding author: syofiaruni@gmail.com

Information	Abstract:
Article History: Received : 22.09.2021 Revised : 18.10.2021 Accepted : 09.11.2021 Keywords: Fundamental, Sharia Stock, Risk, Companies	<i>In attendance of sharia capital market shows that the improvement and development. It is can be considered from the majority moslems on investment. Then, the author attracted to compare the sharia stock price in both countries. To determine the sharia stock price in Indonesia and Malaysia, it is caused by external factors and internal factors. The author attracted to analyze the determinant of stock price in both countries, the variables and systematic risk, that is EPS, BVPS, Dividend, and Beta. The researcher used panel regression in analyze nine companies in Indonesia and Malaysia. The result from this study shows that the fundamental factors which consist of EPS, BVPS, dividend, and beta have not significant impact on the sharia stock price in Indonesia although in Malaysia. They are many reasons to explain the result of study. First reason, we used sharia stock in Indonesia which represented by JII and Malaysia which represented by FBHSM where both of capital market are sharia which the companies did not see on profit to determinant sharia stock price. Second reason, it is totally different, when we do the research in sharia stock and if we considered from muslims insvestors perspective we conclude that the muslims investor more to prioritize the religious aspect than the other aspect. The different about sharia and conventional capital market are in screening method to determine the stock and sharia stock. Third reason, it is caused by the other factors from external.</i>

A. INTRODUCTION

In the middle of the 1990, all over the world had witnessed a drastic growth of Islamic funds of the business community. This phenomenon was due to the awareness of and demand from Muslims participate in capital market investment. For the year ending 2002, 105 Islamic equity funds worth almost US\$5 billion were launched which 30 percent in Europe and North America, 48 percent are located in the Middle East, and 22 percent in Asia (Rahman et al., 2010) .

In South Asia, The Malaysian stock market is one of the biggest markets, with a history stretching back about 50 years. On 2007 Malaysia also has launched two Sharia Indices, FTSE Bursa Malaysia Hijrah Sharia Index and FTSE Bursa Malaysia EMAS Sharia Index and the indices have been designed to be used as a basis of Sharia-compliant investment products that meet the screening requirements of international Islamic investors. (Umirah et al.,2017). Companies in the index are screened by the Malaysian Securities Commission's Sharia Advisory Council (SAC) and the leading global Sharia consultancy, Yasaar Ltd, against a clear set of guiding principles. Since then, the Malaysian stock market has grown tremendously.

The capital markets are very instrumental in the economy. First as a means to obtain capital or funding. The funds obtained from the capital markets can be used to develop new business, expansion, additions to working capital and more. Second, the capital market became one of the containers of the community in investing in financial instruments such as stocks, bonds, mutual funds and others(Antonio, 2013). The stock market in Indonesia, Indonesia community interested. It can be proven with the good performance of the composite stock price index (IHSG), LQ45, Jakarta Islamic Index (JII), and Sharia-compliant Islamic stock index, which has always presented the actual conditions of the national Sharia capital market. Growth and development of the capital market, is expected to improve the performance of the national economy, as well as to establish the fundamentals of the economy in the face of recovering after the global crisis which occurred ten years ago. (Beik et al., 2014).

The Stock price has been fluctuating anytime. This fluctuation is influenced by several factors such as company external and internal factors. Internal factors consist of company fundamental state, policies made by board of directors, etc, while external

factors are government policies, inflation rate, economic state, etc., (Usman, 1990; Jones, 1998). The value of company is often represented by stock values, so that stakeholders often comparing the price in the stock market with the true stock price before deciding to buy or sell stocks. This true value (intrinsic value – fundamental value), can be calculated using two kinds of security analysis, that is fundamental security analysis and technical security analysis. (Muhammad, 2010).

Financial report used in fundamental analysis, while technical analysis using the data from stock market. The fundamental factors impact of stock prices include, Earning Per Share (EPS), Book Value Per Share (BVPS), Dividend, Return on Equity (ROE) and Debt to Equity Ratio (DER), the Net Profit Margin (NPM). Where the systematic risk impact of stock prices as measured by the beta coefficient. (Hatta et al., 2012).

In this discussion the author will examine two countries where Malaysia, the country that adopted the most aggressive Islamic finance in the world as well as the State of Indonesia which is the world's largest Islamic population. Malaysia has begun the sharia index since 1992, while Indonesia is still far behind because of the recently founded the Jakarta Islamic Index (JII) eight years later in the year 2000.

This research was conducted in some of the companies incorporated in the Jakarta Islamic index (JII) and FTSE Bursa Malaysia Hijrah Sharia Malaysia (FBHSM) and listed on the Indonesia stock exchange (BEI) and the Kuala Lumpur Composite Index (KLCI). Second, the full financial reports. Third, has the value of a positive EPS. Four, incorporate in blue chip companies in Indonesia and Malaysia.

B. LITERATUR REVIEW

When the economy is producing and accumulating capital the name is investment. Investment consists of machine, factories, and inventories (capital) produced in the present that are used to shift the production possibilities curve outward in the future. (Tucker, 2009). According to Markowitz, about the provider of foundation for modern portfolio theory. He is represented (Markowitz model) the first substantial quantitative analysis of benefits investment. Although investors have long been aware, in a qualitative sense, of the benefits resulting from diversification of security holdings. The assumptions underlying the model are as follows: 1) The

return on an investment adequately summarizes the outcome of the investment, and investors visualize a probability distribution of rates of return. 2) Investors' risk estimates are proportional to the variance of return they perceive for a security or portfolio. 3) Investors are willing to base their decisions on just two parameters of the probability distribution function—the expected return and variance of return. 3) The investor exhibits risk aversion, so for a given expected return he prefers minimum risk. Obviously, for a given level of risk the investor prefers maximum expected return.

In general, it is possible to reduce the risk of non-attainment of some expected return by diversifying, but it is having to be accepted in consequence a lower expected return. Therefore, a situation exists in which risk is traded off against return. According to Imran (2011), one of the most prominent Islamic scholars of the modern era, Muslims can transaction in equity shares according to three conditions. They are: 1) A Muslim can only invest in companies whose main businesses are compliant with Islamic Sharia. 2) Arises in a scenario whereby the main business of the company is Sharia compliant but the company has some income that is derived from interest-bearing accounts, which, is included in the net income of the company. In Islam, it clearly prohibited to pay or receive interest. 3) The company must own some illiquid assets. (Tahir et al., 2015).

Islamic capital market is one alternative sources of funding for the company as well as an investment vehicle for investors. The activities of the capital market can be categorized as an economic activity included in *muamalah* activities, that is an activity that regulates commercial relations. According to the rules of *fiqh*, the legal origin of *muamalah* activity is *mubah*. Financing activities and financial investments from sharia aspect based on sharia principle is the activities carried out by the property owner (investor) to business owner (*emiten*) to empower business owners and property owners hoped to get certain benefit. Therefore, the financial investment activities are including the business activities of property owners by passively. Thus, the Islamic principles in the investment and financing is basically the same with other business activities, it is the principles of halal and justice. (DSN-MUI, 2011).

Claim the necessity and demand of Islamic marketing to be a new marketing paradigm and that the developments in this field need to be linked to understanding

individual consumption behavior. This means that when Muslim consumers are the target, the practice of marketing needs to take on a particular Islamic character which is different from marketing in general. Fundamental analysis (company analysis), which determine the stocks using fundamental data, which the data derived from the financial statement companies, such as earnings, Dividend paid, sales, growth, and the company's prospects as well as conditions within the industry. The achievement of companies is to repair company's fundamentals (financial and operational condition of firms), usually followed by a rise in stock prices on the stock exchange.

In this study, the fundamental analysis that will be used, there are the specifics analysis of the company. The investors should conduct more in-depth analysis of the companies whose shares will be purchased. One through is the analysis before investing in stocks. One through is the fundamental analysis of companies, where such analysis regarding the condition of the company in the future, with the involvement of the conditions in the present and the past. Stock investors should pay attention to fundamental analysis of companies for buying shares. Fundamental companies that are discussed in this study are: First, EPS; Earning per share is one market ratio. The function of the market ratio is to measure the ability of management to create market value which exceeded capital expenditures. Earnings per share (EPS) is a good tool to measure the ability of a company's profit than absolute profit. The higher earnings per share means that the lower of beta. Companies profit is obtained by dividing net income by the number of shares outstanding. (Consler et al., 2013). Formula for calculating EPS is:

$$\text{EPS} = (\text{Net income}) / (\text{Number of share outstanding})$$

Secondly, Book Value Per Share. Book value is the consideration of an asset or a company that reflects the figures in the entity's statement of financial position. Conventionally, this value is arrived at by deducting depreciation, amortization or impairment costs made against the asset from the cost of the asset (Ahmadi et al., 2016). The formula for calculating as follows:

$$\text{Book Value Per Share} = (\text{Total Equity}) / (\text{total stock})$$

Next, Dividend. Dividend yield is a function of a company's dividend policy, which in turn is an indication of management's confidence in the company (Wolmarans, 2000). The formula of dividend can be calculating:

$$\text{Dividend} = (\text{Net Profit} \times \text{DPR (Dividend Pay Ratio)}) / (\text{total stock})$$

Fourthly, Beta. Beta is a calculation used to measure the volatility or systematic risk measurement, where volatility is a fluctuation of return securities within a certain period. If the statistical fluctuations of securities returns follow the fluctuations of the market return, the beta of the securities is 1. For example, if the market returns rise by 5%, then the investor would have expected an increase in return securities by 5% too. Beta is a measure of systematic risk of a stock which cannot be avoided even though the investor due diversify. This risk relates with conditions in the market in general, such as changes in the macro economy, interest rate risk, political risk, inflation risk, exchange rate risk and market risk.

Technical analysis is to estimate the stock price (market conditions) the observed changes in the stock price (market conditions) in the past. The followers state that :1) The stock price reflected the relevant information. 2) The information indicated by changes in stock prices in the past. 3) Due to changes in stock prices has a certain pattern, then the pattern will be repeated.

Beta shares as a risk measurement derived from the relationship between the level of a stock market gains. Otherwise, the market changes as a result gain market index level, the benefits of a stock in the concept of a single index model can be calculated as follows:

$$R_i = \alpha_i + \beta_i R_{mt} + e_{it}$$

B_i = a Raw Beta for stock i.

R_{it} = a return of stock i at period t.

R_{mt} = a return of market index at period t.

α_i = constanta.

e_{it} = residual reggresion that expected to be white noise (mean of error is zero).

C. METHODOLOGY

The type of data used in this research is secondary data, which data obtained indirectly from a source (the company). By using quantitative analysis of panel data (pooled data) with the help of Stata SE 12.0 and Microsoft Excel 2010. The study was conducted begins by collecting data directly related to the object of research, processing data and eventually obtained a clear picture of the subject matter being studied. So, the views of the dimension of time spent and by using the financial statements of some of the companies included in the JII and FBHSM.

In the selection of research should be done in the research models, these models are the least squares method (Pooled Least Square / PLS), the method of fixed effects (fixed effect model), and the method of random effects (random effect model). The model can be done with Chow test, Hausman test and LM test. Chow test (F statistics) are testing will be done to determine whether the model used is a common effect or fixed effect. Chow Testing performed with the following hypotheses:

H0: Model approach common effect

H1: Fixed Effect Model approach

This test is included in the distribution of the F statistic, where if the F statistic is greater than F table then H0 is rejected. Chow value shows when the value of the F statistic which Chow values that we can be greater than the value of F table used means we use fixed effect model. Or we can see the value of the probability of cross section F and Chi Square, with the following provisions:

If the probability > 0.05 , then H0 is rejected, and the use of H1.

If the probability < 0.05 , then H0 is accepted.

Hausman test is used to determine whether using a fixed effect model or random effect is most appropriate. Hausman test is done by testing the following hypothesis:

H0: correlation $(X_{ij}, U_{ij}) = 0$, the appropriate model is Random Effect Model

H1: correlation $(X_{ij}, U_{ij}) \neq 0$, the appropriate model is the Fixed Effects Model

Hausman test statistic follows the Chi Square distribution statistic with degree of freedom as much as k, where k is the number of independent variables. If the value

of the Hausman statistic is greater than the critical value, H_0 is rejected and the right model is the fixed effect model, while conversely if the statistical of value Hausman smaller than the critical value then the right model is a model of random random effect. Or it can be viewed from probability value of a random cross section, with the following provisions:

If the probability < 0.05 , accept H_0 .

If the probability > 0.05 , reject H_0 and accept H_1

Multiplier Larange test carried out if the results obtained from the test Chow and Hausman test is a model of FEM. Multiplier Larange test carried out to detect the presence panel on FEM models with the following hypotheses:

$H_0: \sigma_i^2 = 0$, Pooled Least Square

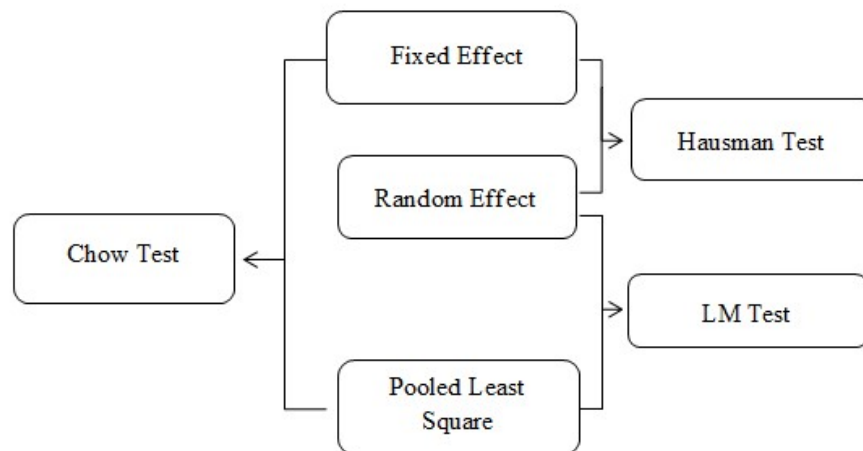
$H_1: \sigma_i^2 \neq 0$, Random Effect Model

Model equation regression panel data in this study consist of several measures used to analyze the ability of each of the variables on stock prices. A fundamental factor in the analysis is the Earning Per Share (EPS), Return on Equity (ROE) and Debt to Equity Ratio (DER), Net Profit Margin (NPM). In terms of technical factors, the variables analyzed were the share price of the past and two dummy variables to capture price trends were very positive or negative. Model analysis used in this study were:

$$P_{it} = \alpha_0 i + \beta_1 EPS_{it} + \beta_2 BVPS_{it} + \beta_3 DEV_{it} + \beta_4 BETA_{it} + U_i$$

$\alpha_0 i$	= The regression model constant observation units to i
$\beta_1 - \beta_4$	= coefficient of regression
P_{it}	= price of shares in observation units -i and time to t (IDR and RM)
EPS_{it}	= EPS in observation units -i and time to t (IDR and RM)
$BVPS_{it}$	= BVPS in observation units -i and time to t (percent)
DEV_{it}	= DEV the observation units -i and time to t (percent)
$BETA_{it}$	= BETA in observation units -i and time to t (percent)
U_i	= Error component on unit observation to -i

Figure 1. Testing in Regression Data Panel



D. RESULT AND ANALYSIS

Estimation results of the function in this study will be displayed using the software program Stata 14.0 with various advantages and drawbacks of using the software program. The model for the variables studied using panel data estimation method, as is described in this study.

The model is built in this study consisted of the independent variable, namely the fundamental factors and systematic risk. Data from these variables are taken from the annual report and published by www.investing.com and www.yahoofinance.com sites.

Then the formulation of a model in this study to the analysis of fundamental factors and systematic risk impact on the sharia stock price in Indonesia and Malaysia are:

$$P_{it} = \alpha_0 + \beta_1 EPS_{it} + \beta_2 BVPS_{it} + \beta_3 DEV_{it} + \beta_4 BETA_{it} + \epsilon_{it}$$

α_0 = The regression model constant observation units to i

$\beta_1 - \beta_4$ = coefficient of regression

β_5 = Beta Stocks

P_{it} = price of shares in observation units -i and time to t (IDR and RM)

EPS_{it} = EPS in observation units -i and time to t (IDR and RM)

BVPSit	= BVPS in observation units -i and time to t (percent)
DEVit	= DEV the observation units -i and time to t (percent)
BETAit	= BETA in observation units -i and time to t (percent)
ε_{it}	= Component error on observation units -I and time to t

Table 1. Common / Pooled Least Square (PLS) Data Regression

Indonesia			Malaysia		
Variable	Coefisient	Prob	Variable	Coefisient	Prob
EPS	1.006	0.001	EPS	7.631	0.006
BV	-0.072	0.620	BV	-0.418	0.126
DEV	-0.273	0.253	DEV	11.184	0.001
Beta	0.651	0.048	Beta	3.622	0.337
C	4.131	0.000	C	-33.843	0.002
R-square	0.857		R-square	0.804	
Adj R-squared	00.819		Adj R-squared	0.739	
F-statistic	22.55		F-statistic	12.36	
Prob (F-statistic)	0.000		Prob (F-statistic)	0.0003	

Tabel 2. FEM Fixed Effect Data Regression

Indonesia			Malaysia		
Variable	Coefisient	Prob	Variable	Coefisient	Prob
EPS	-0.085	0.896	EPS	1.229	0.535
BV	0.017	0.976	BV	0.218	0.903
DEV	0.360	0.378	DEV	1.119	0.711
Beta	0.092	0.836	Beta	-3.814	0.260
C	6.611	0.131	C	13.341	0.355
R-squared Within	0.271		R-squared Within	0.310	
R-squared Between	0.721		R-squared Between	0.070	
R-squared Overall	0.548		R-squared Overall	0.057	
F-statistic	1.02		F-statistic	1.02	
Prob (F-statistic)	0.438		Prob (F-statistic)	0.449	

Table 3 REM (Random Effect) Data Regression

Indonesia			Malaysia		
Variable	Coefisient	Prob	Variable	Coefisient	Prob
EPS	1.006	0.000	EPS	7.631	0.001
BV	-0.072	0.612	BV	-0.418	0.100
DEV	-0.273	0.235	DEV	11.184	0.000
Beta	0.651	0.032	Beta	3.622	0.358
C	4.131	0.000	C	-33.843	0.000
R-squared Within	0.047		R-squared Within	0.118	
R-squared Between	0.947		R-squared Between	0.942	
R-squared Overall	0.857		R-squared Overall	0.804	
F-statistic	90.18		F-statistic	49.44	
Prob (F-statistic)	0.000		Prob (F-statistic)	0.000	

Table 4. LSDV Least Square Dummy Variable (LSDV) Data Regression

Indonesia			Malaysia		
Variable	Coefisient	Prob	Variable	Coefisient	Prob
EPS	-0.085	0.896	EPS	1.229	0.535
BV	0.017	0.976	BV	0.218	0.903
DEV	0.360	0.378	DEV	1.119	0.711
Beta	0.092	0.836	Beta	-3.814	0.260
C	7.086	0.130	C	19.87395	0.183
Adaro Energi	-1.383	0.088	Tenaga nasional	-9.489	0.461
Astra Internasional	0.226	0.652	Petronas Gas	-0.833	0.729
Antam	-0.984	0.605	Sime Darby	-15.067	0.002
Kalbe farma	-0.680	0.548			
R-squared	0.935		R-squared	0.953	
Adj R-squared	0.888		Adj R-squared	0.917	
F-statistic	19.98		F-statistic	26.51	
Prob (F-statistic)	0.0000		Prob (F-statistic)	0.0000	

In this research will be testing to choose the method is most excellent, so it will be Test Chow, Test Hausman, and Test LM. Chow test will be done with the hypothesis as follows:

H0: PLS

H1: Fixed Effect Model

Hausman test will be done with the hypothesis as follows:

H0: Random Effect Model

H1: Fixed Effect Model

While LM test performed as follows:

H0: PLS

H1: REM

as a basic rejection of the null hypothesis used chi square statistic considerations.

Table 5 Effect Test

Indonesia			Malaysia		
Effect Test	F-Sta	Prob	Effect Test	F-Sta	Prob
Chow	3.34	0.050	Chow	9.67	0.004
LM	0.00	1.000	LM	0.00	1.000
Hausman	3.16	0.531	Hausman	23.08	0.0001

Based on the result of data panel model, the best test is Fixed Effect Model (FEM) which can publish the effect of each characteristic company. Therefore, the equation from each company in Indonesia and Malaysia will be interpreted below:

Sharia Stock Price in Indonesia = $6.61 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Akra Koorporindo = $7.09 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Adaro Energi = $5.70 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Astra Internasional = $7.31 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Aneka Tambang = $6.10 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Kalbe Farma = $6.41 - 0.09EPS + 0.02 BVPS - 0.36DEV + 0.09BETA$

Sharia Stock Price in Malaysia = $13.34 + 1.23EPS + 0.22BVPS + 1.12DEV - 3.81BETA$

Kuala Lumpur Kepong = $19.87 + 1.23EPS + 0.22BVPS + 1.12DEV - 3.81BETA$

Tenaga Nasional	$= 10.38 + 1.23EPS + 0.22BVPS + 1.12DEV - 3.81BETA$
Petronas Gas	$= 19.04 + 1.23EPS + 0.22BVPS + 1.12DEV - 3.81BETA$
Sime Darby	$= 4.806 + 1.23EPS + 0.22BVPS + 1.12DEV - 3.81BETA$

The result from this study is all of fundamental factors, they are EPS, BVPS, Dev, and Beta have not correlation and significant influence regarding sharia stock price in Indonesia and in Malaysia. This result contradicts with the previous study Martinz (1999), consler (2006) and Atika (2009) they showed that the Earning Per Share and stock price had positive equivalent. Barth et al., (1998) suggested that investors place valuation weight on book value or earnings depending on company differences relating to financial health, supporting the notion that book values information and earnings information fulfill different roles. While the dividend and beta are compared with previous study. According to Ahmed et al. suggested that the value relevance of both earnings and book values has noticeably decreased over the sample period. (Ahmed et al., 2013). However, its results show that the decline in the value relevance of earnings favored book values. According to (Choudry, 2011; Lawson et al., 2008) his result shows that the stationary of a stock's beta has important implications for the measures of capital asset pricing and performance and more importantly in the forecasting of stock returns .

Based on previous studies, most of these variables have a significant impact on the stock price. But in this study, we found that there is no significant impact on the stock price. First reason is we used sharia stock in Indonesia which is represented by JII and Malaysia which is represented by FBHSM where both of capital market are sharia but in previous study is conventional capital market.

Second reason is totally different when we do the research in sharia stock. The different about sharia and conventional capital market are in screening method to determine the companies in production, transaction, and distribution are not include unlawful (haram) in their activities like gharar, maysir, gambling, riba etc. Otherwise, the sharia companies usually to holding the sharia jurisprudence. It caused all of their activities are supervised by capital market authority. Generally, the companies which listed in sharia capital market and published the sharia stock do not consider on fundamental factors like earning per share, book value per share, dividend, and

market return to determine the sharia stock price. But if we consider from investors perspective, according to (Isa, 2013) the results indicate that customer satisfaction has a significant relationship with image, image has a significant relationship with trust, and trust has a significant relationship with customer loyalty for both customer segments (Iqbal et al., 2017). And according to Iqbal et al (2017) the results of their study is highlighting that religion often represents an essential reference point in influencing the perception and purchase behaviour of consumers in the context of Bangladesh. This implies that marketing strategies based on Islamic ethics are going to be quite instrumental in order to reach out to the consumers in Muslim countries. As such, there is largely a strong positive relationship between religion and the purchase behaviour of Muslim consumers. We know that the Muslim investors choose the good stock not only from stock price but also from sharia label which obtained from capital market authority.

Third reason is caused by the other factors from external. They have strong correlation regarding stock price. Based on Ozlen (2014) the external factors like sector indices, exchange rate, interest rate, inflation rate, significantly influence the stock return. (Ozlen, 2014). The relationship between stock market returns and exchange rate movement is also explained within the context of exporting and importing firms. For a firm heavily involved in exports, depreciation in the exchange rate makes its products competitive, increasing both its performance and stock price (Charles et al., 2011).

This may be useful in so far as the exporting firm's products remain competitive on the international market. For heavily importing firms, exchange rate depreciation makes imports expensive, dampening firm performance and reducing their stock prices. The impact of the exchange rate depreciation on a firm heavily involved in both exports and imports will however depend on the effect on each side of the traded item. (Tucker, 2009). This relationship is like to the "import-export-dominant economies" explanation for the sign of the effect of exchange rate movements on stock return by Ma and Kao (1990). According to them, for an import dominant economy an appreciation of the exchange rate boosts stock market returns. While the relationship between share prices, rate of return and inflation is probably best

illustrated within the context of the dividend-discount model (DDM). (Geyser e al., 2001).

The relationship between interest rate and stock price can be explained as the following ways. When the companies finance their capital equipments and inventories through borrowings, a reduction of interest rate means the cost of borrowing is decreased (Naik et al., 2012) . This may serve as an incentive for expansion via the increased investment capacity of the companies which in turn increase their stock prices. From this study we conclude that the stock and the sharia stock both are different. Sharia stock is a proof of ownership of a company which in the criteria of sharia and not including the unlawful activities. They have some limitation and screening from each capital market authorities in Indonesia and Malaysia.

E. CONCLUSION

The result from this study is all of fundamental factors, namely EPS, BVPS, Dev, and beta have not correlation and significant influence regarding sharia stock price in Indonesia and in Malaysia. They are many reasons to explain the result of this study. First reason is we used sharia stock in Indonesia which is represented by JII and Malaysia which is represented by FBHSM where both of capital market are sharia but in previous study is conventional capital market. Second reason is totally different when we do the research in sharia stock. The different about sharia and conventional capital market are in screening method to determine the stock and sharia stock. Third reason is caused by the other factors from external.

The stock and sharia stock both are different. Sharia stock is a proof of ownership of a company which is in criteria of sharia and not including the unlawful activities. They are some limitation and screening from each capital market authorities in Indonesia and Malaysia. Based on investors perspective, we can conclude the same character the majority Muslims in Indonesia and Malaysia which the highlight that religion often represents an essential reference point in influencing the perception and purchase behavior of consumers.

F. REFERENCES

- Ahmadi, A., & Bourri, A. (2016). The accounting value relevance of earnings and book value : Tunisian banks and financial institutions Article information : About Emerald www.emeraldinsight.com. *International Journal of Aw and Management*.
- Ahmed, R., & Picur, D. R. (2013). Investment Opportunity Set Dependence of Dividend Yield and Price Earnings Ratio, 27(3).
- Antonio, M. S. (2013). Volatilitas Pasar Modal Syariah Dan Indikator Makro Ekonomi : Studi Banding Malaysia dan Indonesia. *Jurnal Liquidity*, 2(1).
- Beik, I. S., & Fatmawati, S. W. (2014). Internasional Dan Variabel Makro Ekonomi. *Al-Iqtishad*, 6(April 2014), 155–178.
- Charles, K. ., Nicholas, A., Kofi A, B., & ose. (2011). Article information : Stock Price and exchange rate dynamic inSelescted African countries: a bivariate analysis. *African Journal of Economic and Management Studies*, 2.
- Choudry, T. (2011). The Long Memory of Time-Varying Beta : Examination of Three Emerging Asian Stock Markets. *Managerial Finance*, 27(1).
- Consler, J., Lepak, G. M., Havranek, S. F., Consler, J., & Lepak, G. M. (2013). Earnings per share versus cash flow per share as predictor of dividends per share. *Managerial Finance*, 37(5).
- DSN-MUI. (2011). Fatwa DSN-MUI/80.
- Geyser, J. ., & Lowies, G. . (2001). The impact of inflation and stock prices in two SADC countries. *Meditari Accounting Research*, 9.
- Hatta, A. J., & Dwiyanto, B. S. (2012). THE Company Fundamental Factors And Systematic Risk. *Journal of Economics, Business, and Accountancy Ventura Volume*, 15(110)
- Iqbal, M., & Nisha, N. (2017). Advances in Islamic Finance , Marketing , and Management Article information : *In Advances in Islamic Finance, Marketing, and Management*,
- Isa, Z. (2013). Islamic banks Contrasting the drivers of customer satisfaction on image , trust , and loyalty of, 31(2),
- Lawson, G. H., & Pike, R. (2008). Capital Asset Prices : Risk and Return.
- Muhammad, J. H. (2010). Accounting Fundamentals And The Variation Of Stock Price Factoring in the Investment Scalability. *Gadjah Mada International Journal of Business*, 12(2),
- Naik, P. K., & Padhi, P. (2012). The Impact of Macroeconomic Fundamentals on Stock Prices Revisited : Evidence from Indian Data, 5(10),
- Ozlen, S. (2014). The Effects of Domestic Macroeconomic Determinants on Stock Returns: A Sector Level Analysis. *European Researcher*, (81),

- Rahman, A. A., Yahya, M. A., & Nasir, M. H. M. (2010). Islamic norms for stock screening A comparison between the Kuala Lumpur. *International Journal of Islamic and Middle Eastern Finance and Management*, 3(3).
- Tahir, I., & Mark, B. (2015). Islamic Investment Behaviour. *International Journal of Islamic and Middle Eastern Finance and Management*, 4(2),
- Tucker, I. B. (2009). *Macroeconomic for Today*.
- Umirah, F., & Masih, M. (2017). Should the Malaysian Islamic Stock market investor invest in Regional and international Equity market to gain ortofolio diversification benefit? *MPRA Munich Personal RePEc Archive*, (79762).
- Wolmarans, H. P. (2000). Does “ dividend investing ” have value for the South African investor ? *Meditari Accountancy Research*, 8,