

ABSTRACT

Capital market is an activity involving public offering, and securities trading, professional companies / institutions related to the issuance of securities, shares, bonds, collective investment participation units, futures contracts on securities, and any derivatives of securities. In the movement of the capital market can be influenced by various factors, one of the influence of other countries or which can be called contagion which ultimately causes causality between the stock price indexes of each country.

The purpose of this study is a study that discusses the causality relationship between the Islamic stock price index between the country of Qatar and the country of Indonesia, the index of sharia stock prices between the state of Kuwait and the country of Indonesia, and the index of sharia stock prices between the United Arab Emirates and Indonesia.

Data collection in this study uses QERI, FTFLKS, FTDKUS, and ISSI stock price indexes for the 2013-2018 period. As well as the statistical methods used to determine the causality between the indexes studied were the Stationerity Test, and the Granger Causality Test.

This study proves that there is no causality in the Islamic stock price index of the countries of Qatar, Kuwait, and the United Arab Emirates to Indonesia countries, therefore these variables can be used as important variables as a guide for investors to invest in the Islamic capital market.

Keywords: Capital Market, Contagion, Causality, ISSI