

***ANALYSIS OF FACTORS AFFECTING THE NUMBER OF CORPORATE
SUKUK EMISSIONS***

2016 - 2018

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Abstract: This study aims to analyze macroeconomic variables on corporate sukuk emissions in Indonesia. The macroeconomic variables used in this study are inflation, exchange rates and the amount of money (M2), using monthly data from 2016-2018 using multiple regression variables. The results showed 2 variables that significantly affected corporate sukuk emissions, namely the exchange rate and M2. While the variable ownership of shares is not significant to the issuance of corporate sukuk.

Keywords: Corporate Sukuk Emissions, Inflation, Exchange Rates, M2

Intisari: Penelitian ini bertujuan untuk menganalisis pengaruh variable makroekonomi terhadap emisi sukuk korporasi di Indonesia. Variable makroekonomi yang digunakan dalam penelitian ini ialah inflasi, nilai tukar dan jumlah uang beredar (M2), dengan menggunakan data bulanan dari tahun 2016-2018 dengan menggunakan variable regresi berganda. Hasil penelitian ini menunjukkan bahwa ada 2 variable yang signifikan mempengaruhi emisi sukuk korporasi, yakni nilai tukar dan M2. Sedang variable inflasi memiliki pengaruh yang tidak signifikan terhadap emisi sukuk korporasi.

Kata kunci: Emisi Sukuk Korporasi, Inflasi, Nilai Tukar , M2

BACKGROUND

In Indonesia there is a capital market explained in the Capital Market Law no. 8 of 1995: "Capital markets are activities in which there are public offers and securities trading, issuance of securities from public companies and institutions and professions related to securities." Capital markets have two functions, namely, economic and financial functions. It can be said to function economically because in the capital market is a place where two interested parties meet, namely parties that need funds (issuers) and parties that have excess funds (investors).

In the capital market there are various securities traded, including: stocks, letters of recognition of debt, bonds, proof of debt, warrant, and various other effects. One of the effects on the capital market that attracts the attention of investors is Sharia-based bonds or Sukuk.

Sukuk or sharia bonds are long-term securities based on sharia principles issued by issuers to sukuk holders that require issuers to pay income to sukuk holders in the form of profit sharing / fees and repay bonds at maturity (Fatwa National Sharia Council Indonesian Religious Leader No : 32 / DSN-MUI / IX / 2002 concerning Sharia Bonds).

The word Sukuk comes from Arabic "shukuk" which is the plural form of the word "sakk" which has the same meaning as a certificate or note and in economic terminology means legal instrument, deed, or check (Sutedi, 2009:95).

The difference between sukuk and conventional bonds lies in the use of the concept of margin and profit sharing instead of interest. Also the existence of an underlying transaction in the form of a number of assets that form the basis of sukuk issuance and the existence of contracts or agreements between parties which are arranged based on the principles sharia. In addition, sukuk must also be free from usury, gharar and maysir (Sudarsono, 2008: 298).

The development of corporate sukuk is quite slow compared to the development of corporate bonds where the base of sharia investors is still very small so that many corporations feel they will not get a significant profit. Several factors such as the higher coupon level that caused a surge in COF (Cost of Funding), lack of understanding of the corporation against the underlying assets and regulations of the sukuk itself, also made the emissions from corporate sukuk less than optimal.

The next thing that becomes the background is inflation. Inflation is the tendency of general prices to rise continuously. The price increase of just one or two items is not called inflation, except if the increase extends to (resulting in an increase) most of the price of other goods (Boediono, 1998).

LITERATURE REVIEW

1. Capital Market

The capital market is a place for parties, especially companies to sell shares (stocks) and bonds (bonds) which aims to obtain sales results to be used as additional funds or to strengthen company capital (Irham Fahmi, 2013). According to Law No. 8 of 1995 concerning Capital Market Article 1 Paragraph (12) is activities related to securities trading and public offerings, companies relating to their issued securities, as well as institutions and professions related to securities. The capital market is a meeting place for prospective investors (investors) with issuers who need long-term funds that are transferable (Suad Husnan, 1996).

2. Sharia Capital Market

The Islamic capital or sharia capital market is a capital market that applies sharia law in economic transaction activities and regardless of things that are prohibited such as: usury, gambling, speculation and others. Islamic capital markets are in principle different from conventional capital markets. The Islamic capital market is a capital market whose entire mechanism of activity is mainly concerning issuers, the type of securities traded and the trading mechanism is in accordance with sharia principles (Soemitra, 2014: 111).

3. Function of sharia capital market

According to M. Metwally as stated by Heri Sudarsono, mentioning there are five functions of the Islamic capital market. The five functions of the Islamic capital market are as follows (Sudarsono 2007: 186):

- a. Allows the community to participate in business activities by obtaining a share of the profits and risks.
- b. Allows shareholders to sell their shares to get liquidity.
- c. Allows companies to increase capital from outside to build and develop their production lines.
- d. Separating business operations from short-term fluctuations in stock prices which are a common feature of conventional capital markets.
- e. Enabling investment in the economy is determined by the performance of business activities as reflected in stock prices.

From the functions of the Islamic capital market above, it is known that the existence of the Islamic capital market is very useful in order to improve the economic activities of Muslims and can further improve their welfare.

4. Sharia Capital Market Instruments

In a transaction on the market there are usually goods or services that are traded. Likewise in the capital market, goods traded are called capital market instruments. Capital market instruments that are traded are in the form of securities that can be bought and sold back by their owners, both capital market instruments that are ownership or debt. Ownership capital market instruments in the form of shares and debt nature are bonds (Kasmir, 2004: 194-195).

5. Sharia Obligations (SUKUK)

In the capital market, bonds are debt instruments for companies that want to obtain capital. The benefits of buying bonds are realized in the form of coupons. The difference between bonds and shares is that bond buyers have no rights to the management and wealth of the company.

The company that issued the bonds only acknowledged having a debt to the bondholders as much as the bonds they had. Thus, bonds are included in the category of foreign capital or long-term debt. The debt will be paid at a predetermined time.

6. Inflation

Inflation is the tendency of general prices to rise continuously. The price increase of just one or two items is not called inflation, except if the increase extends to (resulting in an increase) most of the price of other goods (Boediono, 1997: 97).

7. Exchange Rate

The price of one currency against another is called the exchange rate or exchange rate. Exchange rates describe the price of a currency against another country's currency, also the price of an asset or asset price. Exchange rate is one of the important things in an open economy, because it has a very large influence on the current account balance and other macroeconomic variables.

8. Money Supply

There are several definitions of the amount of money in circulation. In discussing the money contained in the economy it is very important to distinguish between the currency in circulation and the money supply. Currency in circulation is

the entire amount of money that has been issued and circulated by the Central Bank. The currency consists of two types, namely coins and paper money. Thus the currency in circulation is the same as currency. While the money supply is all types of money in the economy, namely the amount of the currency in circulation plus the demand deposit in commercial banks. Money supply or money supply is divided into two senses, namely in the narrow sense and broad meaning.

Hypothesis

Based on the objectives, theoretical basis and theoretical framework, the hypotheses proposed in this study are as follows:

H1: Inflation (X1) has a significant effect corporate sukuk emissions (Y)

H2: Exchange rate (X2) has a significant effect on corporate sukuk emissions (Y)

H3: M2 (X3) has a significant effect on corporate sukuk emissions (Y)

Data and Research Methodology

A. Research Subjects and Objects

The research subject is the influence of several macro-economic variables on corporate sukuk emissions in Indonesia

B. Data Types

This study uses a quantitative approach. The type of data to be used in this study is secondary data in the form of monthly reports from the period 2016-2018.

C. Data Collection Techniques

Data is obtained from third parties. In this study, data was obtained through the website of Bank Indonesia, the Financial Services Authority (OJK) and the Central Statistics Agency (BPS).

D. Test Hypothesis and Data Analysis

1. Multiple Linear Regression

Multiple linear regression analysis is a linear relationship between two or more independent variables (X_1, X_2, \dots, X_n) with the dependent variable (Y). This analysis is used to determine the direction of the relationship between the independent variable and the dependent variable whether inflation, exchange rate, money supply and sukuk yield on corporate sukuk emissions. The multiple regression equations are as follows:

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + E$$

$$I = 1, \dots, n$$

Description:

Y = Sukuk Emissions

β =Konstanta

X_1 =Inflation

X_2 =Exchange Rate

X_3 =Money Supply (M2)

Where Y is the dependent variable, X_1 , X_2 , X_3 are independent variables and E is the term random residuals (interference), β_1 , β_2 , β_3 , are regression coefficients, and n is the sample size in term matrix (Neter et al., 1983)

According to Gujarati (2003), the assumptions in multiple linear regression models are the following error variants are constant (heteroscedasticity), there is no multicollinearity in the independent variable, the average error value is zero, the regression model is linear in parameters, and errors are normally distributed.

2. Regression Analysis

Linear Regression Analysis is a statistical technique for modeling and investigating the effect of one variable (independent variable) on the variable response (dependent variable) (Basuki, 2016).

a. Determination Coefficient (R-Square)

The R square test is a test that shows how much the independent variable will explain the dependent variable. R square in the regression equation is susceptible to the addition of independent variables, where more independent variables are involved, then the R square value will be greater, therefore the use of R^2 is adjusted for multiple linear regression analysis (Basuki, 2016).

If the value of the coefficient of determination = 0 (adjusted R2 = 0), it means that the variation of variable Y cannot be explained by variable X, whereas if R2 = 1, it means the variation of Y variable as a whole can be explained by variable X. In other words if adjusted R2 approaches 1, then the independent variable will be able to explain the change variant of the dependent variable, and if Adjusted R2 approaches 0, then the independent variable cannot explain the dependent variable.

According to Basuki (2017), the R2 Determination Coefficient Formula is as follows:

$$R^2 = \frac{ESS}{TSS} = 1 - \frac{RSS}{TSS} \dots\dots\dots (3,1)$$

$$= 1 - \frac{(\sum e_i^2)}{(\sum y_1^2)} \dots\dots\dots(3.2)$$

$$= 1 - \frac{(\sum e_i^2)}{\sum (Y_i - Y'_i)^2} \dots\dots\dots(3.3)$$

b. F-test

This test is used to determine the effect of independent variables on the dependent variable simultaneously, which is shown through the Anova table. Independent variables are said to simultaneously influence the dependent variable if the significance value is $< \alpha$ (0.05).

c. **T-test**

This test is conducted to find out how influential the independent variables partially (individuals) can explain the variation of the dependent variable. The results of this test are seen based on Unstandardized Coefficients and significance values. The independent variable is said to have an effect on the dependent variable if the significance value is < 0.05 .

3. Classical Assumption

The classic assumption test aims to determine whether the regression model used actually shows a significant relationship. The classic assumption test used in this study consisted of multicollinearity test, normality test, autocorrelation test, and heteroscedasticity test.

a. **Heteroscedasticity Test**

Heteroscedasticity test is used to determine the presence or absence of classical assumptions of heteroscedasticity, namely the existence of variance inequalities from residuals for all observations in the regression

model. Detection of heteroscedasticity can be done by the White Heteroscedasticity test. If the probability value of Obs * R-Squared is greater than 0.05, it can be concluded that there is no heteroscedasticity.

b. Normality Test

Normality test aims to test whether, in the regression model of the dependent variable, the independent variable or both are normally distributed or not. A good model is one that has normal data distribution. The residual value is said to be normally distributed when most residual values are close to the average.

Normality can be tested with several tests, one of them is Jarque-Bera (JB Test). This test is done by looking at the magnitude of the probability of Jarque-Bera. Winarno (2015) Normal distributed regression models have a Jarque-Bera probability value > 5%, on the other hand, if the Jarque-Bera probability value is <5% then the data can be ascertained not to have a normal distribution.

c. Autocorrelation Test

Autocorrelation Test is used to determine whether or not there is a classic assumption deviation, autocorrelation is a correlation between residues in observations with other observations in the regression model, autocorrelation is a condition where there is a correlation between residuals this year with the mistakes of the previous year. to find out whether there is an autocorrelation disease in a model, it can be seen from

the statistical score with the Breusch-Godfrey Test.

To see whether an autocorrelation disease can be used with the Lagrange Multiplier Test (LM test) or the so-called Breusch-Godfrey test by comparing the probability of the R-Squared value with $\alpha = 5\%$ (0.05), if the probability value of Obs * R-Squared more than 0.05 it can be concluded that there is no autocorrelation.

Hypothesis:

If the probability of Obs R > 0.05 is not significant.

If the probability of Obs R² < 0.05 is significant

if the probability value of Obs * R-Squared is more than 0.05, it can be concluded that there is no autocorrelation.

d. Multicollinearity Test

Multicollinearity is a condition in which one or more independent variables are expressed as linear conditions with other variables. This means that if among the independent variables used there is no correlation with each other it can be said that multicollinearity does not occur.

Multicollinearity test is a test conducted to ascertain whether in a regression model there is intercorrelation or colinearity between independent variables. Multicollinearity is used to detect the relationship between several or all independent variables.

Regarding the issue of Multicollinearity, Sumodiningrat (1994:

281-182) suggests that there are three things that need to be discussed first:

1. Multicollinearity is basically a sample phenomenon. In the population regression function model (PRF) it is assumed that all independent variables included in the model have individual effects on the dependent variable Y, but may occur in certain samples.
2. Multicollinearity is a matter of degree and not a matter of type. This means that the problem of Multicollinearity is not a problem whether the correlation is between negative or positive independent variables, but the problem of correlation between independent variables.
3. Multicollinearity problems only relate to the linear relationship between the independent variables that the Multicollinearity problem will not occur in a regression model whose form of function is non-linear, but the Multicollinearity problem will appear in a regression model which forms linearly between these independent variables.

The detection of multicollinearity can be done by looking at the value of the paired correlation coefficient between the two regressions. The coefficient with a value of less than 0.8 indicates that it does not show multicollinearity. The results of this test can be

seen from the Variance Inflation Factor (VIF) with the VIF equation = $1 / \text{tolerance}$. If VIF is less than 10, there is no multicollinearity (Basuki, 2016).

Result and Analysis

A. Descriptive Variables

Table 4.1

Descriptive Variables

Indicator	Sukuk	Inflation	Exchange Rate	M2
mean	5,129.986	0.035125	13642.65	24334.36
median	5,198.850	0.034050	13400.400	24857.40
maximum	5,758.300	0.044500	15191.32	36657.40
minimum	4,498.400	0.027900	13110.51	16114.00
Std.Dev.	362.7329	0.004444	547.4675	6020.723
Skewness	-0.119463	0.721121	1.333571	0.392540
Kurtois	1.857745	2.618038	3.735163	2.316661
Jarque-Bera	2.042749	3.338937	11.48116	1.624956
Probability	0.360100	0.188347	0.003213	0.443757
sum	184679.5	1.264500	491135.5	876037.1
Sum Sq. Dev.	4.61E+06	0.000691	10490223	1.27E+09

Observation	36	36	36	36
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Source: Data Processed (Eviews 9)

B. Classical Assumption Test

This test aims to detect the presence or absence of normality, heteroscedasticity, autocorrelation and multicollinearity at each calculation of data.

1. Normality Test

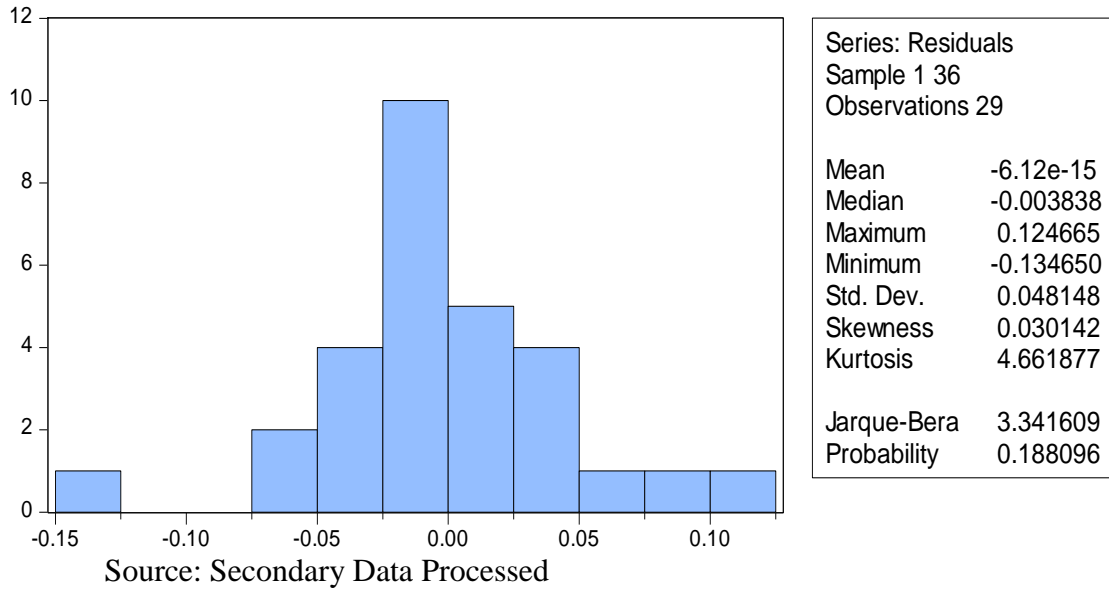
This test aims to detect normal or not distributed residual values. Residuals can be categorized as normal or abnormal based on the Jarque-Bera test performed. The null hypothesis (H_0) states that the residual has a normal distribution. Whereas, the alternative hypothesis (H_a) states that the residual is not normally distributed.

H_0 is accepted if the Jarque-Bera probability is > 0.05

H_a is accepted if the Jarque-Bera probability is < 0.05

Table 4.2

Normality Test Result



Based on the normality test performed, the value of the fingerprint is 0.188096 which is greater than 0.05 or 5%. Which means that H_0 is acceptable and the residuals are in a normal distribution.

2. Heteroscedasticity Test

Heteroscedasticity is detection to see if the variable is not constant interference. Heteroscedasticity test aims to test whether in the regression model there is a variance inequality from the observation of one residual to another fixed observation, called homoskedasticity and if the variant is not constant or change is called heteroscedasticity. A good regression model is homoskedasticity or there is no heteroscedasticity (Gujarati, 2007).

The white test is used in this section and is done by registering the residual squared as the dependent variable with the dependent variable added to the square of the independent variable, then added again by multiplying the two independent variables. The testing procedure is carried out with the following hypothesis:

- H0: Does not contain indications of heteroscedasticity
- H1: contains indications of heteroscedasticity

Table 4.3

Heteroskedasticity test result

Heteroskedasticity Test: White

F-statistic	0.549963	Prob. F(7,21)	0.7871
Obs*R-squared	4.492705	Prob. Chi-Square(7)	0.7216
Scaled explained SS	6.113159	Prob. Chi-Square(7)	0.5266

Source: Secondary Data Processed

Based on the results of the table above, the white test regresses the squared residue on the cross product of the original regressors and constants, indicating the value of Obs * R Squared is 4.492705 with Prob. Chi-Square is 0.7216 greater than alpha 5% (> 0.05). So, the result is not heteroscedasticity.

3. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors in period t with errors in period $t-1$ (before). Correlation test aims to determine whether there is a correlation between members of a series of data observed based on time series or cross-section. This study uses Breusch-Godfrey Serial Correlation LM Test by comparing the probability value of $\text{Obs} * R^2$ with $\alpha = 5\%$ (0, 05). The LM Serial Breusch-Godfrey test results for autocorrelation are as follows:

Hypothesis:

If the probability of $\text{Obs} R > 0.05$ is not significant.

If the probability of $\text{Obs} R^2 < 0.05$ is significant

If the probability value of $\text{Obs} * R^2$ is more than 0.05, it can be concluded that there is no autocorrelation.

Table 4.4

Autocorrelation Data Result

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.801287	Prob. F(2,23)	0.4609
Obs*R-squared	1.889017	Prob. Chi-Square(2)	0.3889

Source: secondary data processed

from table 4.4 above, it can be seen that the results of Obs * R-squared are in the value of 1.889017 and prob. Chi-Square is at a value of 0.3889 which is greater than 0.05 or 5%, indicating that there is no heteroscedasticity.

4. Multicollinearity Test

Multicollinearity is a condition in which one or more independent variables are expressed as linear conditions with other variables. This means that if among the independent variables used there is no correlation with each other it can be said that multicollinearity does not occur.

The detection of multicollinearity can be done by looking at the value of the paired correlation coefficient between the two regressions. The coefficient with a value of less than 0.8 indicates that it does not show multicollinearity. The results of this test can be seen from the Variance Inflation Factor (VIF) with the VIF equation = $1 / \text{tolerance}$. If VIF is less than 10, there is no multicollinearity (Basuki, 2016).

Table 4.5

Multicollinearity Data Result

Variance Inflation Factors
Date: 03/16/19 Time: 20:13
Sample: 1 36
Included observations: 29

Coefficient Uncentered Centered

Variable	Variance	VIF	VIF
C	6.618597	73926.19	NA
INFLASI	0.000119	3.317058	1.015352
KURS	0.129991	131565.4	1.922250
M2	0.038596	31479.78	1.936674

Source: Secondary data Processed

Based on the data above we can see the results of the multicollinearity test at the centered VIF column. Centered VIF values from M2, Exchange and Inflation are at points, 1.015352, 1.922250 and 1.936674 which of the three variables there is no value greater than 10. Therefore, it can be concluded that there is no multicollinearity in the independent variable.

C. The Result of Regression Test

Table 4.6

The Result of Regression Estimation

Variables	Regression		
	Coefficient	T-Test	Prob
Constanta	-23.89990	-9.289943	0.0000
Inflation	0.001978	0.181631	0.8573
Exchange Rate	0.794437	2.203448	0.0370
M2	3.092671	15.74201	0.0000
R-Squared	0.958741		

F-Statistic	193.6430
Prob F-Statistic	0.000000

Dependent Variable : Sukuk

Source : Secondary Data Processed

This study uses multiple linear regression analysis. The model of this study is:

$$Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E$$

$$I = 1, \dots, n$$

Description:

Y = Sukuk Emissions

β = Konstanta

X_1 = Inflation

X_2 = Exchange Rate

X_3 = Money Supply

Based on regression estimation, dependent variable in this research is sukuk with inflation, exchange rate and money supply (m2) as independent variables. Based on table 4.6 above, it can be concluded that all independents, namely inflation, exchange rates and m2 have a positive effect on (emissions) sukuk in the 2016-2018 period.

1. F-Test

This test is used to determine the effect of independent variables on the dependent variable simultaneously, which is shown through the Anova table. Independent variables are said to simultaneously influence the dependent variable if the significance value is $<\alpha$ (0.05). According to Ghazali (2013) the F test basically aims to show whether all the independent or independent variables included in the model have reciprocal effects on the dependent or dependent variable. The F test in this study uses Eviews-9. The following is a table for the f-test.

Tabel 4.7

F-Test: Inflasi, Kurs M2 to Sukuk

F-Statistic	193.6430
Prob F-Statistic	0.000000

Dependen Variabel : Sukuk

Source: Secondary Data Proccesed

Explanation of the f-test results in table 4.7 above, where the results of the F test in this study have a result of 193.6430 with (Prob F-stat) of 0.00000 results can explain that the F-stat Prob is smaller than the significance level of 0.05, so that it can be concluded that the regression model that is estimated to be feasible is used to explain the effect of independent variables (Inflation, exchange rates and m2) on the dependent variable Sukuk.

2. T-Test

The t-test in multiple linear regression is intended to test whether the parameters (regression coefficients and constants) that are expected to estimate the equation / multiple linear regression model are the appropriate parameters or not, these parameters are able to express the behavior of independent variables in influencing the dependent variable. The t-test in this study used the Eviews-9 program. The results of several linear regression outputs are as follows:

Table 4.8
T-test : Inflation, Exchange Rate and Money Supply toward
Sukuk

Variables	Regression		
	Coefficient	T-Test	Prob
Constanta	-23.89990	-9.289943	0.0000
Inflation	0.001978	0.181631	0.8573
Exchange Rate	0.794437	2.203448	0.0370
M2	3.092671	15.74201	0.0000

Source: Secondary Data Processed

a. Constanta

Based on the regression results in table 4.6, the constant value is -23.89990. That is, if all the independent variables are inflation, the exchange rate and M2 are considered constant, then the number of Sukuk is -23.89990.

b. Inflation

The null hypothesis (H_0) states that inflation has a positive and significant effect on sukuk emissions. The alternative hypothesis (H_a) states that inflation does not have a positive and significant effect on sukuk emissions.

H_0 is accepted if the variable probability level is < 0.05

H_a is accepted if the variable probability level is > 0.05

According to the results of the regression estimation table, the probability level of the inflation variable is greater than $0.8573 > 0.05$. So, it can be concluded that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. The result is that the inflation variable has no positive and significant effect on sukuk emissions.

c. Exchange Rate

The null hypothesis (H_0) states that Exchange Rate have a positive and significant effect on sukuk emissions. The alternative hypothesis (H_a)

states that Exchange Rate does not have a positive and significant effect on sukuk emissions.

Ho is accepted if the variable probability level is < 0.05

Ha is accepted if the variable probability level is > 0.05

According to the results of the regression estimation table, the variable probability rate of the exchange rate is smaller than $0.05 > 0.0370$. So, it can be concluded that the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected. The result is that the exchange rate variable has a positive and significant effect on sukuk emissions.

d. M2

The null hypothesis (Ho) states that M2 has a positive and significant effect on sukuk emissions. The alternative hypothesis (Ha) states that M2 does not have a positive and significant effect on sukuk emissions.

Ho is accepted if the variable probability level is < 0.05

Ha is accepted if the variable probability level is > 0.05

According to the results of the regression estimation table, the probability variable m_2 is smaller than $0.05 > 0.0000$. So, it can be concluded that the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. The result is that m_2 has positive and significant effect on sukuk emissions.

3. Determination Coefficient Test (R^2)

The Determination Coefficient (R^2) basically measures how far the model's ability to explain the variation of the dependent variable. The coefficient of determination is between zero and one. A small R^2 value means the ability of the dependent variable is very limited. A value close to one means that the dependent variable provides almost all the information needed to predict variations in the dependent variable (Ghazali, 2013: 97)

Determination Coefficient Test R^2 is used to measure how much variation in the dependent variable can be explained by the independent variable. The coefficient of determination can be measured by the value of R-Square or Adjusted R-Square. When the coefficient of determination = 0 (adjusted $R^2 = 0$), the variation of the related variable cannot be explained by the independent variable. Whereas if $R^2 = 1$, then the variation of the dependent variable as a whole can be explained by the independent variable.

Based on the regression results in table 4.6 above, it can be seen that the test coefficient of determination for the regression model between inflation, exchange rate and m2 of sukuk is 0.958741 or 95 % of sukuk is influenced by inflation, exchange rate and m2. While the remaining 5 % is covered by various other factors.

D. Result discussion

Table 4.9

The Accumulation of Independent Variables influence on Dependent Variable

Variable	Coefficient	Probability
Constanta	-23.89990	0.0000
Inflation	0.001978	0.8573
Exchange Rate	0.794437	0.0370
M2	3.092671	0.0000

Source: Data Processed (Eviews 9)

1. The Influence of Inflation on Corporate Sukuk Emissions

Inflation has no significant effect on sukuk emissions. This can be proven by the results of the regression estimation table, the probability level of the inflation variable is greater than $0.8573 > 0.05$. which can be concluded that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted.

The above results go straight and in accordance with previous studies that discuss the relationship of inflation to the value of Islamic bonds from Kristina Sanjaya (2016) which states that the inflation rate has no significant effect on sukuk. As well as training conducted by Faizul Rahman, Ardi Paminto, Maryam Nadir (2016) which states that the effect of inflation on sukuk demand levels is higher inflation, the lower the level of demand for SR-005 retail state sukuk, this is due to the real value received investors will decrease. Inflation is the risk most feared by bondholders or sukuk because inflation decreases the size of interest (rent) and profits as determined at the beginning of the agreement. The fall in the value of the currency will involve the buyer, because he will lose as much money as he paid to buy bonds. The increase in inflation will erode the real income of the value of the coupon or lease of coupons owned by investors.

2. The Influence of Exchange Rate on Corporate Sukuk Emissions

According to the results of the regression estimation table, the variable probability rate of the exchange rate is smaller than $0.05 > 0.0370$. So, it can be concluded that the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. The result is that the exchange rate variable has a

significant effect on sukuk emissions. The regression coefficient value of Exchange Rate are 0.794437 which means that if there is an increasing 1 point on Exchange rate will affect 0.794437 percent of corporate sukuk emissions.

This is reinforced by the results of research from Gyanti (2017) which suggests that the exchange rate is the price of a currency of a country that is measured or expressed in domestic currency units, it can also be interpreted as the amount of domestic money needed, namely the amount of rupiah needed to get one unit of foreign currency. Based on the results of testing the data in table 4.6 that has been done, it can be seen that the value of T-calculated exchange rate has a significant effect on the growth of corporate sukuk. It is evident from the results of the regression coefficient calculation with a sig value smaller than the significance level (α) with a beta coefficient value that is positive which indicates that the exchange rate has a tendency to influence the growth of corporate sukuk. The second way is to compare T-count with T-table. The exchange rate regression coefficient has a significant influence on the growth rate of corporate sukuk. As well as positively influencing the growth of corporate sukuk in Indonesia. Researchers concluded, the increase in exchange rates would also be followed by the increase in the rate of growth of corporate sukuk. Thus changes in exchange rates were directly proportional to the growth of corporate sukuk. This shows that in reality the growth of corporate sukuk studied is relatively stable. And reinforced by Widia Ifana's research (2016)

which states that if the exchange rate increases by one digit unit it will increase the purchase of state sukuk.

3. The Influence of M2 on Corporate Sukuk Emissions

According to the results of the regression estimation table, the probability variable m2 is smaller than $0.05 > 0.0000$. So, it can be concluded that the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. The result is that m2 has a significant effect on sukuk emissions.

The result is that the M2 variable has a significant effect on sukuk emissions. The regression coefficient value of M2 are 3.092671 which means that if there is an increasing 1 point on M2 will affect 3.092671 percent of corporate sukuk emissions.

This goes straight with the research from the results of this study in accordance with the research conducted by Mustika Rini (2012) where the results found that the variable money supply has a significantly positive effect on sukuk issuance. This is in accordance with the theory that with the increase in the money supply, it has an impact on investment activities that are increasingly widespread. Likewise with corporate sukuk, the occurrence of shocks in the money supply where the money supply increases, will have a positive impact on the growth of corporate sukuk. This can be explained if the money supply increases, the desire of the people to exchange money for goods

and services that can provide higher value. With the increase in demand for goods and services, it encourages companies to increase production and investment. Sukuk which is one of the investment instruments can be issued as an attractive funding source for the company.

Conclusion

Based on the results of research and data analysis, the results of the regression model use multiple linear regression models to measure the relationship between inflation rates, exchange rates, money supply (M_2) to sukuk emissions. Then came some conclusions that can be seen in the following explanation:

1. Inflation has no significant effect on sukuk emissions. The effect of inflation on the level of sukuk emissions is that the higher the inflation, the lower the level of sukuk emissions, this is because the real value received by investors will decrease. Inflation is the risk most feared by bondholders or sukuk because inflation decreases the size of interest (rent) and profits as determined at the beginning of the agreement. The fall in the value of the currency will involve the buyer, because he will lose as much money as he paid to buy bonds. The increase in inflation will erode the real income of the value of the coupon or lease of coupons owned by investors. Investor's fears of this conditions has resulted investors being

reluctant to invest and it will be directly proportional to the reluctance of the company to issue corporate sukuk, given that corporate sukuk will be less interested.

2. Exchange rate variable has a significant effect on sukuk emissions. The stronger the exchange rate, the better the issuance of corporate sukuk. In fact, the exchange rate is the exchange rate which becomes a benchmark in measuring the economic condition of a country. The economic condition of a country will be one of the determining factors for the climate of investment in a country. If the exchange rate is in a stable position, it can be used as a tool to predict the investment climate in the future. Exchange rates that are in a strong position will provide a stimulus to demand as well as supply from corporate sukuk. This stimulated demand and supply will greatly affect the issuance of corporate sukuk.
3. The money supply variable (m_2) has a significant effect on sukuk emissions. Almost the same as the exchange rate variable, the variable money supply will also stimulate more specific investment in corporate sukuk. The better the money supply will go straight with the better emissions of corporate sukuk. The increasing money supply indicates that the economic conditions in a country are going well. This condition can also be accompanied by the tendency of investors to be bolder in investing. The courage of investors in investing should also be followed by a good view from companies that want to get fresh funds, of course, the

option to issue a corporate sukuk will be more likely. Therefore, if the two things meet, then this will increase emissions from corporate sukuk.

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