The Effect of Sukuk Issuance on Price Reaction and Growth of Sharia Capital Market

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Abstract
This study aims to analyze the effect of the value of Sukuk, Sukuk rating, and risk of Sukuk on the growth of the Islamic capital market mediated by Sukuk price during the period of 2014-2019 using value at risk. This study uses secondary data obtained from the Indonesia Stock Exchange and The Indonesian Capital Market Institute. Data were analyzed using the SPSS statistical program with path analysis techniques. The results of this study indicate that the variable value of Sukuk and the rating of Sukuk have a positive and significant effect on the price reaction of Sukuk, while the risk variable of Sukuk shown a negative and significant score. The variable value of Sukuk has a positive and significant effect on the reaction to the growth of the Islamic capital market, while negative and significant results are indicated by the variable rating of Sukuk and the risk variable of Sukuk. The Sukuk price reaction variables have a positive and significant effect on the reaction to the growth of the Islamic capital market. Interestingly, the study found that the Sukuk price reaction variable is unable to mediate the relationship between the value of Sukuk and the growth reaction of the Islamic capital market. This mediation result is also the same for the Sukuk rating and Sukuk risk.

Keywords: Sukuk value; Sukuk rating; Sukuk risk; reaction Sukuk price; capital market growth reactions.

INTRODUCTION
One of the financial instruments issued by many corporate and state companies is Sukuk (Islamic bonds). Basically, Sukuk (Islamic bonds) are different from conventional bonds. There is a convergence of opinion that the interest in the conventional system is usury, so all instruments that have an interest-bearing instrument are out of the list of halal investments (Huda& Mustafa, 2007). Transactions in the capital market can be referred to as economic activities that are included in muamalah activities, namely activities that regulate commerce. In the principle of fiqh, it is explained that the law in muamalah activities is permissible. Muamalah activities such as financing and investing in the capital market are considered acceptable unless there are prohibitions in the Qur'an and hadith. Muamalah activities that are prohibited in Islamic financing and investment are transactions that contain elements of usury, gharar, maysir, risywah, immoral, and dzhalim.


In the 2018 Indonesian Sharia Financial Development Report by the OJK on page 7, it is
explained that Indonesia's Islamic financial assets grew 13.97%, namely IDR 1,287.65 trillion from the previous year which amounted to IDR 1,129.77 trillion. The Islamic Capital Market which has the largest portion of Islamic financial assets (54.43%) experienced the highest growth among other sectors with a rate of 17.67%. Sharia banking with a share of 38.03% of the total Islamic financial assets was able to grow positively at a rate of 12.57%.

The results of literature research that have been carried out related to empirical studies on "the effect of the issuance of Sukuk on price reactions and growth of the Islamic capital market" found several previous studies that also discussed the issuance of Sukuk and the growth of the Islamic capital market. Some of these studies are research by Nasrullah et al. (2018), Fathoni et al. (2017), Kirana (2016). Research that finds that the issuance of Sukuk has a positive effect on market reactions. Positive results indicate that the issuance of Sukuk contains information that is meaningful good news for investors so that it can provide benefits to investors and can be an instrument in making decisions in stock trading. Meanwhile, research that found that market reactions had a negative effect on the announcement of Sukuk issuance were Savitri (2015), Primadani (2013), Dwi (2013), Mujahid (2010). The negative results indicate that the issuance of Sukuk contains information which means bad news for investors and is considered to increase the company's debt.

Based on the description above, and the existence of several differences from the results of previous studies, it is an issue that is quite interesting to research and develop. Researchers hope that the results of this study can provide answers to what is the influence of the issuance of Sukuk on price reactions and growth in the Islamic capital market.

LITERATURE REVIEW

Islamic Capital Market Concept

One of the foundations of the Islamic capital market is the fatwa of the National Sharia Council - Indonesian Ulama Council (DSN - MUI), all transaction and securities activities in the Islamic capital market must comply with the fatwa decisions that have been determined, even in formulating the formulation of OJK regulations regarding the market. Islamic capital using fatwa.

In implementing sharia principles in the capital market, the Indonesian stock exchange and related parties do not use fatwas as the only source of reference because fatwas have no binding legal force. Therefore, of course, the related parties must still see the positive legal basis, namely the Capital Market Law and OJK regulations.

The positive legal basis which is an important part of the Islamic capital market includes law No. 8 of 1995 concerning the capital market and OJK regulations. In addition, there are also regulations related to the issuance of state sharia securities (SBSN) issued by the directorate general of risk and financing management, the ministry of finance.

Transactions Prohibited in the Sharia Capital Market

It has been explained in the DSN-MUI fatwa that a securities transaction is declared in accordance with sharia principles when the object being transacted is sharia shares and does not violate sharia norms. The prohibited transactions are as follows:

1. Tadlis, namely the act of hiding information from the seller with the intention of deceiving the buyer.
2. Taghrir is an attempt to influence other people either in the form of words or actions that contain lies with the intention of motivating other people to make transactions.
3. Najsy, namely creating fake offers to give the impression that many parties are interested in buying by bidding on goods at high prices to parties who do not intend to buy them.
4. Ikhtikar, namely the action or effort to buy goods needed by the community when the price rises and then hoard / store the goods with the intention of reselling them when the price increases.
5. Ghisysy, namely an explanation or explanation made by the seller by explaining the advantages and advantages and features of the item but hiding its defects.
6. Ghabn Fahisy, namely the imbalance between two objects / goods that are exchanged in one contract, for example the sale and purchase of an item at a price level far below the market.
7. Bai 'Al-Ma'dum, namely the buying and selling process whose object is not in the contract.
8. Bai 'Al Maksyuf, namely the process of buying and selling securities in cash but the seller does not own the securities.

History of the Emergence of Sukuk Term

Empirical facts prove and conclude that Sukuk was actually widely used by Muslim communities in the Middle Ages, in the form of securities representing financial obligations originating from merchandise and other commercial activities (Huda & Mustafa, 2007).

In contemporary times, the background to the emergence of Sukuk is an attempt to avoid riba in conventional bonds so that entrepreneurs or the state try to find alternative financing instruments that are compatible with sharia. On March 20, 1990 a fatwa was issued prohibiting conventional bonds, namely the fatwa of Majma 'al-fiqh al Islami and by the end of 1990, sufficiently recognized asset-based structures in the form of Sukuk had been developed in Bahrain and Malaysia. This structure attracts the attention of investors and borrowers because it is considered a potential vehicle for developing the Islamic capital market (Zamir & Abbas, 2008).

The issuance of Sukuk in Indonesia is inseparable from the support of the government and all Islamic economic experts, as well as the support of ulama by issuing a fatwa by the National Sharia Council of the Indonesian Ulema Council No.32 / DSN-MUI / IX / 2002. The first Sukuk was started in October 2002 by the company PT. Indosat by issuing Sukuk mudharabah worth Rp. 100 billion.

Types of Sukuk

Based on its issuance, in practice on the stock exchange, Sukuk consists of two types, namely:
1. State Sukuk, namely Sukuk issued by the government of the Republic of Indonesia. Sukuk Negara has a legal basis for Law no. 19 of 2008 on SBSN.
2. Corporate Sukuk, namely Sukuk issued by companies, either private companies or state-owned companies (BUMN). Corporate Sukuk is regulated in the Financial Services Authority Regulation (POJK) number 18 / POJK.04 / 2005 concerning the Issuance and Requirements of Sukuk.

Based on the AAOIFI (Accounting and Auditing Organization for Islamic Institutions) sharia standards regarding investment Sukuk, the types of Sukuk consist of Sukuk Mudharabah, Sukuk Musyarakah, Sukuk Ijarah, Sukuk Murabahah, Sukuk Salam, Sukuk Istishina.

The Sukuk traded on the Indonesia Stock Exchange (IDX) only include two types of Sukuk, namely ijarah Sukuk and mudharabah Sukuk. However, in 2018, there was a Sukuk issuance using a new contract, namely the wakalah contract. By using this wakalah contract, the issuer is more flexible in managing the proceeds from the Sukuk issuance, not only limited to one investment activity but can be combined, such as for leasing, profit sharing, and so on. The company that uses the wakalah contract is PT Medco Power Indonesia with the issuance of 3 series of Sukuk wakalah with a total value of IDR 600 billion (OJK, 2018).

Sukuk Issuance Value

Mamduh (2005: 113) states that the nominal value is the price stated on a bond. This value reflects the price the bond issuer will pay at maturity. Another explanation by Rahardjo (2007: 41) states that generally the formation of a bond price is determined by various factors, namely the coupon rate, issuer rating, bond value, maturity period, bond liquidity, type of bond and issuer external factors such as inflation, interest rates, JCI. and exchange rates. Furthermore, according to
Rusdin (2008: 68), the value of Sukuk is divided into 3 types, namely nominal value (pari value), basic value, and market value.

**Sukuk Rating**

Tandelilin (2010: 251) states that a bond rating is not a suggestion for buying or selling bonds. Securities rating agencies can bridge the information gap between issuers or issuing companies and investors by providing standard information on the company's credit risk level. The closer the bond is to idAAA, the better the rating is and the less likely it is that the bond will fail to meet its interest and principal debt obligations.

**Sukuk Risk**

Besides profit, risk is also a part that needs to be considered in investing. There are two possibilities that occur in these investments, namely the results are smaller than predicted or vice versa. Brigham & Houston (2015: 322) states that an asset with a high level of relevant risk (market) must offer a relatively high expected rate of return to attract investors. Investors are generally risk-averse, so they will not buy risky assets unless they have a high expected return. According to Tandelilin (2010: 104) the risks can be grouped into two types:

1. Systematic risk, also known as market risk, is the risk associated with changes that occur in the market as a whole. In other words, systematic risk is a risk that cannot be diversified.
2. Unsystematic risk, commonly known as specific risk (company risk), is a risk that is not related to changes in the overall market. Company risk is more related to overall market changes.

Furthermore, Tandelilin also stated (2010: 105) that there are several sources of risk that can affect the amount of risk in an investment, namely Interest Rate Risk, Market Risk, Inflation Risk, Business Risk, Financial Risk, Liquidity Risk, Exchange Rate Risk, Country Risk.

**Sukuk Prices**

Usually, the main thing an investor does before determining a transaction on a bond is to first look at the bond price. This is very important for investors to know so that they know when to sell or buy these bonds. According to Achmad & Greace (2007), bond prices are used as the basis for trade and investment transactions. Bond prices always fluctuate according to market conditions and are influenced by movements in interest rates as a result of macroeconomic conditions.

Furthermore, Mufaniri (2008) states that the theory related to determining bond prices is:

1. If the bond market rises, the yield will definitely go down, and vice versa.
2. If the bond yield does not change throughout its validity period, the discount will decrease the shorter the term.
3. The decrease in bond yields will increase the bond price by a larger amount than the decrease in bond prices due to the increase in bond yields.
4. The percentage of change in bond prices caused by changes in yield will be smaller if the coupon interest rate is higher but this does not apply to bonds with a maturity of 1 year.

**Conceptual Model**

![Conceptual Model](image_url)

*Figure 1. The Conceptual Model*
RESEARCH METHOD

Research Design, Site and Time

In this study, researchers used a quantitative approach, which is an approach that focuses more on testing theories and concepts through a variable measurement as well as performing standard procedures in data analysis through statistical tools that aim to test hypotheses. This research was conducted by obtaining data from the official website of the Indonesia Stock Exchange, and The Indonesia Capital Market Institute (TICMI). This research lasted for 3 months from August 2020 to November 2020.

Population or Samples

The population of this study are Sukuk issuing companies that routinely issue Sukuk during the period 2014 - 2019 and are listed on the Indonesia Stock Exchange. The sample selection criteria are as follows:

2. Companies that regularly issue Sukuk at least four times during the period 2014-2019.
3. Companies with the availability of data needed in the study.

Based on the criteria in selecting the sample, 10 companies were selected as samples and a total of 60 Sukuk issuances were listed on the Indonesia Stock Exchange for the period 2014-2019.

Data Analysis Method

To analyze research problems, SPSS assistance was used. The data processing techniques used in this study are:

Classic Assumption Test

a. Normality test, aims to test whether in the regression model, the variables used have a normal distribution or not. A good regression model is normally distributed or close to normal. The assumption test can be seen from the Kolmogrov-Smirnov test.

b. Multicollinearity test, aims to test whether the regression model found free (independent) correlation. We can know the existence of multicollinearity by looking at the VIF (Variance Inflation Factors) value or its tolerance value. We can know multicollinearity when the VIF value>10 or vice versa by looking at the tolerance value <0.1 and vice versa.

c. Auto-correlation test, aims to test a model in linear regression whether there is a correlation between confounding errors (residuals) in period t with errors in period t-1(previous). We can test the autocorrelation of the analyzed data using the Durbin-Watson Test. The regression model is said to be good when the regression is free from autocorrelation (Ghozali, 2011: 110).

Model Feasibility Test

a. F test (Simultaneous), this test is used to determine the degree of influence between independent variables (X1, X2, X3) simultaneously or together with the dependent variable (Y1, Y2). The degree of confidence used is 0.005. If the F value of the calculation results is greater than the F table value, the hypothesis states that the independent variable simultaneously has a significant effect on the dependent variable.

b. T test (partial), this test is used to determine the degree or strength of influence between independent variables (X1, X2, X3) individually (partially) on variables (Y1 and Y2). The t-test is done by comparing the t-count with the table at a significant level of 0.05.

c. The coefficient of determination (R²) aims to measure how far the model's ability to explain the variation in the dependent variable. In multiple linear regression testing, the overall regression coefficient (R²) was also analyzed. Ghozali (2011: 97) said that R² measures how far the regression model is able to explain variations in the dependent or dependent variable.

Correlation Analysis

To determine the relationship between variables, the following correlation analysis is used
mediate the dependent and independent variables. Ghozali (2011) hypothesis testing can be done based on the results of the model 1 and 2 statistical test, they indicate a significant value greater than 0.05, which is equal to 0.036 for model 1 and 0.070 for model 2, so it can be concluded that both model is normally distributed. From the multicollinearity test using the VIF, both data do not indicate multicollinearity. This can be seen from the VIF value of each model smaller than 10. With respect to autocorrelation test, from the calculation, the dw value of 1.982 is greater than du and less than 4 - du (du < dw < 4-du) or 1.6889 < 1.982 < 2.018. it can be concluded that there is no autocorrelation problem found in equation model 1. For model 2, the coefficient value is 1.743, greater than du and smaller than 4 - du (du < dw < 4-du) or 1.7274 < 1.743 < 2.257. Thus, there is no deviation between one observation and another.

**Main Variable Findings**

**Statistical F Test**

From the table above, it can be seen that simultaneously the variable value of Sukuk (X₁), rating of Sukuk (X₂), and risk of Sukuk (X₃) have a positive and significant effect on the price reaction of Sukuk. This can be seen from the calculated F value which shows a value of 21.887(significance F = 0.000) so the significance value of F < 5% (0.000 < 0.05).

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>18650333,916</td>
<td>3</td>
<td>6216777,972</td>
<td>21.887</td>
<td>.000^</td>
</tr>
<tr>
<td>Residual</td>
<td>15906351,084</td>
<td>56</td>
<td>284041,984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34556685,000</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sukuk Price Reaction
b. Predictors: (Constant), Sukuk Risk, Sukuk Rating, Sukuk Value
Source: Output SPSS 25
Based on the results of the Anova model 2 test, it is known that the calculated F value is 42.050 and the significant value is 0.000. The variable value of Sukuk (X₁), rating of Sukuk (X₂), risk of Sukuk (X₃), and price reaction of Sukuk (Y₁) have a positive and significant effect simultaneously on market growth reactions (Y₂).

**Statistical t**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>7906,377</td>
<td>1931,440</td>
<td>4,094</td>
<td>.000</td>
</tr>
<tr>
<td>Sukuk Value</td>
<td>6,396E-9</td>
<td>,000</td>
<td>,974</td>
<td>4,343</td>
</tr>
<tr>
<td>Sukuk Rating</td>
<td>100,415</td>
<td>46,694</td>
<td>,312</td>
<td>2,150</td>
</tr>
<tr>
<td>Sukuk Risk</td>
<td>-199,103</td>
<td>100,417</td>
<td>,524</td>
<td>-1,983</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sukuk Price Reaction

Based on the equation model 1 above, it can be concluded that partially the value of Sukuk (X₁) has a positive and significant effect on the price reaction of Sukuk (Y₁). This can be seen from the t value for the Sukuk price reaction variable (Y₂) has a partial positive and insignificant effect on market growth reactions (Y₂). Furthermore, for the risk variable Sukuk (X₃) partially has a positive and insignificant effect on the Sukuk price reaction variable (Y₁). This can be seen from the t value obtained at -1,983 with a significant level of 0.052.

**Table 4. Model 2 t Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>-002</td>
<td>,014</td>
<td>-1,31</td>
<td>.896</td>
</tr>
<tr>
<td>Sukuk Value</td>
<td>4,818E-14</td>
<td>,000</td>
<td>,842</td>
<td>4,401</td>
</tr>
<tr>
<td>Sukuk Rating</td>
<td>-9,792E-5</td>
<td>,000</td>
<td>-0,35</td>
<td>-3,13</td>
</tr>
<tr>
<td>Sukuk Risk</td>
<td>-001</td>
<td>,001</td>
<td>-0,198</td>
<td>-0,982</td>
</tr>
<tr>
<td>Sukuk Price Reaction</td>
<td>2,467E-6</td>
<td>,000</td>
<td>,283</td>
<td>2,872</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sharia Capital Market Growth Reaction

The significant value of the independent variable (t statistic), the value of Sukuk (X₁) of 0.000 <0.05 or a significance level of 5%, which means that the value of Sukuk (X₁) has a partial effect on the reaction to market growth (Y₂). For the Sukuk rating variable (X₂) shows a significant value of 0.755>0.05 or a significance level of 5% so it can be concluded that the Sukuk rating variable (X₂) has no significant effect on market growth reactions (Y₂). Furthermore, for the risk variable Sukuk (X₃) shows a significant value of 0.330> 0.05, which means that partially there is no and significant effect on the market growth reaction variable (Y₂). For the Sukuk price reaction variable (Y₁) shows a significant value of 0.006 <from 0.05, which means that partially it has a positive and significant effect on the market growth reaction variable (Y₂).
**Coefficient of Determination (R²)**

Table 5. Model 1 Determination Coefficient Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.735*</td>
<td>.540</td>
<td>.515</td>
<td>532.956</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sukuk Risk, Sukuk Rating, Sukuk Issuance Value
b. Dependent Variable: Sukuk Price Reaction

Source: Output SPSS 25

The results of the analysis showed that the correlation coefficient (R²) indicates a relationship between variables X and Y of 0.540 which means that there is a positive and unidirectional relationship between variable X and variable Y of 54.0% and the influence of other variables of 46.0% which not included in the model.

Table 6. Model 2 Determination Coefficient Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.868*</td>
<td>.754</td>
<td>.730</td>
<td>.003427</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Sukuk Price Reaction, Sukuk Rating, Sukuk Issuance Value, Sukuk Risk
b. Dependent Variable: Sharia Capital Market Growth Reaction

Source: Output SPSS 25

In the equation table model 2 above shows an R² value of 0.754, meaning that the model formed in this equation is able to explain the dependent variable by 75.4% of the independent variable. Meanwhile, 24.6% is another factor that influences and is not included in the equation model 2.

**Correlation Analysis**

Table 7. Results of Correlation Test Between Independent Variables

<table>
<thead>
<tr>
<th></th>
<th>Sukuk Issuance Value</th>
<th>Sukuk Rating</th>
<th>Sukuk Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.665*</td>
<td>.912*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sukuk Issuance Value</th>
<th>Sukuk Rating</th>
<th>Sukuk Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.665*</td>
<td>1</td>
<td>.774*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sukuk Issuance Value</th>
<th>Sukuk Rating</th>
<th>Sukuk Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.912*</td>
<td>.774*</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Output SPSS 25

From the statistical results above, the correlation value of the Sukuk value (X₁) and the Sukuk rating (X₂) is 0.665 at a significance level of 0.000 less than 0.05. This shows that there is a significant correlation between the variable value of the Sukuk (X₁) and the Sukuk rating (X₂). The degree of correlation formed is at a very strong interval (0.665). The correlation relationship between the two variables is positive, which means that if there is a change either up or down from one of the variables it will be followed by the same change in other variables where the closeness relationship is very strong.

**Path Analysis Calculations**

Table 8. Summary Table of Direct Effect Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>St.Error</th>
<th>Coeff</th>
<th>t-Count</th>
<th>Sig.</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 - Y1</td>
<td>0.000</td>
<td>0.974</td>
<td>4,343</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2 - Y1</td>
<td>46,694</td>
<td>0.312</td>
<td>2,150</td>
<td>0.036</td>
<td>Significant</td>
</tr>
<tr>
<td>X3 - Y1</td>
<td>100,417</td>
<td>-0.524</td>
<td>-1,983</td>
<td>0.052</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X1 - Y2</td>
<td>0.000</td>
<td>0.842</td>
<td>4,401</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>X2 - Y2</td>
<td>0.000</td>
<td>-0.035</td>
<td>-0.313</td>
<td>0.755</td>
<td>Not Significant</td>
</tr>
<tr>
<td>X3 - Y2</td>
<td>0.001</td>
<td>-0.198</td>
<td>-0.982</td>
<td>0.330</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Y1 - Y2</td>
<td>0.000</td>
<td>0.283</td>
<td>2,872</td>
<td>0.006</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Output SPSS 25
The value of \( \varepsilon \) in each equation can be determined using the R square value. The value of \( \varepsilon_{1} \) is the value of the variable outside the research that has an influence on the \( Y_{1} \) variable and can be determined \( \varepsilon_{1} = \sqrt{(1 - 0.540)} = 0.678 \). While the value \( \varepsilon_{2} \) can be calculated \( \varepsilon_{2} = \sqrt{(1 - 0.754)} = 0.495 \). The path diagram formed in each equation is as follows:

![Path Diagram Coefficient](image.png)

**Figure 2. Path Diagram Coefficient**

**Table 9. Path Coefficient Table Direct Effect, Indirect Effect, and Total Effect**

<table>
<thead>
<tr>
<th>Relationship Between Variables</th>
<th>Coefficient</th>
<th>Coefficient</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>( X_{1} - Y_{1} )</td>
<td>0.974</td>
<td>-</td>
<td>0.974</td>
</tr>
<tr>
<td>( X_{2} - Y_{1} )</td>
<td>0.312</td>
<td>-</td>
<td>0.312</td>
</tr>
<tr>
<td>( X_{1} - Y_{2} )</td>
<td>-0.524</td>
<td>-</td>
<td>-0.524</td>
</tr>
<tr>
<td>( X_{1} - Y_{3} )</td>
<td>0.842</td>
<td>-</td>
<td>0.842</td>
</tr>
<tr>
<td>( X_{2} - Y_{3} )</td>
<td>-0.035</td>
<td>-</td>
<td>-0.035</td>
</tr>
<tr>
<td>( X_{1} - Y_{4} )</td>
<td>-0.198</td>
<td>-</td>
<td>-0.198</td>
</tr>
<tr>
<td>( Y_{1} - Y_{4} )</td>
<td>0.283</td>
<td>-</td>
<td>0.283</td>
</tr>
<tr>
<td>( X_{2} - Y_{3} )</td>
<td>-</td>
<td>0.275</td>
<td>1.117</td>
</tr>
<tr>
<td>( X_{1} - Y_{3} - Y_{2} )</td>
<td>-</td>
<td>0.088</td>
<td>0.053</td>
</tr>
<tr>
<td>( X_{1} - Y_{2} )</td>
<td>-</td>
<td>-0.148</td>
<td>-0.346</td>
</tr>
</tbody>
</table>

Source: Output SPSS 25

The table above has a direct influence relationship between the variable \( X_{1} \) (the value of the Sukuk) and the variable \( Y_{1} \) (the price of the Sukuk) of 0.974. In relation to the influence between variable \( X_{1} \) (Sukuk value) on variable \( Y_{1} \) (Sukuk price), it does not have an intervening variable so it does not have an indirect effect. The total effect of this relationship is the same as the direct effect which is equal to 0.974.

The direct effect between the variable \( X_{2} \) (Sukuk rating) on the \( Y_{1} \) variable (Sukuk price) has a direct effect coefficient of 0.312. In relation to the influence of variable \( X_{2} \) (Sukuk rating) on variable \( Y_{1} \) (Sukuk price), it does not have an intermediate variable (Intervening) so it does not have an indirect effect. The total effect of the direct effect of these two variables is the same as the direct effect of 0.312.

In variable \( X_{3} \) (risk of Sukuk) on variable \( Y_{1} \) (price of Sukuk) has a direct effect of -0.524. The relationship of variable \( X_{3} \) (risk of Sukuk) to \( Y_{1} \) (price of Sukuk) does not have an intervening effect so it does not have an indirect effect. For the total effect of the relationship this effect is -0.524, which is the same as the direct effect.

The direct effect of the variable \( X_{1} \) (Sukuk value) on \( Y_{2} \) (market growth reaction) has a direct effect of 0.842. The relationship between the effect of \( X_{1} \) (Sukuk value) on \( Y_{2} \) (market growth reaction) has an intervening variable, namely the \( Y_{1} \) variable (Sukuk price), so the relationship between the effect of \( X_{1} \) (Sukuk value) on \( Y_{2} \) (market growth reaction) has an indirect
effect through intervening variables. $Y_1$ (Sukuk price). The magnitude of this indirect effect is obtained from multiplying the direct effect between the independent variable $X_1$ (Sukuk value) on the intervening variable $Y_1$ (Sukuk price) with the direct influence between the intervening variable $Y_1$ (Sukuk price) and the dependent variable $Y_2$ (market growth reaction), namely $(X_1 - Y_1) (Y_1 - Y_2)$ or $(0.974 \times 0.283)$ so that the indirect effect is 0.275. The total effect of this variable influence relationship is obtained by adding up the coefficient of direct influence $X_1$ (Sukuk value) to $Y_2$ (market growth reaction) $(X_1 - Y_2)$ with the indirect effect between the variable $X_1$ (Sukuk value) on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) $(X_1 - Y_1 - Y_2)$ in order to obtain $(0.842 + 0.275) = 1.117.

The direct relationship between the influence of the variable $X_2$ (Sukuk rating) on $Y_2$ (market growth reaction) is -0.035. The relationship between the variable $X_2$ (Sukuk rating) to $Y_2$ (market growth reaction) has an intervening variable, namely the $Y_1$ variable (Sukuk price) so that it has an indirect effect. The indirect effect between the variable $X_2$ (Sukuk rating) on $Y_2$ (market growth reaction) through the $Y_1$ variable (Sukuk price) $(X_2 - Y_1 - Y_2)$ is obtained from multiplying the coefficient of direct effect of variable $X_2$ (Sukuk rating) to $Y_1$ (market growth reaction) $(X_2 - Y_1)$ with the direct influence between the intervening variable $Y_1$ (Sukuk price) on $Y_2$ (market growth reaction) $(Y_1 - Y_2)$. So that the indirect effect can be obtained $(0.312 \times 0.283) = 0.088$. The total effect formed on this path is obtained by adding up the direct effect of $X_2$ (Sukuk rating) on $Y_2$ (market growth reaction) $(X_2 - Y_2)$ with the indirect effect of $X_2$ (Sukuk rating) influence on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) $(X_2 - Y_1 - Y_2)$ then obtained $(-0.072) + 0.088 = 0.053$.

Furthermore, the relationship between the influence of the variable $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) has a direct effect of -0.198. This influence relationship has an intervening variable, namely $Y_1$ (Sukuk price), so the effect relationship also has an indirect effect. The indirect effect of $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) is calculated by multiplying the direct effect coefficient between $X_3$ (Sukuk risk) on $Y_1$ (Sukuk price) $(X_3 - Y_1)$ with the direct effect between $Y_1$ (Sukuk price) to $Y_2$ (market growth reaction) $(Y_1 - Y_2)$. Then it can be determined that the coefficient of the indirect effect is $(-0.524 \times 0.283) = -0.148$. To calculate the total effect on this path, it is obtained by adding up the direct effect between $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) $(X_3 - Y_2)$ with the indirect effect between $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) $(X_3 - Y_1 - Y_2)$. So, the total effect value is obtained $(-0.198) + (-0.148) = -0.346$.

The variable $Y_1$ (Sukuk price) has a direct effect on the $Y_2$ variable (market growth reaction) of 0.283. The relationship between the variable $Y_1$ (Sukuk price) to $Y_2$ (market growth reaction) does not have an intervening variable so it does not have an indirect effect. The total effect of the variable relationship $Y_1$ (Sukuk price) to $Y_2$ (market growth reaction) is equal to the magnitude of the direct effect, namely 0.283.

**Sobel Test**

**Table 10. Coefficient and Standard Error Score of Path Mediation**

<table>
<thead>
<tr>
<th></th>
<th>X1-Y1</th>
<th>Y1-Y2</th>
<th>X2-Y1</th>
<th>Y1-Y2</th>
<th>X3-Y1</th>
<th>Y1-Y2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.974</td>
<td>0.000</td>
<td>0.000</td>
<td>0.312</td>
<td>0.283</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>(a)</td>
<td>(Sa)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d-b)</td>
<td>(d/b)</td>
</tr>
<tr>
<td>2</td>
<td>0.283</td>
<td>0.000</td>
<td>46.694</td>
<td>0.283</td>
<td>0.000</td>
<td>100.417</td>
</tr>
<tr>
<td></td>
<td>(b)</td>
<td>(Sb)</td>
<td>(Sc)</td>
<td>(d-b)</td>
<td>(Sd/Sb)</td>
<td>(Se)</td>
</tr>
<tr>
<td>3</td>
<td>-0.524</td>
<td>0.000</td>
<td>100.417</td>
<td>0.283</td>
<td>0.000</td>
<td>100.417</td>
</tr>
<tr>
<td></td>
<td>(e)</td>
<td>(Se)</td>
<td>(f=b=d)</td>
<td>(f/Sb/Sd)</td>
<td>(f)</td>
<td>(f)</td>
</tr>
</tbody>
</table>

Source: Output SPSS 25
Hypothesis Testing

1) H3: Value of Sukuk (X1) has a positive and significant effect on Sukuk Price Reaction (Y1).
   Based on the statistical results, the coefficient of direct influence between the variable X1 (Sukuk value) and Y1 (Sukuk price) is 0.974 with a significance value of 0.000 <0.05 (5% significant level). The statistical significance value below the 5% significance level value means that the X1 variable (Sukuk value) has a significant effect on the Y1 variable (Sukuk price). Thus it can be concluded from the statistical results that the first hypothesis (H1) is accepted.

2) H2: Sukuk Rating (X2) Has a Positive and Significant Effect on Sukuk Price Reaction (Y1)
   The statistical results show the amount of the direct influence coefficient between the X2 variable (Sukuk rating) on the Y1 variable (Sukuk price) is 0.312. The value of statistical significance formed in this variable relationship is 0.036 <0.05 (5% significance level). This shows that there is a significant influence between the X2 variable (Sukuk rating) on the Y1 variable (Sukuk price). So it can be concluded that H2 is acceptable.

3) H3: Sukuk Risk (X3) Has a Positive and Significant Effect on Sukuk Price Reaction (Y1)
   The coefficient value of the direct influence between the variable X3 (risk of Sukuk) on the variable Y1 (price of Sukuk) based on the results of statistical analysis was obtained at -0.524 with a significance value of 0.052. The significance value is greater than 0.05 (5% significance level), so it can be said that the X3 variable (risk of Sukuk) has no significant effect on variable Y1 (Sukuk price). The conclusion of this analysis is that H3 is rejected.

4) H4: Value of Sukuk (X1) has a positive and significant effect on the growth reaction of Islamic
Based on the results of statistical analysis for the relationship between the effect of variable X1 (Sukuk value) on variable Y2 (market growth reaction), the coefficient of influence is 0.842 with a significance level of 0.000 <0.05 (significance level of 5%). This shows that the variable X1 (Sukuk value) has a positive and significant effect on variable Y2 (market growth reaction). So it can be concluded that H4 is accepted.

5) H5: Sukuk Rating (X2) has a negative and significant effect on the growth reaction of sharia capital market (Y2)
The coefficient value of the direct influence between the variable X2 (Sukuk rating) on the Y2 variable (market growth reaction) based on the results of statistical analysis was obtained at -0.035 with a significance value of 0.755. The significance value is greater than 0.05 (5% significance level), so it can be said that the X2 variable (Sukuk rating) does not have a significant effect on the Y2 variable (market growth reaction). The conclusion of this analysis is that H5 is accepted.

6) H6: Sukuk Risk (X3) has a negative and significant impact on the growth reaction of sharia capital market (Y2)
The results of statistical analysis for the relationship of the influence of variable X3 (risk of Sukuk) to variable Y2 (market growth reaction) obtained an effect coefficient of -0.198 with a significance level of 0.330> 0.05 (significance level of 5%). This shows that the variable X3 (risk of Sukuk) has no significant effect on variable Y2 (market growth reaction). So it can be concluded that H6 is accepted.

7) H7: Value of Sukuk (X4) has a positive and significant effect on market growth reactions (Y2) through Sukuk price reactions (Y1)
The value of the coefficient of indirect effect X1 (Sukuk value) on Y2 (market growth reaction) through Y1 (Sukuk price) is done by multiplying the direct effect coefficient X1 (Sukuk value) to Y1 (Sukuk price) with the variable direct influence coefficient Y1 (Sukuk price ) to Y2 (market growth reaction) thus obtained 0.974 x 0.283 = 0.275. While the total effect value is obtained by adding up the coefficient of direct influence of the variable X1 (risk of Sukuk) on Y2 (market growth reaction) with the coefficient of indirect effect of variable X1 (risk of Sukuk) on Y2 (reaction of market growth) through Y1 (price of Sukuk) to obtain 0.842. + 0.275 = 1.117. Based on the results of the sobel test, the mediation effect of X1 (Sukuk value) on Y2 (market growth reaction) through Y1 (Sukuk price) has a value of 0, this is because the standard error value of X1 to Y1 and Y1 to Y2 is equal to 0.000. Therefore the tcount value obtained from the above calculation is 0 with a t table of 1.67303. This means that there is no significant indirect effect between the variables X1 on Y2 through Y1 where tcount <ttable 0 <1.67303). So it can be concluded that H7 is rejected.

8) H8: Sukuk Rating (X2) Has a Positive and Significant Effect on Market Growth Reaction (Y2) Through Sukuk Price Reaction (Y1)
The value of the coefficient of indirect influence X2 (Sukuk rating) on Y2 (market growth reaction) through Y1 (Sukuk price) is done by multiplying the direct effect coefficient X2 (Sukuk rating) on Y1 (Sukuk price) with the variable direct influence coefficient Y1 (Sukuk price ) to Y2 (market growth reaction) thus obtained 0.312 x 0.283 = 0.088. While the total effect value is obtained by adding up the coefficient of direct influence of the variable X2 (Sukuk rating) on Y2 (market growth reaction) with the variable indirect effect coefficient of X2 (Sukuk rating) on Y2 (market growth reaction) through Y1 (Sukuk price) so that (-0.035) + 0.088 = 0.053. Based on the results of the sobel test, the mediation effect of X2 (Sukuk rating) on (market growth reaction) through Y1 (Sukuk prices) obtained a tcount value of 0.0067 and a t-table value of 1.67303. This shows that the value of tcount <ttable is 0.0067 <1.67303. This means that there is no significant direct influence between the variables X2 on Y2 through Y1. So it can be concluded that H8 is rejected.
9) $H_0$: Sukuk Risk ($X_3$) Has a Positive and Significant Effect on Market Growth Reaction ($Y_2$) Through Sukuk Price Reaction ($Y_1$)

The value of the coefficient of indirect influence $X_3$ (risk of Sukuk) on $Y_2$ (reaction to market growth) through $Y_1$ (price of Sukuk) is done by multiplying the coefficient of direct influence $X_3$ (risk of Sukuk) on $Y_1$ (price of Sukuk) with the coefficient of direct effect of variable $Y_1$ (price of Sukuk) to $Y_2$ (market growth reaction) thus obtained $\left(-0.524 \times 0.283\right) = -0.148$. While the total effect value is obtained by adding up the coefficient of direct influence of the variable $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) with the variable indirect effect coefficient of $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) so that $\left(-0.198\right) + \left(0.148\right) = -0.346$. Based on the results of the sobel test, the mediation effect of $X_3$ (Sukuk risk) on $Y_2$ (market growth reaction) through $Y_1$ (Sukuk price) obtained a t-count value of $-0.0052$ and a t-table value of $1.67303$. This shows the value of t-count $<t$-table, which is $-0.0052 < 1.67303$. This means that there is no significant direct influence between the $X_3$ variable on $Y_2$ through $Y_1$. So it can be concluded that $H_0$ is rejected.

10) $H_{10}$: Sukuk Price Reaction ($Y_1$) Has a Positive and Significant Effect on Market Growth Reaction ($Y_2$)

The coefficient value of the direct influence between the variable $Y_1$ (Sukuk price) on the $Y_2$ variable (market growth reaction) based on the results of statistical analysis is $0.283$ with a significance value of $0.006$. The significance value is greater than $0.05$ (5% significance level), so it can be said that the $Y_1$ variable (Sukuk price) has a significant influence on the $Y_2$ variable (market growth reaction). The conclusion of this analysis is that $H_{10}$ is accepted.

**DISCUSSION**

**Effect of Sukuk Value on Sukuk Price Reaction**

Testing of the Sukuk value variable shows that the Sukuk value has a positive and significant effect on the Sukuk price. This means that the existence of Sukuk can be responded positively by investors. The value of the Sukuk has a good impact, because it can have a strong influence on the price of the Sukuk. Where this shows that the value of the Sukuk contains sufficient information on the decisions taken by investors. The value of the Sukuk issuance will cause an increase in leverage. On the one hand, increasing leverage will bring benefits to the company in the form of a tax shield where the company can reduce the portion of earnings paid for taxes so that the company can increase the value of the company and provide benefits for investors.

The results of this study are consistent with what has been stated by Darmadji et al. (2006) which states that things that can affect bond prices are nominal value, interest rate, interest payment period, and maturity period. This is also stated by Rahardjo (2007: 41) who says that generally the formation of a bond price is determined by various factors, namely coupon rate, issuer rating, bond value, maturity period, bond liquidity, type of bond and issuer external factors such as inflation, rates, interest, IHSG and exchange rates.

**Effect of Sukuk Ratings on Sukuk Price Reactions**

The results of the analysis in this study proved that the Sukuk rating had a positive and significant effect on the Sukuk price reaction. This means that the Sukuk rating variable is able to have a strong influence on the Sukuk price reaction. Maybe because there are several companies that have a fairly good rating on this research data so that the Sukuk rating variable can provide the ability to explain the price reaction of Sukuk as the dependent variable. A good rating on a company listed on the Indonesia Stock Exchange shows that the reaction or price change has a low default rate so that it can affect the price of the bonds issued.

The results of this study are in line with the results of research by Silalahi & Donalson (2007) which states that bond ratings have a positive and significant effect on bond prices. Likewise, Sumarna & Badjra research (2016) stated that rating has a positive and significant effect
on changes in the price of corporate bonds in companies listed on the Indonesia Stock Exchange. This shows that the higher the rating value, the price of a bond will increase.

**Effect of Sukuk Risk on Sukuk Price Reaction**

Based on the test results of the Sukuk risk variable, it shows that the risk of Sukuk has a negative and significant effect on the price reaction of Sukuk. This is possible due to the duration factor in which bonds with a longer duration will face higher risks related to interest rate fluctuations. In portfolio theory, risk is expressed as the probability of profit deviating from the expected. Because risk has 2 dimensions, namely deviating greater or less than the expected return. This is supported by Brigham and Houston's (2015) theory which states that bond prices will increase if the prevailing interest rate falls, due to interest rate risk, namely the risk of decreasing bond prices due to an increase in interest rates.

Mamduh, Hanafi (2005) also reveals that the higher the duration, the higher the volatility of the market price of a bond, in other words that the increasing duration causes the risk of changes in interest rates that both the issuer and the bond owner must anticipate. This means that the longer the duration of a bond, the higher the risk of a bond experiencing changes in market price due to fluctuations in interest rates. This statement is in accordance with the theory which states that the size of the duration will affect the volatility of the bond price (Manurung & Adler, 2006).

**The Effect of Sukuk Value on Growth Reactions of Islamic Capital Market**

The results of the analysis in this study proved that the value of Sukuk has a positive and significant effect on the growth of the Islamic capital market. This means that the variable value of the Sukuk is able to provide strong information on the growth of the Islamic capital market which is proxied into abnormal returns. Market reactions reflect actions taken by investors after receiving information about a certain event. The value of Sukuk issuance should still be taken into account in making investment decisions because the value will always change from time to time and is predicted to grow in the future.

The results of this study are in line with Fathoni et al. (2017) which states that the value of Islamic bond issuance in companies that issue Sukuk on the Indonesian stock exchange has a positive effect on the capital market reaction which is proxied in cumulative abnormal returns. Purwaningsih & Khoiruddin (2016) also found the same thing in his research on market reactions to the announcement of the issuance of mudharabah Sukuk and conventional bonds which showed a positive and significant effect on abnormal returns. Likewise, research conducted by Iskandar & Ridwan (2019) shows that the value of Sukuk issuance has a positive and significant effect on stock returns.

**The Effect of Sukuk Rating on Growth Reactions of Islamic Capital Market**

The results of this study prove the hypothesis that the Sukuk rating has a negative and significant effect on the growth of the Islamic capital market. If viewed partially, the Sukuk rating does not have a strong influence on the reaction to capital market growth. This is possible because there are companies that have low ratings, namely BBB and BBB +. In addition, the low ability of the company's sharia bond (Sukuk) rating variable in explaining the cumulative abnormal return of shares as the dependent variable can also be due to the fact that there are still so many external and internal factors of other companies that also influence the company's daily cumulative abnormal return value.

The results of this study support previous research conducted by Cheng et al. (2005) which stated that cumulative abnormal return has no positive effect on convertible bond announcements on the Japanese capital market. The same thing is also found in Savitri (2015) research which states that testing of the Islamic bond issuance rating variable (Sukuk) shows that the Islamic bond issuance rating has no significant effect on the cumulative abnormal return of stocks. The results of this study are also in accordance with Iswara et al. (2018) research which states that Islamic bonds partially have a negative and significant effect on the capital market reaction.
**Effect of Sukuk Risk on Sharia Capital Market Growth Reactions**

Testing of the Sukuk risk variable shows that the risk of Sukuk does not have a positive and significant effect on capital market growth. This was possibly due to various external and internal factors, such as tight liquidity and deteriorating asset quality, which prompted investors to withdraw some of their funds. Meanwhile, fluctuations in financial markets have increased investors' risk perceptions of emerging market assets (deleveraging), so that investors tend to shift their investment to other financial assets that are considered safer (safe haven). This reversal of capital flows has caused volatility in the stock and bond markets.

The results of this study are reinforced by research conducted by Dheni (2015) in his research that the risk variable Sukuk has a negative correlation coefficient and is not significant to the last yield of Sukuk. This shows that the risk variable has a not so big influence on market reaction caused by the level of risk that is not too high in the Sukuk. This research is also in line with Nuruddin (2019), which states that the risk of Islamic bonds (Sukuk) has a negative and insignificant effect on the reaction to capital market growth.

**Effect of Sukuk Value on Sharia Capital Market Growth Reactions through Sukuk Price Reactions**

Based on the results of statistical tests, the variable price of Sukuk is not able to mediate the relationship between the value of the Sukuk and the growth of the capital market. This research is in line with the results of research by Hapsari (2016) which states that the variable value of Sukuk has a negative effect on the price of Sukuk. Furthermore, Kirana (2016) research results show that the price of issuance of Islamic bonds (Sukuk) before and after issuance has a negative and insignificant effect on the reaction of the capital market. However, Iskandar & Ridwan (2019) in his research on the variable value of the issuance of Islamic bonds (Sukuk) on market reaction shows that the value of issuance of Islamic bonds (Sukuk) has a positive and significant effect on stock returns. Likewise, the results of research by Arrief et al. (2020) show that the value of Sukuk issuance has a positive effect on the Indonesian capital market reaction. The value of the Sukuk issuance greatly influences the reaction of the Indonesian capital market, because the existence of Sukuk can be responded positively by investors and the value of Sukuk issuance is a form of company policy that will have an impact on changes in the company's capital structure.

**Effect of Sukuk Rating on Growth Reactions of Islamic Capital Market through Sukuk Price Reactions**

Based on the results of statistical tests, the variable price of Sukuk is not able to mediate the relationship between Sukuk rating and capital market growth. However, in the research of Silalahi & Donalson (2007) and Sumarna & Badjra (2016) who get the same results that the rating has a positive effect on changes in bond prices significantly. Furthermore, Kirana (2016) research shows that the issuance price of Islamic bonds (Sukuk) before and after issuance has a negative and insignificant effect on the reaction of the capital market. Modirzadehbami (2011); Godlewski et al. (2010) and Ghoniyah et al. (2008) found in their research that market reactions had a negative effect on the announcement of Islamic bond issuance. The negative results indicate that the issuance of Islamic bonds contains information content which means bad news for investors and is considered to increase the company's debt. Furthermore Cheng et al. (2005); Savitri (2015); and Iswaral et al. (2018) show the same results in their research that ratings do not affect the capital market reaction.

**Effect of Sukuk Risk on Growth Reactions of Islamic Capital Market through Sukuk Prices**

Based on the results of statistical tests, the variable price of Sukuk is not able to mediate the relationship between Sukuk risk and capital market growth. Investors' desire to get a large return should not be separated from one thing that always accompanies returns, namely risk. Sukuk price variable cannot mediate because there may be many factors that affect the market in general such as changes in interest rates, foreign exchange fluctuations and government policies.

The results of this study are in line with the results of research by Hapsari (2016) which
states that rating and risk variables each have a positive and significant effect on the price of Sukuk. Furthermore, Kirana (2016) shows that the price of issuance of Islamic bonds (Sukuk) before and after issuance has a negative and insignificant effect on the reaction of the capital market. Whereas in the research of Dheni (2015) and Nuruddin (2019), it is stated that the risk of Islamic bonds (Sukuk) has a negative and insignificant effect on the reaction to capital market growth.

**Effect of Sukuk Price Reactions on Growth Reactions of Islamic Capital Markets**

The results of the analysis in this study proved that the price of Sukuk has a positive and significant effect on the reaction to capital market growth. This means that the Sukuk price variable can have a strong influence on the reaction to market growth reactions. Sukuk issuance that is well responded to in the capital market will bring benefits to the company and shareholders, which will be reflected in changes in stock prices and stock returns. So it is possible that there is an abnormal return that will have an impact on changes in stock prices and trading volume activity. The market reaction is indicated by a change in the price of the security concerned which can be measured by the cumulative abnormal return (Hartono, 2008).

This study is in line with Rahmawati & Tri (2005) which states that simultaneously abnormal returns and portfolio conditions affect stock prices and partially there is a positive effect of abnormal returns on stock prices. Likewise, Andreani & Christina (2014) in his research states that partially the abnormal return variable represented by the mean adjusted model, market adjusted model and market model shows that these variables have a significant effect on the dependent variable stock prices in companies listed on the Indonesia Stock Exchange in 2008-2012. However, it is different from the results of research by Kirana (2016) in that the results of his research state that the price of Islamic bonds (Sukuk) issuance before and after issuance has a negative and insignificant effect on the capital market reaction.

**CONCLUSION**

It can be concluded from study that the Sukuk value and Sukuk rating can positively impact the Sukuk price reaction. Differently, Sukuk risk show a negative impact on it. The Sukuk value and Sukuk rating also show a positive effect on market growth reaction of the Islamic capital market, but Sukuk risk has a negative impact on it. Further, market growth reaction can be said unable to be a mediation for Sukuk value, Sukuk rating, and Sukuk risk in relation to Sukuk price reaction.

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