Influence of Bi-7 Day Reverse Repo Rate, Gross Domestic Product (GDP), and Industrial Production Index (IPI) on Corporate Sukuk Growth in Indonesia with Inflation as Moderating Variable in 2011-2021

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Abstract: The development of corporate Sukuk, which is relatively small compared to the development of state Sukuk, is the background of this research. This study aims to determine whether there is an effect of the bi-7 day reverse repo rate, gross domestic product, and industrial production index on the growth of corporate Sukuk with inflation as the moderating variable in 2011-2021. This research is a quantitative study with a sample of 44 data in Indonesia for the 2011-2021 period, the results of which are published by OJK, BPS, and BI. The data is processed by software eviews 10. The data analysis tool used is Multiple Analysis and Moderated Regression Analysis (MRA), with instrument tests including Stationary Test and Assumption Test (Normality Test, Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test). After the classical assumption test was carried out, multicollinearity symptoms were detected in this study, so to cure these symptoms the researchers removed several variables from the equation model. This is done to obtain a good equation and not bias multicollinearity. With the remaining variables in the regression model, the results of the research show that the bi-7 day reverse repo rate (X1) has a negative and insignificant effect on the growth of corporate Sukuk, and the Industrial Production Index (X3) has a positive and significant effect on the growth of corporate Sukuk, inflation can moderate the effect bi-7 day reverse repo rate and Gross Domestic Product on corporate Sukuk growth (X1*Z and X2*Z).

Keywords: Bi-7 Day Reverse Repo Rate; Gross domestic product; Industrial Production Index; Corporate Sukuk; Inflation

1. Introduction

Indonesia’s Islamic finance sector is growing quite rapidly. Investors have access to the Islamic capital market as a substitute for conventional investments. Based on data from the Financial Services Authority (2020) the increase in the number of investors who utilize SOTS (Islamic Online Trading System) reached 85,891 investors by the end of 2020, up 25.21% compared to the previous year, indicating that the number of Islamic investors increased even in previous years in Indonesia. amid concerns caused by the Covid-19
outbreak. Sukuk are more popular and in demand, in addition to Islamic banking products and Islamic stocks which are capital market tools. Indonesia is committed to continuing to encourage the growth of the Sukuk market as part of creative and innovative finance because it is the largest Muslim country and has established itself as an active participant in the Sukuk market (Aisyaturrahmah & Aji, 2021).

Sharia bonds, also known as Sukuk, are long-term certificates based on sharia principles issued by the issuer to Sukuk holders. Issuers are expected to pay the Sukuk holder's income in the form of profit sharing or margin and return the bond funds at maturity, based on Fatwa no. 32/DSNMUI/IX/2002. Sukuk are classified into two categories: corporate-issued Sukuk and State-issued Sukuk known as SBSN. Sukuk issued by companies or issuers are known as corporate Sukuk. Compared to SBSN, corporate Sukuk are more susceptible to economic fluctuations, default on yields, and corporate principal financing (Ardiansyah & Lubis, 2017).

According to OJK data, corporate and state Sukuk is growing rapidly every year in Indonesia.

**Figure 1. Development of State and Corporate Sukuk in 2011-2021**

*Source: Central Bureau of Statistics, data processed, 2022*

Graph 1 shows the growth of Sukuk based on the outstanding value of Sukuk (Sukuk in circulation) indicating that the growth of corporate Sukuk is slower than that of state Sukuk. In 2021, the total outstanding value of corporate Sukuk will reach 34.77 trillion. Meanwhile, in 2021 the total outstanding state Sukuk will reach 1157.06 trillion. The rapid expansion of state Sukuk is indeed positive, but this growth must also be supported by the expansion of corporate Sukuk because corporate Sukuk plays an important supporting function for the Islamic capital market. Therefore, corporate Sukuk is as important as state Sukuk.

Compared to state Sukuk, corporate Sukuk still have a small market share, which is the cause of the slow growth. Demand for Islamic corporate bonds will also be affected by future economic conditions. Macroeconomic factors can have an impact on the success of a
company, and changes in the company's fundamental performance will have an impact on stock prices in the stock market. The capital market performance will respond to macroeconomic developments, such as changes in interest rates (Bi-7 Day Reverse Repo Rate), GDP, and the industrial production index. As previously stated, macroeconomic factors will also have an impact on the fundamental performance of a company, which will affect investors' decisions to invest because investors take into account the company's fundamental factors when determining its potential to return investors' capital with profits on the funds invested (Ningsih & Utama, 2003). 2019).

The investment climate of a country can be reflected by its macroeconomic conditions (Ardiansyah & Lubis, 2017). Macroeconomic variables such as the bi-7 day reverse repo rate, gross domestic product, and the industrial production index which measure the output of large to medium scale production, are the three variables studied in this study. Changes in macroeconomic indicators can have an impact on Sukuk's growth. Therefore, it is very important to conduct this study which discusses the relationship between macroeconomic factors and the issue of Sukuk.

Borrowing costs expressed as a proportion of the principal per period is called the interest rate (Sunariyah, 2013). Interest rates attract investors to make deposits or SBI investments, making stock investments more competitive (Raharjo, 2010). Investors usually place their funds in deposits or SBIs rather than in the capital market when interest rates are high, which can result in a decrease in the value of shares (Hasanudin & Kumaruza, 2020). According to research results (Putri, 2018), the bi-7 day reverse repo rate has a positive and significant effect on the growth of the Indonesian Sharia Stock Index (ISSI), and research results (Arrafi, 2019), the bi-7-day reverse repo rate has a positive and significant effect to the growth of corporate Sukuk in the long term, but not in the short term. The Bi-7 day reverse repo rate has a significant and negative impact on the growth of corporate Sukuk, according to another study conducted by (Rakhmadita et al., 2021), (Sukmaningrum et al., 2021), and (Siswanto, 2019).

(Murni, 2006) asserts that economic expansion is necessary for the development of potential GNP, which reflects an increase in population production per person and an increase in living standards. Sukuk issuance is positively and significantly affected by gross domestic product, according to research results from (Latifah et al., 2020) and (Setiyawan, 2021). Contrary to research findings (Mahfiroh et al., 2021), the gross domestic product has a significant negative impact on Sukuk issuance.

The industrial production index measures real economic activity, which has a direct impact on the company's cash flow (Setiyawan, 2021). Based on the results of research (Ardiansyah & Lubis, 2017a) and (Aisyaturrahmah & Aji, 2021) the industrial production index has a positive and significant influence on the issuance of Sukuk. In contrast to the results of research conducted (Malih, 2018), the industrial production index has a non-significant positive effect on the issuance of Sukuk, and (Setiyawan, 2021) says that the industrial production index has an insignificant negative effect on the issuance of Sukuk.

Since the movement of other indicators will increase inflation before affecting the capital market, inflation is a macroeconomic indicator that can be viewed as the sole alternative. This is not surprising given that inflation is the biggest economic disease in the country. Inflation, for example, can reduce people's purchasing power to a high degree when
inflation lowers the intrinsic value of a currency. An economic system will become unstable if inflation is too low (deflation) (Noval & Nadia, 2020). Based on the results of research (Siswanto, 2019), (Hasanudin & Kumaruza, 2020) and (Setiyawan, 2021) stated that inflation can affect other macroeconomics (bi-7 day reverse repo rate, gross domestic product, and industrial production index) on Sukuk corporate.

2. Literature Review

Sukuk

According to the National Fatwa Council, Islamic bonds are long-term investments based on sharia principles which mandate the issuer to repay bond funds when they mature and distribute income to bondholders in the form of yields, margins, or payments. Number. 32/ DSN-MUI/ IX/2002 Sharia. Sukuk is another name for Islamic bonds. There are two kinds of Sukuk according to the issuer: 1) SBSN is also known as state Sukuk, namely in the form of state securities as proof of ownership of SBSN assets based on sharia principles, both in rupiah currency and foreign currency, according to DSN-MUI Fatwa 69/DSN-MUI/VI/2008 concerning State Sharia Securities. 2) Corporate Sukuk are sharia investment documents issued by organizations or issuers as proof of shareholder ownership in a business for certain assets or projects. According to the contract, Hidayat (2011) divides sukuk into six categories: Ijarah Sukuk, Istishna' Sukuk, Salam Sukuk, Musyarakah Sukuk, Murabahah Sukuk, and Mudharabah Sukuk.

Portfolio Theory

A portfolio is a mix of two or more securities or a pool of investments. The formation of the optimal portfolio is explained in the portfolio theory formed by Harry M. Markowitz. Portfolio theory deals with the risk and expected returns that are statistically evaluated by investors when constructing their investment portfolios. In practice, securities investors often diversify their holdings by mixing securities or forming portfolios (Markowitz, 2007). In general, securities investors do not place all their money in one type of company, but instead spread it across various stocks or diversify their portfolio to reduce delayed risk. If the value of one stock falls while the value of the other grows, the losses and gains are balanced. The market price of a security represents the market consensus estimate of the security's value.

The expectations of investors who want to minimize their investment risk encourage this portfolio theory. To avoid losses, portfolio theory states that you invest in various places or investment instruments with diverse compositions (portfolio diversification). Portfolio theory explains how to build a portfolio that maximizes returns from the many assets to choose from while minimizing risk (Mafula, 2015)

Sharia Capital Market

Activities in the capital market include all activities related to securities trading, namely public companies related to issued securities and public offerings, as well as professions and institutions related to securities. The capital market serves as an alternative source of funding for business actors and also as an investment vehicle for investors. This is done using corporations obtaining funds through the issuance of shares or debt securities,
with capital market investment activities as a means for investors to invest by buying these securities.

**BI 7-Day Reserve Repo Rate**

(Sunariyah, 2013) explains that the interest rate is the cost of borrowing expressed as a percentage of the principal per period. The BI Rate is a policy interest rate that reflects the position of Bank Indonesia's monetary policy announced to the public. The BI 7-Day Reserve Repo Rate was adopted by Bank Indonesia as the benchmark interest rate effective on August 19, 2016, to improve the monetary operational framework. To make investments in stocks more competitive, investors are attracted to deposits or SBIs because of the interest rate (Raharjo, 2010). When interest rates are high, investors will often invest less in the capital market and more in deposits or SBIs, which can result in a decline in the value of the stock.

**Gross domestic product**

GDP is one of the macroeconomic indicators to measure the economic growth of a country. Because it is a good signal, a country is said to have a good economy if its GDP is positive. According to (Djohanputro in Maqdiyah et al., 2014) GDP is defined as the total value (in currency units) of all final products in a country, both in the form of goods and services. The increase in GDP indicates that the economy is improving, as can be seen from the increase in people's welfare. As a result, there is a high level of public consumption, prompting businesses to produce higher-quality goods. As the value of a firm's product rises, so does the value of the firm that produces it. It will be attractive to investors because the return on investment is great, encouraging them to put their money into the stock market. (Agestiani & Sutanto, 2019) said that a strong economy will encourage both domestic and foreign investors to invest in the capital market.

**Industrial Production Index**

(Firdausi et al., 2016) defines IPI as one of the economic indicators used to calculate production for all industrial sectors (excluding agriculture and services), including mining, manufacturing, and other producers such as electricity and oil, and gas. The industrial production index describes the percentage change in the value of production from one period to the next. IPI was created to track the growth and decline of manufacturing output (Islamiyati & Hany, 2019).

**Inflation**

According to Fahmi (2012), inflation occurs when the price of goods rises while the value of the currency falls. Meanwhile, inflation is described by Tandelilin (2010) as a tendency to increase the overall price of goods to reduce the purchasing power of money. According to many experts, inflation is described as a continuous process of rising prices which results in a decrease in the value of money and people's purchasing power. Inflation should not be characterized as a one-time increase. Inflation is a problem that continues to be a concern of the government because if it continues, the country's economy will deteriorate.
3. Methods

Types of research

This research is quantitative research with *time series data*. This study aims to determine whether there is an influence between the variables studied.

Data Types and Sources

The type of data in this study is secondary data obtained from annual reports published through the official websites of BPS, OJK, and BI. The data used in this study are 44 data consisting of *bi-7 day reverse repo rate* data, gross domestic product data, industrial production index data, data on outstanding corporate Sukuk, and inflation data in Indonesia for the period 2011-2021.

Data collection technique

The data in this study were collected in a documentary way, namely data collection using documentation belonging to the data source (Kurniawan & Puspitaningtyas, 2016). Researchers took document sources from official organizations such as OJK, BPS, and BI as well as other sources such as old books and journals.

Operational definition

Dependent Variable

This study uses the Corporate Sukuk variable (Y) as the dependent variable or dependent variable.

Moderating Variables

This study uses the inflation variable (Z) as a moderating variable.

Independent Variable

This study uses several independent variables, namely: the variable *bi-7 day reverse repo rate* (X1), the variable gross domestic product (X2), and the industrial production index (X3).

Research Instrument Test

The gangan stationarity test using the *unit root test* is the first step in performing regression analysis on the data. The stationarity test determines whether the mean-variance of the data remains constant over time and whether the covariance between two or more time series data is determined only by the lag between two or more periods. Data from time series are often not stationary. If this happens, differentiation is done one or more times until a stationary situation is reached. This stationarity test combines the Unit Root Test with the *Augmented-Dickey-Fuller Test*. The data is said to be stationary if the t-statistic value is greater than the MacKinnon *t-statistic value at the* confidence level of 1%, 5%, and 10% and the probability value is less than 0.05 or can be written as 0.

Data analysis technique

This study uses multiple linear regression data analysis and *Moderated Regression Analysis (MRA)*. Multiple linear regression analysis and *Moderated Regression Analysis (MRA)* use the Classical Assumption Test, t-test, F-test, and R2 Determinant Test. This regression model is used to see the effect of the independent variable on the dependent variable. This research was processed using the *Eviews 10 analysis tool* with *time series data*. 
a. Descriptive statistics

Descriptive statistics provide an overview of the research object through the population without analyzing and giving general conclusions. In descriptive statistics, it is stated how to present data such as tables containing group explanations on the mean-median mode (Sugiyono, 2016).

b. Multiple Linear Regression and Moderated Regression Analysis (MRA)

Quantitative data analysis in multiple linear regression was used to determine the linear relationship between the independent variables and the dependent variable.

*Moderated Regression Analysis (MRA)* is used to test the effect of the moderating variable and whether it strengthens or reduces the relationship between the independent and dependent variables.

c. Hypothesis testing

1) Test Statistics t

The use of t statistics is carried out to determine the effect of the independent variable on the dependent variable with the assumption that the other variables are constant (Nachrowi & Usman, 2013).

2) F statistic test

The use of F statistics is carried out to determine the effect of the independent variable simultaneously (simultaneously) on the dependent variable (Nachrowi & Usman, 2013).

3) Coefficient of Determination Test (R²)

This use is done to find out how far the variation in the dependent variable is. The value of the coefficient of determination ranges from zero to one (0).

d. Classic assumption test

1) Normality test

Normality test to determine the distribution of data on each variable whether it can be normally distributed or not by using the Jarque-Bera test (Ghozali, 2013).

2) Multicollinearity Test

Multicollinearity testing was carried out to determine whether there was a correlation between the independent variables using the Auxillary test in the form of decision making by looking at the R² of the regression between the independent variables obtained which was smaller than the R² of the main equation so that the data passed multicollinearity. (Bawono & Shina, 2018).

3) Heteroscedasticity Test

Heteroscedasticity testing to determine the distribution of research variables using the white test model (Ghozali, 2013).

4) Autocorrelation Test

Autocorrelation testing was conducted to determine the regression model that contains a correlation between disturbing errors from period t-1 (previous) to period t autocorrelation with the Durbin-Watson test (Ghozali & Ratmono, 2013).
4. Results and Discussion

Descriptive statistics

The secondary data used comes from the Financial Services Authority, Bank Indonesia, and the Central Statistics Agency. The following is a description of the research variables:

Table 1. Descriptive Statistics Test Results

<table>
<thead>
<tr>
<th></th>
<th>Y</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>mean</td>
<td>16769.18</td>
<td>5.505682</td>
<td>4.743636</td>
<td>130.1961</td>
<td>4.449545</td>
</tr>
<tr>
<td>median</td>
<td>14162.50</td>
<td>5.750000</td>
<td>5.110000</td>
<td>132.1100</td>
<td>3.700000</td>
</tr>
<tr>
<td>Maximum</td>
<td>36798.00</td>
<td>7.750000</td>
<td>7.070000</td>
<td>151.7600</td>
<td>9.570000</td>
</tr>
<tr>
<td>Minimum</td>
<td>5409000</td>
<td>3.500000</td>
<td>-5.320000</td>
<td>101.8600</td>
<td>1.330000</td>
</tr>
<tr>
<td>Observations</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: Data Processing, Eviews 10

The test in table 4.1 shows that there are 44 observations in the study. The corporate Sukuk variable (Y) has an average value of 16769.18, a middle value of 14162.50, the highest value of 36798.00, and the lowest value of 5409,000. The variable bi-7 day reverses repo rate (X1) has an average value of 5.505682, the middle value is 5.750000, the highest value is 7.750000, and the lowest value is 3.500.000. Furthermore, the gross domestic product variable (X2) has an average value of 4.743636, the middle value is 5.110000, the highest value is 7.070000, and the lowest value is -5.320000. Next, the industrial production index variable (X3) has an average value of 130.1961, a middle value of 132.1100, the highest value of 151.7600, and the lowest value of 101.8600. Finally, the inflation variable (Z) has an average value of 4.449545, a middle value of 3.700000, the highest value of 9.570000, and the lowest value of 1.330000.

Stationarity Test

Based on the processed data, it was found the end of the stationarity test using the Unit Root method in the ADF intermediate test.

Table 2. Stationarity Test Results

<table>
<thead>
<tr>
<th>Series</th>
<th>Prob.</th>
<th>lag</th>
<th>Max Lag</th>
<th>Obs</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(Y)</td>
<td>0.0000</td>
<td>0</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>D(X1)</td>
<td>0.0001</td>
<td>0</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>D(X2)</td>
<td>0.0000</td>
<td>0</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>D(X3)</td>
<td>0.0000</td>
<td>0</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>D(Z)</td>
<td>0.0000</td>
<td>0</td>
<td>2</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Data Processing, Eviews 10

Based on table 4.2 the data is stationary at the 1- different level with a probability value of 0.0000 < 0.05 so that the data is declared to be stationary.

Classic assumption test

a. Normality test

Based on the processed data, it was found that there was a problem of normality in the regression model, so the researchers made a cure in the regression model, namely by
transforming the data into the form of logarithms (LOG). Then it was found that the end of the Normality test using the Jarque Berra value was as follows:

The probability value in Figure 4.2 is greater than 0.05 and the Jarque-Bera value is 3.018769, it is concluded that the data is normally distributed.

b. Multicollinearity Test

auxiliary regression on R2 is 0.733230 of the variables used. The results of the auxiliary are in the following table:

<table>
<thead>
<tr>
<th>Equality</th>
<th>R2_ -</th>
<th>R2 Main -</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(X1(-1))</td>
<td>0.755758</td>
<td>0.733230</td>
<td>Infected by Multicollinearity</td>
</tr>
<tr>
<td>D(X2(-1))</td>
<td>0.684738</td>
<td>0.733230</td>
<td>Not Affected by Multicollinearity</td>
</tr>
<tr>
<td>D(X3(-1))</td>
<td>0.427272</td>
<td>0.733230</td>
<td>Not Affected by Multicollinearity</td>
</tr>
<tr>
<td>D(X1*Z(-1))</td>
<td>0.965967</td>
<td>0.733230</td>
<td>Infected by Multicollinearity</td>
</tr>
<tr>
<td>D(X2*Z(-1))</td>
<td>0.898314</td>
<td>0.733230</td>
<td>Infected by Multicollinearity</td>
</tr>
<tr>
<td>D(X2*Z(-1))</td>
<td>0.974100</td>
<td>0.733230</td>
<td>Infected by Multicollinearity</td>
</tr>
</tbody>
</table>

Source: Data Processing, Eviews 10

Based on table 3 several independent variables are affected by multicollinearity problems so it is necessary to do the healing. Healing is done by removing several independent variables from the regression model. Then it was found that the end of the Normality test using the Jarque Bera value was as follows:

<table>
<thead>
<tr>
<th>Equality</th>
<th>R2_ -</th>
<th>R2 Main -</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>D(X1(-1))</td>
<td>0.322178</td>
<td>0.669710</td>
<td>Not Affected by Multicollinearity</td>
</tr>
<tr>
<td>D(X3(-1))</td>
<td>0.063245</td>
<td>0.669710</td>
<td>Not Affected by Multicollinearity</td>
</tr>
<tr>
<td>D(X1*Z(-1))</td>
<td>0.660657</td>
<td>0.669710</td>
<td>Not Affected by Multicollinearity</td>
</tr>
<tr>
<td>D(X2*Z(-1))</td>
<td>0.614125</td>
<td>0.669710</td>
<td>Not Affected by Multicollinearity</td>
</tr>
</tbody>
</table>

Source: Data Processing, Eviews 10
The result of the $R$-square value of each variable is less than the $R$-squared main regression, it can be concluded that the data is not affected by the multicollinearity problem.

c. Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>1.581606</td>
<td>0.186948</td>
<td>8.460124</td>
<td>0.0000</td>
</tr>
<tr>
<td>D(LOGX1(-1))</td>
<td>2.889957</td>
<td>5.950827</td>
<td>0.485640</td>
<td>0.6301</td>
</tr>
<tr>
<td>D(LOGX3(-1))</td>
<td>10.93485</td>
<td>8.234483</td>
<td>1.327933</td>
<td>0.1923</td>
</tr>
<tr>
<td>D(LOGX1_Z(-1))</td>
<td>1.327375</td>
<td>4.376802</td>
<td>0.303275</td>
<td>0.7634</td>
</tr>
<tr>
<td>D(LOGX2_Z(-1))</td>
<td>0.314785</td>
<td>4.435426</td>
<td>0.070971</td>
<td>0.9438</td>
</tr>
</tbody>
</table>

Source: Data Processing, Eviews 10

Through the test results above, it is known that the probability value is > 0.05 so it can be concluded that the data in the regression model passes the heteroscedasticity test.

d. Autocorrelation Test

Table 6. Autocorrelation Test Results

| Source: Data Processing Results, Eviews 10 |
| Durbin-Watson stat | 2.159468 |

The value of the Durbin-Watson statistic is 2.159468 according to table 4.11. The Durbin Watson 5% table is needed to determine the impact of the presence or absence of autocorrelation to determine whether there is an autocorrelation problem. The DW checks are as follows:

Based on table 3, it is concluded that Durbin-Watson is worth 2.159468 with a dU value of 1.7814 and 4-dU 2.2186. So it can be concluded that in this study the data passed the autocorrelation test.

Moderated Regression Analysis (MRA) Test

After statistical tests and classical assumptions, tests were carried out, and the regression model in this study changed because several independent variables were omitted to pass the multicollinearity test, namely Gross Domestic Product (X2) and Industrial
Production_Inflation Index (X3_Z), therefore the function of Corporate Sukuk changed to, 

Sukuk Corporation = f ( Bi-7 Day Reverse Repo Rate, Industrial Production Index, Bi-7 Day Reverse Repo Rate_ Inflation, Gross Domestic Product_Inflation). So that the results of the *Moderated Regression Analysis* (MRA) test are obtained as follows:

**Table 7. Moderated Regression Analysis (MRA) Test**

<table>
<thead>
<tr>
<th>Dependent Variable: D(LOGY(-1))</th>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.013361</td>
<td>0.007506</td>
<td>1.780115</td>
<td>0.0833</td>
<td></td>
</tr>
<tr>
<td>D(LOGX1(-1))</td>
<td>-0.013065</td>
<td>0.238922</td>
<td>-0.054684</td>
<td>0.9567</td>
<td></td>
</tr>
<tr>
<td>D(LOGX3(-1))</td>
<td>1.624811</td>
<td>0.330609</td>
<td>4.914599</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>D(LOGX1_Z(-1))</td>
<td>-0.913030</td>
<td>0.175726</td>
<td>-5.195768</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>D(LOGX2_Z(-1))</td>
<td>1.077855</td>
<td>0.178079</td>
<td>6.052667</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>0.669710</td>
<td>Mean dependent var</td>
<td>0.017598</td>
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<tr>
<td>Adjusted R-squared</td>
<td>0.634002</td>
<td>SD dependent var</td>
<td>0.076548</td>
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<td>SE of regression</td>
<td>0.046310</td>
<td>Akaike info criterion</td>
<td>-3.195580</td>
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<td>Sum squared resid</td>
<td>0.079350</td>
<td>Schwarz criterion</td>
<td>-2.988714</td>
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<td>Likelihood logs</td>
<td>72.10717</td>
<td>Hannan Quinn Criter.</td>
<td>-3.119755</td>
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<tr>
<td>F-statistics</td>
<td>18.75565</td>
<td>Durbin-Watson stat</td>
<td>2.159468</td>
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<tr>
<td>Prob(F-statistic)</td>
<td>0.000000</td>
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</tbody>
</table>

*Source: Data Processing, Eviews 10*

**Discussion of Variables used in the Regression Model**

**Effect of Bi-7 Day Reverse Repo Rate (X1) on Corporate Sukuk Growth**

Based on the regression results that have been carried out, the variable *bi-7 day reverse repo rate* has a negative and insignificant effect on the growth of corporate Sukuk because the variable *bi-7 day reverse repo rate* has a probability value of 0.9567 greater than 0.05 (significance level). The variable *bi-7 day reverse repo rate* has no significant effect with a coefficient value of -0.013065, where when there is an increase in the *bi-7 day reverse repo rate* of one percent, the corporate Sukuk will neither decrease nor increase.

*Bi-7 Day Reverse Repo Rate* which has no significant negative effect on corporate Sukuk (Sukmaningrum et al., 2021), and (Ningsih & Utama, 2019) state that *the bi-7 day reverse repo rate* has an insignificant negative effect on Sukuk in the short term. The rise or fall of the *bi-7 day reverse repo rate* will affect corporate bond yields. An increase in the *bi-7 day reverse repo rate* will trigger an increase in corporate bond yields. This will have an impact on bond issuers, both government and companies, having to add funds to pay returns to investors (Darmawan, 2019). Meanwhile, a decrease in the *bi-7 day reverse repo rate* will affect the chances of issuers issuing corporate bonds, and a decrease in the *bi-7 day reverse repo rate* will create opportunities for issuers to issue bonds.

**Influence Industrial Production Index (X3) on Corporate Sukuk Growth**

The *t-statistic value* of the Industrial Production Index (X3) variable is 4.914599, and the probability is 0.0000 < 0.05. Thus, it can be said that the Industrial Production Index (X3) variable has a positive and significant influence on the development of corporate Sukuk. This shows that there is a one-way relationship between corporate Sukuk and the industrial production index, so when the industrial production index increases, so will corporate Sukuk.

The results of this study are in line with (Ardiansyah & Lubis, 2017b) and (Aisyaturrahmah & Aji, 2021) which state that the Industrial Production Index has a positive and significant influence on corporate Sukuk. The increase in the industrial production index will cause the income of companies and the public to also increase, which will also have an impact on increasing demand for corporate Sukuk.
Effect of Bi-7 Day Reverse Repo Rate Moderated with Inflation (X1_Z) on the Growth of Corporate Sukuk

It can be understood that the t-statistic value of the Bi-7 Day Reverse Repo Rate _Inflation (X1_Z) variable is -5.195768 and the probability is 0.0000 < 0.05. It can be concluded that the variable Bi-7 Day Reverse Repo Rate _Inflation (X1_Z) has a significant and negative effect on the development of corporate Sukuk. Based on the results of the regression analysis, inflation can affect how the bi-7 day reverse repo rate affects the expansion of corporate Sukuk. The results of this study do not support the statement (Siswanto, 2019) that inflation does not affect the ability of the Bi-7 Day Reverse Repo Rate to affect the expansion of Corporate Sukuk. Because the inflation rate is still below 10%, Bank Indonesia refrains from raising interest rates which will have little impact on the stock market.

Influence Gross Domestic Product moderated by Inflation (X2_Z) to the Growth of Corporate Sukuk

It is known that the t-statistic value of the Gross Domestic Product _Inflation (X2_Z) variable is 6.052667 and the probability is 0.00000 <0.05. So it can be concluded that the variable Gross Domestic Product _Inflation (X2_Z) has a positive and significant effect on the growth of corporate Sukuk. The regression results show that inflation can moderate the relationship between Gross Domestic Product and the growth of corporate Sukuk.

The findings of this study are in line with (Siswanto, 2019) that the impact of GDP on the expansion of corporate Sukuk in Indonesia is moderated by inflation. This is because inflation is one of the main indicators used to assess a country's economy, especially in terms of economic growth or GDP, where a strong economy will positively affect the environment for investment.

Discussion of Variables excluded from the Regression Model

After testing the classical assumptions used to determine the presence or absence of Normality, Multicollinearity, Heteroscedasticity, and Autocorrelation in the regression model. It is suspected that the independent variable has a high correlation with other independent variables (multicollinearity problem), so the regression model for the variables Gross Domestic Product (X2) and the Industrial Production_Inflation Index (X3_Z) are excluded from the model. This was done to obtain a regression model with unbiased estimates and reliable testing.

5. Conclusions and Recommendations

Conclusion

The following are conclusions that can be drawn after reviewing the research findings that have been conducted and discussed:

a. Bi-7 Day Reverse Repo Rate has a negative and insignificant effect on corporate Sukuk in Indonesia.

b. IPI has a positive and significant effect on corporate Sukuk in Indonesia.

c. Inflation can moderate the effect of the Bi-7 Day Reverse Repo Rate on the growth of corporate Sukuk.

d. Inflation can moderate the effect of Gross Domestic Product on the growth of corporate Sukuk.

e. Based on the results of data processing that has been carried out, the researchers found findings that among the independent variables there were symptoms of multicollinearity so researchers had to do healing so that the data did not contract the problem of
multicollinearity. Therefore, the researchers excluded several independent variables contained in the study, the independent variables that were removed were Gross Domestic Product and Industrial Production Index moderated by Inflation. The two variables were removed from the regression model to obtain a good equation model with a multicollinearity unbiased regression model and the tests carried out were reliable.

**Recommendation**

a. For the Company, this research is expected to be used to improve performance, as a performance evaluation tool, and become an important factor in determining investment policies for each Bond, especially Corporate Sukuk.

b. For investors, this research can be a consideration in carrying out economic activities in the surrounding environment. In addition, this research is intended so that investors can use this research as a guide to implementing the best strategy for investing in corporate Sukuk.

c. For Researchers, for further researchers, it is hoped that they can add other macroeconomic variables or other variables outside of macroeconomics related to investment and can increase the number of variables studied, such as Exchange Rates, Unemployment, Money Supply, World Oil Prices, and others.

d. For academics, this research will contribute to the body of knowledge in the capital market, especially those related to bond products such as corporate Sukuk, and can be used as reading material by academics to increase understanding and information.

**References**


25–36.


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