Volume 4 Number 1 (2024)
January-June 2024
Page: 147-160

E-ISSN: 2808-1102
DOI: 10.37680/ijief.v4i1.5716

Indonesian Journal of Islamic Economics and Finance

Sukuk and Inflation Dynamics in Indonesia: A Time Series Linear Model Investigation

Laila M. Pimada[1], Titis Miranti[2]

[1] Universitas Brawijaya, Indonesia; lailapimada@ub.ac.id
[2] UIN Maulana Malik Ibrahim, Indonesia; titis@uin-malang.ac.id

Received: 29/03/2024 Revised: 12/05/2024 Accepted: 26/07/2024

Abstract

This study examines the impact of sukuk on inflation in Indonesia, considering the interplay of macroeconomic factors during the post-COVID-19 recovery period. Employing a time series linear model (TSLM) with monthly data from January 2019 to March 2024, we investigate the relationship between sukuk outstanding and inflation (Consumer Price Index), controlling for industrial production, exchange rate, interest rate, and the Composite Leading Indicator (CLI). Results reveal a significant positive relationship between sukuk and inflation, suggesting that an increase in outstanding sukuk is associated with higher inflation rates. This finding contributes to the existing literature by providing empirical evidence of the inflationary impact of sukuk in Indonesia, especially in the context of post-pandemic recovery. The study also identifies significant positive relationships between inflation and interest rates, as well as inflation and CLI, highlighting their roles in driving inflation. While the exchange rate also exhibits a positive relationship with inflation, industrial production shows a negative association, suggesting a potential dampening effect on inflation. The model demonstrates strong explanatory power, with an adjusted R-squared of 0.9818, indicating that the included variables effectively capture the variation in inflation. These findings offer valuable insights to help policymakers formulate effective inflation management strategies and ensure macroeconomic stability in Indonesia's post-pandemic recovery.

Keywords Islamic Economic Development; Islamic Finance; Macroeconomic Policy

Corresponding Author
Laila M. Pimada
Universitas Brawijaya, Indonesia; lailapimada@ub.ac.id

1. INTRODUCTION

The COVID-19 outbreak triggered an unavoidable global economic downturn. In the initial stages of the pandemic, Indonesia experienced a decline in economic growth and inflation, coupled with increased unemployment (Istiyani et al., 2023; Pimada, 2021; Usman et al., 2023), liquidity issues, and a decline in the performance of the banking industry (Miranti et al., 2022; Siregar et al., 2021; Wang et al., 2023). The National Economic Recovery Program (PEN), initiated by the government and Bank Indonesia, has yielded some progress. 2022, economic growth rebounded to 5.4%, and the unemployment rate decreased by 0.6% (The World Bank, 2022). However, inflation nearly tripled, rising

© 2024 by the authors. This is an open access publication under the terms and conditions of the Creative Commons Attribution 4.0 International License (CC BY NC) license (https://creativecommons.org/licenses/by-nc/4.0/).

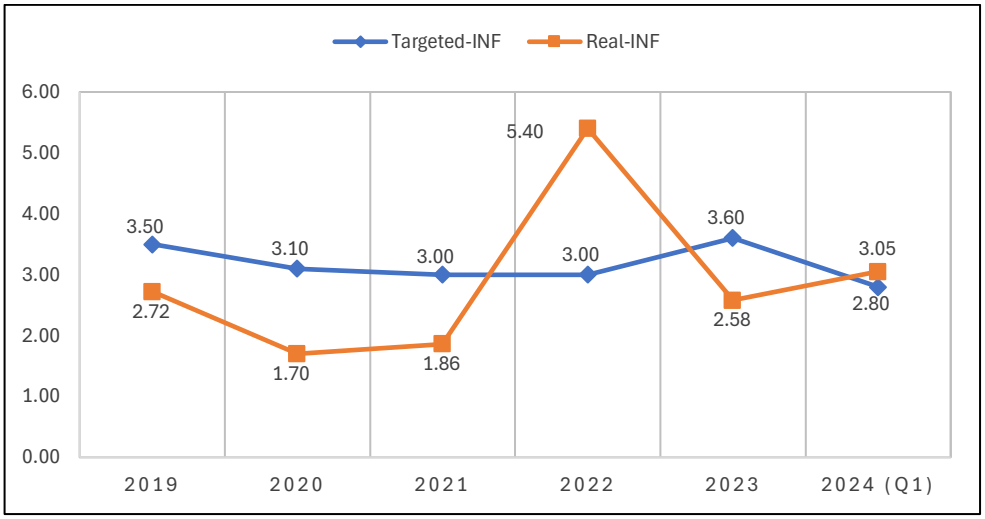
from 1.86% to 5.40% (BPS, 2023). The path to recovery has been further complicated by geopolitical tensions, which disrupt global supply chains and drive up commodity prices (Abu-Sittah, 2020; Ahmad & Sahabuddin, 2023; Takavakoglou et al., 2022).

These challenges have presented significant obstacles for the Indonesian government in maintaining macroeconomic stability. Inflation, a key variable in this context, can balance price stability (Khan, 2023) and economic activity (Ajmal et al., 2021; Yang & Guo, 2021) when maintained at low levels. It is typically measured using various price indices, such as the Consumer Price Index (CPI), the Producer Price Index (PPI), and the GDP deflator (Ha et al., 2019; Sajid et al., 2024). The stability of inflation is crucial for overall economic stability. John M. Keynes (1936) emphasized the role of aggregate demand in shaping economic growth and stability, advocating expansionary fiscal policies during economic downturns to manage aggregate demand and maintain price stability (Asian Development Bank, 2020).

It also serves as a cornerstone of fiscal policy, informing the formulation of the national budget (Demir, 2023; Nauman, 2024; Ncanywa & Letsoalo, 2019). Furthermore, real inflation, as tracked by the consumer price index, acts as an anchor for setting targeted inflation, a fundamental basis for the central bank's monetary policy (Aginta & Someya, 2021; Baidoo & Yusif, 2019; Matthews & Ong, 2022). In contrast, monetarist economists like Milton Friedman (1977) posited that inflation is primarily a monetary phenomenon caused by excessive growth in the money supply. They emphasized the importance of controlling the money supply through prudent monetary policy to ensure macroeconomic efficiency and political consensus (Granville, 2013; Hall et al., 2012). Duncan et al.'s (2019) research on the Phillips Curve in Kenya further underscores the significance of price stability for employment and economic growth, reinforcing the notion that inflation stability is a cornerstone of overall economic stability.

In recent years, Indonesia has experienced deviations between targeted and actual inflation rates (Figure 1). Between 2019 and 2021, and again in 2023, inflation underperformed relative to targets. This can weaken aggregate demand and delay business investment, potentially hindering overall economic growth (Atigala et al., 2022; Iefymenko et al., 2021). Conversely, inflation that exceeds targets can erode purchasing power, raise interest rates, increase business costs, and exacerbate income inequality, ultimately disrupting overall economic stability (Bednarczyk & Brzozowska-Rup, 2019; Sanga et al., 2022; Zhang, 2021).

Picture 1. Targeted inflation vs real inflation (percentage)



Sources: Central Bureau of Statistics and State Budget Law (2018-2022)

The complexities arising from the gap between targeted and actual inflation underscore the need for policymakers to scrutinize the variables that influence inflation. Conventional and Islamic bonds (sukuk) can impact inflation through fiscal and monetary channels. Government bond issuance can finance budget deficits and facilitate fiscal stimulus (Nasir et al., 2020; Saungweme & Odhiambo, 2021). The relationship between sukuk (Islamic bonds) and inflation can be viewed through the lens of their role as monetary instruments. Central banks can utilize sukuk in open market operations to stabilize inflation expectations, signaling their commitment to price stability (Afonso & Jalles, 2019; Andolfatto & Spewak, 2018; Anwar & Okot, 2020; Islam, 2023; Matthews & Ong, 2022).

In some instances, governments may use debt monetization, where the central bank purchases government bonds, including sukuk, to finance public expenditure (Nasir et al., 2020). This practice, however, can increase the money supply and potentially fuel inflation (Bordo & Levy, 2021; Ybrayev, 2021). In corporate sukuk issuance, the proceeds can provide business funding, support investment, and stimulate economic growth, potentially affecting inflation (Chun, 2024). However, sukuk issuance does not always directly increase the money supply. When used to refinance maturing debt or when purchased by non-bank investors, it primarily involves the transfer of existing financial assets rather than the creation of new money, and thus does not necessarily lead to inflation.

Moreover, despite the significant role of both bond types in macroeconomic policy, sukuk offers distinct advantages over conventional bonds. Sukuk demonstrates lower risk and volatility, providing superior risk-adjusted returns for investors (Amin et al., 2022; Mezghani & Abbes, 2023; Owusu, 2022; Yusof et al., 2018). However, empirical evidence on the impact of Sukuk on macroeconomic variables remains limited. While some studies have found a significant effect of sukuk on economic growth (Ledhem, 2022; Metoui & Ghorbel, 2023; Mitsaliyandito et al., 2017; Sari & Widiyanti, 2018; Smaoui &

Nechi, 2017; Yıldırım et al., 2020), research on their impact on inflation is scarce. Suriani et al. (2021), utilizing a monetary transmission approach through asset prices and exchange rates, found that sukuk directly affects exchange rates but not inflation.

Given this evidence gap, this study aims to examine the impact of sukuk on inflation in Indonesia over the past five years, employing a Time Series Linear Model Analysis (TSLM) to understand the dynamic interaction between sukuk and inflation. This research contributes to the existing literature on the relationship between sukuk and macroeconomic variables. Ultimately, the findings will inform policymakers in formulating accurate annual inflation targets, minimizing deviations in actual inflation, and maintaining Indonesia's economic stability.

2. METHODS

This study employs a quantitative approach, using secondary data from reputable sources such as the Indonesia Stock Exchange (IDX), Statistics Indonesia (BPS), the World Bank, and the Organization for Economic Co-operation and Development (OECD) database. The dataset spans from January 2019 to March 2024, encompassing 63 monthly observations. Inflation, proxied by the Consumer Price Index (CPI), is the dependent variable, while outstanding sukuk is the independent variable. To account for potential confounding factors, the study incorporates several control variables: industrial production, exchange rate, interest rate, and the Composite Leading Indicator (CLI). The time series linear model (TSLM) is chosen as the primary analytical tool for analyzing relationships between variables over time (Scott, 2022). TSLM effectively accounts for autocorrelations and trends inherent in time series data (Hyndman, 2024), yielding more accurate and reliable estimates than traditional regression models.

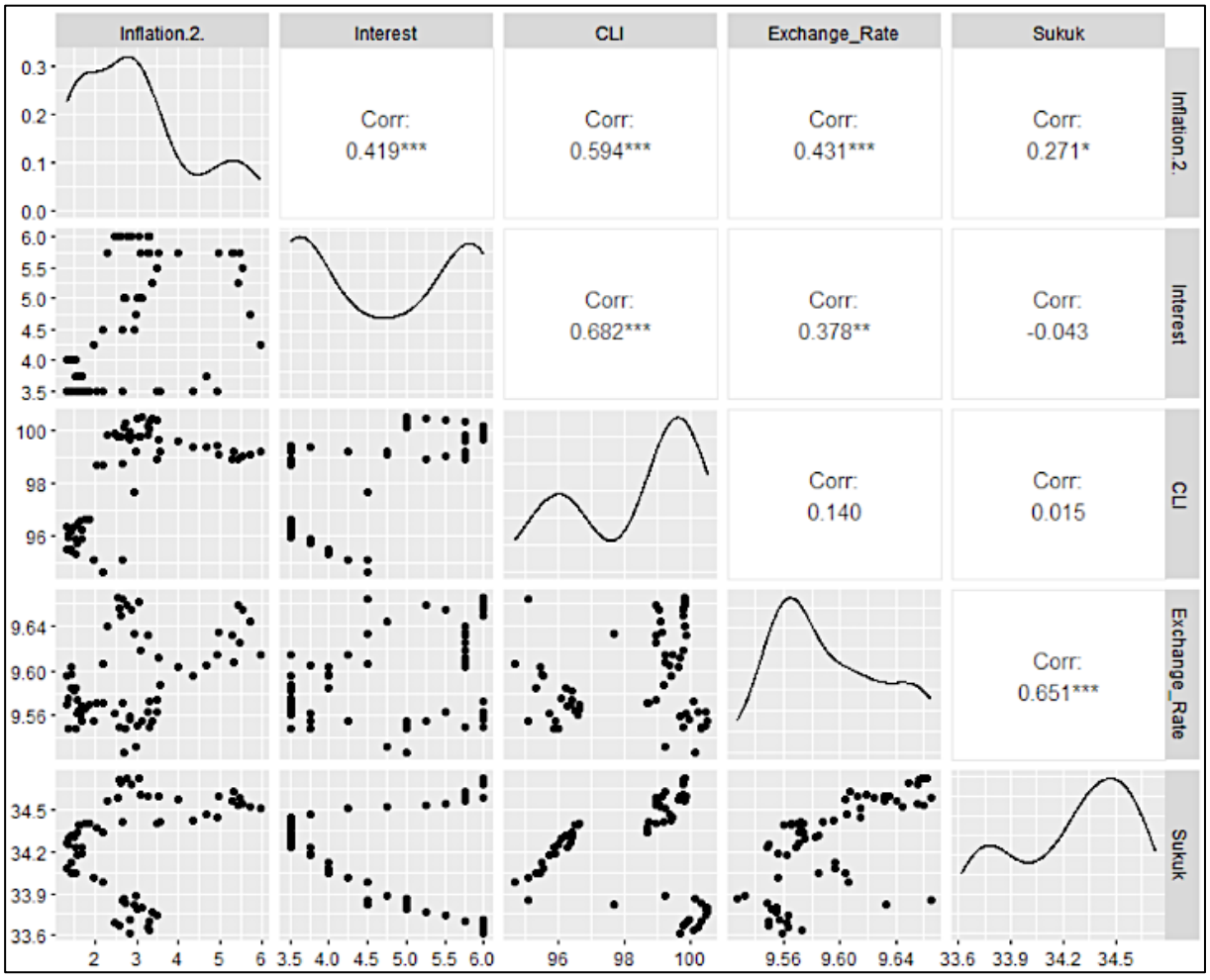
The analysis was conducted in several stages. A Pearson correlation analysis was initially performed to identify preliminary relationships between the variables. Subsequently, time series regression analysis was employed to test the research hypotheses. The time series regression used the TSLM (Time Series Linear Model) function from the "dplyr" and "tseries" packages in the R software environment. To ensure the validity and unbiasedness of the estimated parameters, classical assumption tests were conducted, including tests for autocorrelation, multicollinearity, and normality. These tests are essential to ascertain the model's reliability and the accuracy of the inferences drawn from it. Finally, based on the established model, ARIMA (Autoregressive Integrated Moving Average) forecasting was utilized to predict future inflation trends. This forecasting technique leverages patterns and relationships in time-series data to project the future inflation trajectory, providing valuable insights for policymakers and stakeholders.

3. FINDINGS AND DISCUSSION

3.1. Pearson Correlation Result

The Pearson correlation (r) analysis was conducted to identify potential relationships between the variables included in the model. This analysis focused on measuring the strength and direction of the linear relationship between the outstanding sukuk variable, the Consumer Price Index (CPI), and the control variables. The analysis revealed a significant positive correlation between the CPI and interest rates (r = 0.594; p-value < 0,001), as well as between the CPI and the Composite Leading Indicator (CLI) (r = 0.431; p-value < 0,001). This indicates that increases in interest rates and CLI tend to be followed by a rise in the CPI.

Picture 2. The Pearson's Correlation Test Result



Furthermore, a moderate positive correlation of 0.271 was observed between the CPI and outstanding sukuk, suggesting a positive association, although not as strong as the relationship between interest rates and CLI. In contrast, the correlation between the CPI and exchange rates was relatively weak (r = 0.140; p-value > 1), as was the correlation between the CPI and industrial production (0.043;

p-value > 1). This implies that increases in the CPI are not necessarily associated with increases in exchange rates or industrial production. These initial findings provide a preliminary understanding of the relationships among the variables under investigation and will serve as a foundation for further analysis using a time-series linear model.

3.2. Hypotheses Testing Results

Hypothesis testing was conducted to validate the research findings and ensure they were not merely random fluctuations in the data. The Time-Series Linear Model (TSLM) estimation results (Table 1) revealed that sukuk significantly influences the Consumer Price Index (CPI) at a 1% significance level, as evidenced by the very small p-value (<2e-16). The positive coefficient of Sukuk (16.5004) indicates that an increase in outstanding sukuk tends to increase inflation. All control variables also significantly influenced the CPI at the 1% level, except for industrial production (IP), which was significant at the 5% level.

Table 1. Results of Estimations of Time-Series Linear Model (TSLM)

Residuals:	**Min**	**1Q**	**Median**	**3Q**	**Max**
	-1.8205	-0.6399	0.1914	0.6851	1.8458
Coefficients:	**Estimate**	**Std. Error**	**t value**	**Pr(>|t|)**	**VIF**
(Intercept)	-691.2856	56.4113	-12.254	< 2e-16 ***	
Sukuk	16.5004	0.5329	30.963	< 2e-16 ***	2.356730
Interest	0.9689	0.1982	4.888	8.67e-06 ***	2.971797
CLI	0.7033	0.1178	5.972	1.60e-07 ***	3.328829
ER	39.2858	5.4976	7.146	1.82e-09 ***	3.226029
IP	-4.7310	2.0984	-2.255	0.028 *	2.777028

Multiple R-squared: 0.9833

Adjusted R-squared: 0.9818

F-statistic: 670.1 on 5 and 57 df, p-value: < 2.2e-16

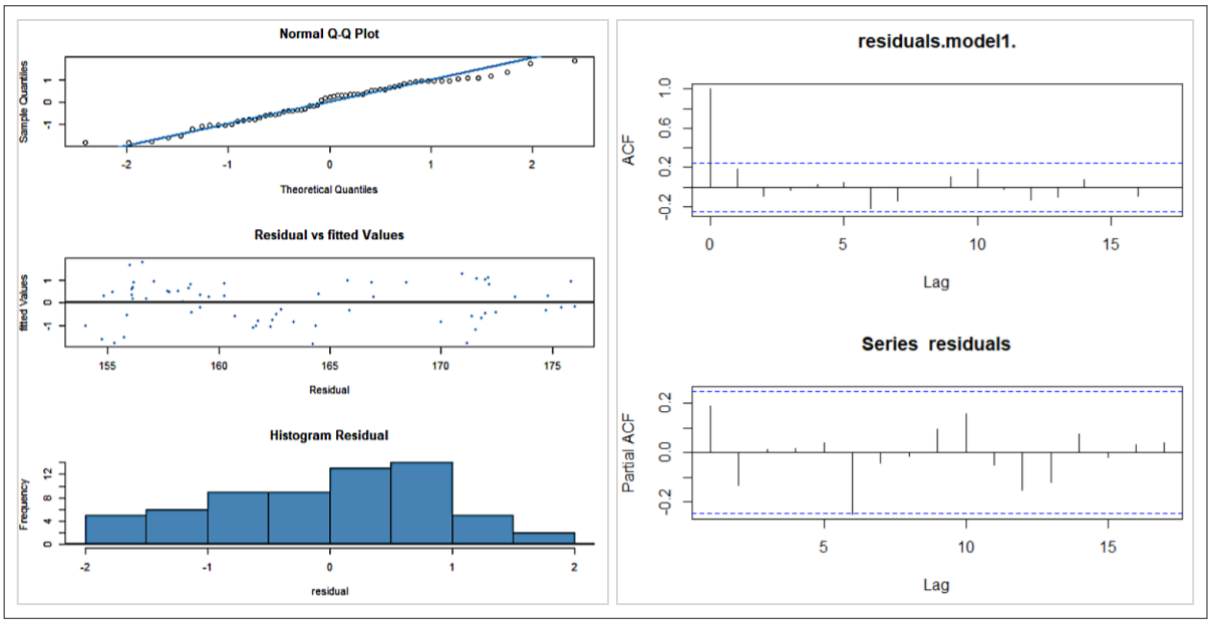
Signif. codes**: 0 '' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1*

Positive coefficients for interest rates (0.9689) and CLI (0.7033) indicate that increases in these variables lead to higher CPI. Similarly, the positive coefficient for the exchange rate (39.2858) suggests that depreciation of the Indonesian Rupiah against foreign currencies tends to increase inflation. In contrast, the negative coefficient for IP (-4.7310) implies that increased industrial production tends to decrease inflation. The model demonstrates strong explanatory power, with an R-squared of 0.9833, indicating that the variables explain 98.33% of the variation in CPI.

3.3. The Results of the Classical Assumption Test

Classical assumption tests were conducted to ensure the validity of the estimation results. The normal Q-Q plot (Figure 3) revealed that the model residuals were not perfectly normally distributed, exhibiting slightly heavier tails. However, this deviation was minor, with most data points aligning with the diagonal line. Additionally, the Residual vs Fitted Values plot showed a random scatter of residuals around zero, and the residual histogram displayed a relatively symmetrical distribution, thus satisfying the normality assumption.

Picture 3. The normality and autocorrelation test results



The autocorrelation test, utilizing the Autocorrelation Function (ACF) and Partial Autocorrelation Function (PACF) plots (Figure 3), indicated no significant autocorrelation in the model residuals. The absence of significant lags outside the confidence bounds in both plots confirms the validity of this study's time-series linear model. Furthermore, the Variance Inflation Factor (VIF) analysis (Table 1) indicated no multicollinearity issues among the variables. All VIF values were below the commonly accepted thresholds (5-10), with the highest value being 3.328829 for the CLI variable, suggesting that each independent variable contributes unique information to the model.

3.4. ARIMA Forecasting Result: Inflation

The Autoregressive Integrated Moving Average (ARIMA) forecasting projects a stable upward trend in Indonesia's CPI, or inflation, over the next year. Table 2 reveals that the CPI is expected to gradually increase from late 2024 to early 2025, with an average monthly increase of 0.2%. This forecast suggests that inflationary pressures will persist in the short term.

Table 2. The Forecasting Result of the Consumer Price Index (Inflation)

Month, Year	Point Forecast	Lo (95%)	Hi (95%)
Apr 2024	177.1496	176.2847	178.0144
Mei 2024	177.5337	176.3106	178.7568
Jun 2024	177.9178	176.4198	179.4157
Jul 2024	178.3019	176.5722	180.0316
Aug 2024	178.686	176.7521	180.6198
Sep 2024	179.0701	176.9516	181.1885
Okt 2024	179.4541	177.166	181.7423
Nov 2024	179.8382	177.3921	182.2844
Des 2024	180.2223	177.6278	182.8169
Jan 2025	180.6064	177.8715	183.3413
Feb 2025	180.9905	178.1221	183.8589
Mar 2025	181.3746	178.3787	184.3705

Sukuk, the most active Islamic financial instrument in the debt market, plays a significant role in both fiscal and monetary policy. This study found a consistent and significant positive effect of outstanding sukuk on the Consumer Price Index (CPI), indicating that an increase in sukuk is associated with a corresponding rise in inflation. This result contradicts the findings of Suriani et al. (2021) , which suggested no direct impact of sukuk on inflation. The inclusion of control variables from various sectors, including industrial production (real sector), exchange rate and interest rates (monetary sector), and the Composite Leading Indicator (CLI), which combines both sectors, enhances the reliability of this study's results with a low margin of error (Table 1).

During the study period, the government implemented numerous expansionary fiscal policies in response to the COVID-19 pandemic. These policies focused on managing the state budget by increasing spending, reducing state revenue, and implementing supporting policies. On the expenditure side, the Indonesian government prioritized health spending, social protection, incentives for Micro, Small, and Medium Enterprises (MSMEs), and fiscal stimulus. On the revenue side, the government provided tax incentives and delayed tax payments(Citra et al., 2022; Mukaromah, 2023; Prasasti et al., 2020; Syahputri et al., 2021). These policies were further supported by legislation governing the state budget during the pandemic (Law Number 2 of 2020).

The regulation allowing a state budget deficit exceeding 3 percent of Gross Domestic Product (GDP) necessitated additional sources of financing, one of which was obtained through bonds. In response, Bank Indonesia, as the central bank, acted as a lender of last resort and purchased government bonds (both conventional and Sharia-compliant) in the primary and secondary markets (Masitoh & Perwitasari, 2024; Wiguna & Yuliastuti, 2020). By 2024, Bank Indonesia's ownership of government

bonds reached 23.22% (Purnama, 2024). Bank Indonesia's role directly impacts the money supply, making inflation difficult to avoid (Kurniawan, 2023).

These policies were necessary to respond to the COVID-19 pandemic. Furthermore, the pressure of global economic uncertainty stemming from various geopolitical issues contributed to higher inflation through supply chain disruptions and rising commodity prices (Ahmed & Sarkodıe, 2021; Ma et al., 2021; Maurya et al., 2023). The government has implemented policy harmonization through reducing fiscal stimulus, structural reforms through the Omnibus Law on Job Creation and the Financial Sector Development and Strengthening Law (P2SK), industrial downstreaming, and green economic development. Meanwhile, in the monetary sector, Bank Indonesia has gradually raised interest rates, intervened in the foreign exchange market to maintain rupiah stability, and tightened macroprudential policies. The success of this policy combination still needs to be analyzed, given that inflation is forecast to continue rising, at least in the coming year.

4. CONCLUSION

This study reveals a significant positive relationship between outstanding sukuk and inflation in Indonesia, particularly during the post-COVID-19 economic recovery. The increase in outstanding sukuk has been shown to raise inflation, aligning with the concept that issuing sukuk to finance budget deficits and central bank purchases can increase the money supply and trigger inflation expectations. This result provides valuable empirical evidence for policymakers to understand inflation dynamics and formulate effective inflation management strategies such as diversifying funding resources with more schemes of Sukuk, targeting the issuance of Sukuk, developing inflation-linked Sukuk, and enhancing transparency and communication regarding sukuk issuance and its potential impact on inflation to manage market expectations and maintain investor confidence.

Expansionary fiscal policies during the pandemic, including Bank Indonesia's role in purchasing government bonds, further strengthened the positive relationship between sukuk and inflation. Additionally, global economic uncertainty contributes to inflationary pressures. Although the government and Bank Indonesia have harmonized policies to address the impact of the pandemic and global uncertainty, forecasts indicate that inflation is expected to continue rising in the short term. Therefore, further attention from policymakers is needed to formulate more accurate annual inflation targets, manage inflation risks, and maintain Indonesia's macroeconomic stability. This study contributes to the growing literature on Islamic development economics and finance. However, further research is needed to explore the long-term implications of Sukuk issuance on inflation and to investigate the effectiveness of different policy measures in mitigating its potential inflationary impact.

Additionally, future research could examine the impact of different types of sukuk, such as green sukuk or sustainability sukuk, on inflation and other macroeconomic variables.

REFERENCES

Abu-Sittah, G. (2020). The Virus, The Settler, And The Siege: Gaza In The Age Of Corona. *Journal Of Palestine Studies*, *49*(4), 65–76. Https://Doi.Org/10.1525/Jps.2020.49.4.65

Afonso, A., & Jalles, J. T. (2019). A Note On Inflation Dynamics, Price Volatility, And Fiscal Activism. *Macroeconomic Dynamics*, *24*(5), 1299–1313. Https://Doi.Org/10.1017/S1365100518000688

Aginta, H., & Someya, M. (2021). *Regional Economic Structure And Heterogeneous Effects Of Monetary Policy: Evidence From Indonesian Provinces*. Https://Doi.Org/10.21203/Rs.3.Rs-461275/V1

Ahmad, A. U. F., & Sahabuddin, M. (2023). The Global Financial Crisis, COVID-19, and the Russia-Ukraine War: The Safe Haven Potential Of Islamic Economics. *Journal Of Central Banking Law And Institutions*, *2*(3), 461–480. Https://Doi.Org/10.21098/Jcli.V2i3.187

Ahmed, M. Y., & Sarkodıe, S. A. (2021). Covid-19 Pandemic And Economic Policy Uncertainty Regimes Affect Commodity Market Volatility. *Resources Policy*, *74*, 102303. Https://Doi.Org/10.1016/J.Resourpol.2021.102303

Ajmal, M. M., Khan, M., & Shad, M. K. (2021). The Global Economic Cost of the Coronavirus Pandemic: Current And Future Implications. *Public Administration And Policy*, *Ahead-of-Print*. Https://Doi.Org/10.1108/Pap-10-2021-0054

Amin, Md. R., Hakim, M. A., Rashid, Md. M., & Hasan, S. M. (2022). Quantifying The Connectedness And Portfolio Implications Between Islamic And Conventional Bonds: Evidence From Global And Gcc Regions. *Journal Of Economic Analysis*. Https://Doi.Org/10.58567/Jea01020001

Andolfatto, D., & Spewak, A. (2018). *Understanding Lowflation*. Https://Doi.Org/10.20955/Wp.2018.024

Anwar, C. J., & Okot, N. (2020). Causality Relationship Between Central Bank Reforms And Inflation: Evidence From Developing Countries. *Signifikan Jurnal Ilmu Ekonomi*, *9*(1), 15–30. Https://Doi.Org/10.15408/Sjie.V9i1.10955

Asia Development Bank. (2020). *Asia's Journey To Prosperity*. Https://Doi.Org/10.22617/Tcs190290

Atigala, P., Maduwanthi, T., Gunathilake, V., Sathsarani, S., & Jayathilaka, R. (2022). Driving The Pulse Of The Economy Or The Dilution Effect: Inflation Impacting Economic Growth. *Plos One*, *17*(8), E0273379. Https://Doi.Org/10.1371/Journal.Pone.0273379

Baidoo, S. T., & Yusif, H. (2019). Does Interest Rate Influence Demand For Money? An Empirical Evidence From Ghana. *Economics Literature*, *1*(1), 24–36. Https://Doi.Org/10.22440/Elit.1.1.2

Bednarczyk, J. L., & Brzozowska-Rup, K. (2019). Non-Decreasing Economic Growth Rate Of Inflation (Ndegri) In Light Of Empirical Studies. *Econometrics*, *23*(1), 9–18.

Https://Doi.Org/10.15611/Eada.2019.1.01

Bordo, M. D., & Levy, M. D. (2021). Do Enlarged Fiscal Deficits Cause Inflation? The Historical Record. *Economic Affairs*, *41*(1), 59–83. Https://Doi.Org/10.1111/Ecaf.12446

Chun, B. J. (2024). *Identifying Interest Rates Transmission Mechanism Under A Bayesian Network*. Https://Doi.Org/10.20944/Preprints202405.2058.V1

Citra, K. G., Vidya, W. B., Kamila, P., & Pimada, L. M. (2022). Kontroversi Dampak Omnibus Law Di Tengah Pandemi Covid-19 Terhadap Kesejahteraan Tenaga Kerja Di Indonesia. *Jurnal Ilmiah Muqoddimah*, 38–46. Http://Jurnal.Um-Tapsel.Ac.Id/Index.Php/Muqoddimah

Demir, F. (2023). The Effect Of Inflation On The Budget Deficit In Turkiye: Evidence From Cointegration Test With Multiple Structural Breaks. *Journal Of Life Economics*, *10*(4), 169–178. Https://Doi.Org/10.15637/Jlecon.2170

Duncan, H. O., Li, F., & Ssali, M. W. (2019). Trade-Off Phillips Curve, Inflation And Economic Implication: The Kenyan Case. *International Journal Of Economics And Finance*, *11*(4), 60. Https://Doi.Org/10.5539/Ijef.V11n4p60

Granville, B. (2013). *The End Of A Mirage*. Https://Doi.Org/10.23943/Princeton/9780691145402.003.0001

Ha, J., Ivanova, A., & Ohnsorge, F. (2019). *Inflation Concepts, Evolution, And Correlates*. Http://Www.Worldbank.Org/Research.

Hall, S. G., Swamy, P. A. V. B., & Tavlas, G. S. (2012). *Milton Friedman, The Demand For Money, And The Ecb's Monetary Policy Strategy*. *94*(3). Https://Doi.Org/10.20955/R.94.153-186

Hyndman, R. J. (2024). *Forecasting Functions For Time Series And Linear Models*. Https://Orcid.Org/0000-0002-3665-9021

Iefymenko, T., Dunaev, B. B., & Lyubich, A. A. (2021). Inflation Targeting Model In Macroeconomics. *Cybernetics And Systems Analysis*, *57*(6), 968–977. Https://Doi.Org/10.1007/S10559-021-00422-1

Islam, T. U. (2023). Inflation Targeting: A Time-Frequency Causal Investigation. *Plos One*, *18*(12), E0295453. Https://Doi.Org/10.1371/Journal.Pone.0295453

Istiyani, N., Hanim, A., Dewi, I. R., & Najib, M. K. (2023). Accuracy Of Predicting The Unemployment Rate In Indonesia. *Journal Of Economics, Management And Trade*, *29*(6), 18–26. Https://Doi.Org/10.9734/Jemt/2023/V29i61096

Khan, A. (2023). Exploring Macroeconomic Determinants Of Inflation In Pakistan; Fresh Insights From Vector Autoregressive Analysis. *Journal Of Economic Sciences*, *2.2*, Pp. 127–138. Https://Doi.Org/10.55603/Jes.V2i2.A4

Kurniawan, M. (2023). Exploring The Cross Countries Endurance, Evidence Of Indonesian And Malaysian Sharia Banks Financial Performance. *Jurnal Ilmiah Akuntansi Dan Bisnis*, *18*(2), 251. Https://Doi.Org/10.24843/Jiab.2023.V18.I02.P05

Ledhem, M. A. (2022). Does Sukuk Financing Boost Economic Growth? Empirical Evidence From Southeast Asia. *Psu Research Review*, *6*(3), 141–157. Https://Doi.Org/10.1108/Prr-09-2020-0028

Ma, Q., Mei, Z., Ali, S., Kırıkkaleli, D., & Khan, Z. (2021). Natural Resources Commodity Prices Volatility And Economic Performance: Evidence From China Pre And Post Covid-19. *Resources Policy*, *74*, 102338. Https://Doi.Org/10.1016/J.Resourpol.2021.102338

Masitoh, S., & Perwitasari, A. S. (2024, July 9). Stabilisasi Moneter, Bi Sudah Beli Sbn Rp 137,1 Triliun Di Sepanjang Tahun 2024. *Https://Nasional.Kontan.Co.Id/News/Stabilisasi-Moneter-Bi-Sudah-Beli-Sbn-Rp-1371-Triliun-Di-Sepanjang-Tahun-2024*.

Matthews, K., & Ong, K. (2022). Is Inflation Caused By Deteriorating Inflation Expectations Or Excessive Monetary Growth? *Economic Affairs*, *42*(2), 259–274. Https://Doi.Org/10.1111/Ecaf.12518

Maurya, P. K., Bansal, R., & Mishra, A. K. (2023). Russia–Ukraine Conflict And Its Impact On Global Inflation: An Event Study-Based Approach. *Journal Of Economic Studies*, *50*(8), 1824–1846. Https://Doi.Org/10.1108/Jes-01-2023-0003

Metoui, M., & Ghorbel, A. (2023). Does The Sukuk Sector Stimulate Economic Growth? Empirical Evidence From Mena And Southeast Asia Region. *International Journal Of Empirical Economics*, *02*(02). Https://Doi.Org/10.1142/S2810943023500075

Mezghani, T., & Abbes, M. B. (2023). Influence Of Oil Price Fluctuations On The Network Connectedness Between Oil, Gcc Islamic And Conventional Financial Markets. *International Journal Of Islamic And Middle Eastern Finance And Management*, *16*(5), 955–974. Https://Doi.Org/10.1108/Imefm-09-2021-0392

Miranti, T., Aulia, N. A., Pimada, L. M., & Penulis, N. (2022). How The Covid-19 Outbreak Affect The Efficiency Of Islamic Rural Banks? *Jurnal Keuangan Dan Perbankan Syariah*, *10*(1).

Mitsaliyandito, R. Q., Arundina, T., & Kasri, R. A. (2017). Impact Of Sukuk Market Development On Indonesian Economic Growth. *International Journal Of Applied Business And Economic Research*. Http:Www.Serialsjournal.Com

Mukaromah, H. (2023). Analysis Of Government Policy In Responding To The Economic Recession Due To Covid-19 In Indonesia. *Jess*, *2*(1), 20–32. Https://Doi.Org/10.59525/Jess.V2i1.187

Nasir, M., Huynh, T. L. D., & Vo, X. V. (2020). Exchange Rate Pass-Through &Amp; Management Of Inflation Expectations In A Small Open Inflation Targeting Economy. *International Review Of Economics & Finance*, *69*, 178–188. Https://Doi.Org/10.1016/J.Iref.2020.04.010

Nauman, M. (2024). Budget Deficits In Pakistan: A Time Series Analysis Of The Impact Of Economic Political And Institutional Factors. *Pakistan Journal Of Humanities And Social Sciences*, *12*(2). Https://Doi.Org/10.52131/Pjhss.2024.V12i2.2157

Ncanywa, T., & Letsoalo, T. E. (2019). Which Among Twin Deficits Hypothesis, Twin Divergence, And

Ricardian's Equivalence Hold In A Developing Country? *Journal Of Public Affairs*, *19*(2). Https://Doi.Org/10.1002/Pa.1904

Owusu, P. (2022). Dynamic Connectedness, Spillovers, And Delayed Contagion Between Islamic And Conventional Bond Markets: Time- And Frequency-Domain Approach In Covid-19 Era. *Discrete Dynamics In Nature And Society*, *2022*, Pp. 1–18. Https://Doi.Org/10.1155/2022/1606314

Pimada, L. M. (2021). Global Value Chain: Islamic Economics And Finance Position. *Shirkah: Journal Of Economics And Business*, *6*(3), 397–314. Https://Doi.Org/10.22515/Shirkah.V6i3.353

Prasasti, C. A., Vitadiar, F. Z., Nugroho, I. Y., & Pimada, L. M. (2020). Optimization Of Tax Revenue In The Time Of Covid-19 In Organization Of Islamic Cooperation Countries (Case Studies In Egypt, Turkey, Saudi Arabia, And Pakistan). *Iqtishoduna: Jurnal Ekonomi Islam*, *9*(2), 181. Https://Doi.Org/10.36835/Iqtishoduna.V9i2.541

Purnama, A. Y. R. (2024, April 22). Respons Bank Indonesia Atas Kepemilikan Sbn 23,22%. *Https://Www.Bloombergtechnoz.Com/Detail-News/38715/Respons-Bank-Indonesia-Atas-Kepemilikan-Sbn-23-22*.

Sajid, M., Ali, A., Ahmad, S., Shil, N. C., & Arshad, I. (2024). Global And Domestic Drivers Of Inflation: Evidence From Select South Asian Countries. *Journal Of Economic And Administrative Sciences*. Https://Doi.Org/10.1108/Jeas-05-2023-0110

Sanga, G. J., Kongolo, M., & Mnongya, R. (2022). Effect Of Inflation On Economic Growth In Tanzania From 1970 To 2020. *International Research Journal Of Mmc*, *3*(5), 12–27. Https://Doi.Org/10.3126/Irjmmc.V3i5.50732

Sari, N., & Widiyanti, M. (2018). *The Impact Of Islamic Capital Market Development On Economic Growth: The Case Of Indonesia* (Vol. 3, Issue 2). Www.Jseg.Ro

Saungweme, & Odhiambo. (2021). Public Debt And Inflation Dynamics: Empirical Evidence From Zimbabwe. *Croatian Review Of Economic Business And Social Statistics*, *7*(2), 14–30. Https://Doi.Org/10.2478/Crebss-2021-0007

Scott, A. B. (2022). A Case Study Of Tourism In North Carolina State Parks Using Google Trends. *International Journal Of Tourism And Hospitality Management In The Digital Age*, *5*(2), 1–14. Https://Doi.Org/10.4018/Ijthmda.298703

Siregar, R. Y., Gunawan, A. H., & Saputro, A. N. (2021). Impact Of The Covid-19 Shock On Banking And Corporate Sector Vulnerabilities In Indonesia. *Bulletin Of Indonesian Economic Studies*, *57*(2), 147–173. Https://Doi.Org/10.1080/00074918.2021.1956397

Smaoui, H., & Nechi, S. (2017). Does Sukuk Market Development Spur Economic Growth? *Research In International Business And Finance*, *41*, 136–147. Https://Doi.Org/10.1016/J.Ribaf.2017.04.018

Suriani, S., Abd. Majid, M. S., Masbar, R., A. Wahid, N., & Ismail, A. G. (2021). Sukuk And Monetary

Policy Transmission In Indonesia: The Role Of Asset Price And Exchange Rate Channels. *Journal Of Islamic Accounting And Business Research*, *12*(7), 1015–1035. Https://Doi.Org/10.1108/Jiabr-09-2019-0177

Syahputri, St. E. F., Widya, E. A., Nabiela, N., Attarsyah, A. A., & Pimada, L. M. (2021). Perspektif Ekonomi: Stimulus Pandemi Covid-19 Dalam Undang-Undang Nomor 2 Tahun 2020. *Journal Of Economics, Management, Accounting, And Technology*, *4*(2), 138–148. Https://Doi.Org/10.32500/Jematech.V4i2.1652

Takavakoglou, V., Pana, E., & Skalkos, D. (2022). Constructed Wetlands As Nature-Based Solutions In The Post-Covid Agri-Food Supply Chain: Challenges And Opportunities. *Sustainability*, *14*(6), 3145. Https://Doi.Org/10.3390/Su14063145

The World Bank. (2022). *Financial Deepening For Stronger Growth And Sustainable Recovery*. Www.Worldbank.Org

Usman, F., Andriana, N., Prabowo, M., & Anggraini, D. (2023). The Influence Of Financial Accountability, Organization Size, Population Quality, And Economic Growth On Regional Taxes In Sumatra. *Educoretax*, *3*(4), 322–332. Https://Doi.Org/10.54957/Educoretax.V3i4.588

Wang, L., Pujiharto, P., & Handayani, E. (2023). What Are The Rules Of No.11/Pojk?03/2020 Banking Restructuring Policy Improve Financial Performance? (Empirical Study Of Islamic Banks In Indonesia). *Review Of Economics And Finance*, *20*, 895–901. Https://Doi.Org/10.55365/1923.X2022.20.101

Wiguna, D. K. S., & Yuliastuti, N. (2020, April 1). Bi Bisa Beli Sun Di Pasar Primer Biayai Defisit Fiskal. *Https://Www.Antaranews.Com/Berita/1395466/Bi-Bisa-Beli-Sun-Di-Pasar-Primer-Biayai-Defisit-Fiskal*.

Yang, C., & Guo, S. (2021). Inflation Prediction Method Based On Deep Learning. *Computational Intelligence And Neuroscience*, *2021*, 1–6. Https://Doi.Org/10.1155/2021/1071145

Ybrayev, Z. (2021). *The Role Of Fiscal Policy In The Inflation: Var Analysis Of Kazakhstan's Economy, 2005-2020*. Https://Doi.Org/10.21203/Rs.3.Rs-505243/V1

Yıldırım, S., Yıldırım, D. C., & Diboglu, P. (2020). Does Sukuk Market Development Promote Economic Growth? *Psu Research Review*, *4*(3), 209–218. Https://Doi.Org/10.1108/Prr-03-2020-0011

Yusof, R. M., Usman, F. H., Mahfudz, A. A., & Arif, A. S. C. M. (2018). Macroeconomic Shocks, Fragility And Home Financing In Malaysia: Can Rental Index Be The Answer? *Journal Of Islamic Accounting And Business Research*, *9*(1), 17–44. Https://Doi.Org/10.1108/Jiabr-11-2015-0058

Zhang, Z. (2021). Stock Returns And Inflation Redux: An Explanation From Monetary Policy In Advanced And Emerging Markets. *Imf Working Paper*, *2021*(219), 1. Https://Doi.Org/10.5089/9781513586755.001