PRACE NAUKOWE UNIWERSYTETU EKONOMICZNEGO WE WROCŁAWIU
RESEARCH PAPERS OF WROCLAW UNIVERSITY OF ECONOMICS AND BUSINESS

2020, vol. 64, nr 2

ISSN 1899-3192
e-ISSN 2392-0041

Magdalena Broszkiewicz
Wroclaw University of Economics and Business
e-mail: m.broszkiewicz.ue@gmail.com
ORCID: 0000-0002-3136-956X

PORTFOLIO INVESTMENTS IN INDONESIA AND MALAYSIA AS EXAMPLES OF DEVELOPING THE INVESTMENT ATTRACTIVENESS ON ISLAMIC CAPITAL MARKETS

INWESTYCJE PORTFELOWE W INDONEZJI I MALEZJI JAKO PRZYKŁAD ROZWOJU ATRAKCYJNOŚCI INWESTYCYJNEJ NA ISLAMSKICH RYNKACH KAPITAŁOWYCH

DOI: 10.15611/pn.2020.2.02
JEL Classification: F21, G15

Summary: The investment attractiveness of capital markets, e.g. the degree of distinction between regional and global markets, determines the ability to adapt to changing environmental conditions and information transparency. Market effectiveness as one of the pillars of the capital market is based on the stability and transparency of the legal framework that determines the possibilities of entering into a transaction. The main research goal of this article is the presentation of the inflow process of portfolio investment in Islamic countries, with a particular focus on the markets of Indonesia and Malaysia, in connection with their investment attractiveness. The strong interest in the capital markets of Islamic countries, especially after the financial crisis of 2008, has led to the dynamic development of these markets as well as the threat of the outflow of the so-called "hot capital". The causes and effects of these processes are not sufficiently described in the literature.

Keywords: capital market, portfolio investment, Sharia, Indonesia, Malaysia.

Streszczenie: O atrakcyjności inwestycyjnej rynków kapitałowych, a więc o stopniu wyróżnienia się spomiędzy rynków regionalnych i globalnych, decydują możliwość dopasowywania się do zmieniających się warunków otoczenia oraz przejrzystość informacyjna. Efektywność informacyjna rynku, jako jeden z filarów rynku kapitałowego, opiera się na stabilności i przejrzystości zasad prawnych, które decydują o możliwościach zawierania transakcji. Przedmiotem artykułu jest analiza napływu inwestycji portfelowych w krajach islamskich ze szczególnym uwzględnieniem rynków Indonezji i Malezji. Silne zainteresowanie rynkami kapitałowymi państw islamskich, szczególnie po okresie kryzysu finansowego z 2008 r., powoduje dynamiczny rozwój tych rynków, a także zagrożenie odpływem tzw. gorącego kapitału. Przyczyny i skutki tych procesów nie są jeszcze w literaturze szczegółowo opisane.

Słowa kluczowe: rynek kapitałowy, inwestycje portfelowe, szariat, Indonezja, Malezja.

1. Introduction

Today's capital markets, as components of financial markets, are characterized by their high volatility and high level of risk in a turbulent and fast-changing global economy. Their investment attractiveness, and thus their ability to distinguish themselves from both regional and global markets, is therefore determined by the ability to adapt to changing environmental conditions (through innovation, e.g. in the field of either regulations or instruments) and the information transparency of the capital market.

The efficiency of capital markets can be assessed according to the following criteria: allocation efficiency (funds are transferred to entities that will use them in the most effective way), operational efficiency (when competition on the financial intermediaries market is shaped by low transaction costs), and information efficiency (when available information is immediately reflected in prices).

In this article the market's transaction efficiency role will be indicated as one of the pillars of the capital market (besides dematerialisation and the concentration of trade), is primarily based on the stability and transparency of the legal principles that determine the possibilities of concluding transactions. Such principles, assessed in modern finance as thoseyielding the opportunity to evaluate the stability of the capital market, are provided by Islamic finance.

The following considerations relate to the tenets that shape the behaviour of investors and market institutions in Islamic countries. Islamic banking is widely discussed in world literature, and it is also necessary to analyse the principles of Islamic finance in terms of capital markets. Specifying the features that increase the investment attractiveness of capital markets in Islamic countries may contribute to seeking new solutions also in the finances of Western countries. To this end, the capital markets of Indonesia and Malaysia were analysed as examples of the organization of Islamic capital markets. The article discusses the following hypotheses: firstly, Islamic capital markets constitute an alternative to investments in financial instruments deemed traditional by Western markets, hence their growing popularity in global financial markets. Secondly, the Indonesian and Malaysian capital markets – as dynamically developing capital investment locations among Islamic capital markets – require further institutional development in order to attract and retain capital in the form of portfolio investment.

2. Investment attractiveness of Islamic capital markets

In the modern world, the capital market is a place where surplus cash is transferred from one party to a transaction to the other party that registers respective demand. In the economy, the task of the capital market is to mobilize dispersed free financial resources and transform them into a stream of investment funds for debt or equity instruments. Cash from the issue and sale of securities, and obtained through lending is invested in the company's assets, which are profitable in operating activities. By way of division, this profit is earmarked in part for reinvestment, and partly for the return of funds to investors in the form of dividends and/or for servicing loan costs. "The implementation of projects guaranteeing the survival and development of an enterprise depends on the inflow of financial capital" (Ostrowska, 2007, p. 39). In addition, on the securities market, investment projects are evaluated by people who want to invest their funds in a given enterprise, the projects of which will be either accepted or rejected. The functions and features of trading on the capital market described above are universal, therefore what remains is the issue of specifying the characteristics of capital markets of Islamic countries.

The history of Islamic finance (currently divided into banking, insurance and capital markets) has its roots in the development of the tenets of Islamic religion based on the Koran, i.e. Sharia law, and in particular the kaedah muamalah, which define the rules of conduct in commercial (economic) relations between the followers of the Islamic religion. It should be remembered that the provisions of Sharia determine the wording of all legal acts in force in Islamic countries (Astuty, 2015, pp. 47-48). As such one can consider the Arab countries, which are home to about 20% of the Islamic population, but also Indonesia, Malaysia, Pakistan and Bangladesh (*Mapping*..., 2009). Since the 1960s, there have been attempts to introduce the principles of Sharia to the financial market, organized according to the rules of the Western world.

The first signal of introducing the principles of Islam to the financial market was the establishment of the Nasser Social Bank in Cairo in 1971. This resulted in the flourishing of Islamic banking and the establishment of the following entities: the Islamic Development Bank and the Dubai Islamic Bank (1975), the Faisal Islamic Bank of Egypt, the Faisal Islamic Bank of Sudan and the Kuwait Finance House (1977). The history of Islamic capital markets began when Islamic banking started to develop dynamically and arouse widespread interest in the financial markets worldwide. In 1978, the rules of Sharia were introduced to the functioning of capital markets in Jordan and Pakistan by the government issuing permits to issue bonds (in Jordan − Muqaradah Bond and Muqaradah Bond Act in 1980; in Pakistan − Madarabas Company and Madarabas Ordinance in 1981) (Ali, 2005, p. 26).

Islamic capital markets constitute, alongside Islamic banking and insurance (Takaful), a pillar for the development of Islamic financial markets. The basic instruments of this market include equity and debt securities (Sukuk) and legal derivatives. On the equity market it is legal to specify the value of stock indexes as well as to make transactions under the Islamic Mutual Funds, the Islamic Real Estate Investment Trust (REIT), the Islamic Exchange Traded Fund, and venture capital or private equity transactions. As part of debt instruments, various types can be found in accordance with the principles of Sharia law: Sukuk al-Ijarah, Sukuk Bai'bithaman ajil, Sukuk al-Murabahah, Sukuk al-Istisna, Sukuk al-Musharakah, and Sukuk al-Mudharabah (Maiyaki, 2013, p. 279). On the Islamic capital market both primary and secondary trading is possible, but the latter is much less important (only for maintaining the liquidity of instruments) (ISRA, 2011).

Islamic capital markets are characterized by the presence of entities whose activities are in line with the laws of Sharia. It is possible for the entities to participate in the market in order to make profits, maintain liquidity in trading in securities on the secondary market, search for external sources of financing to implement investment projects, as well as seek a market position through changes in the prices of issued securities.

Each transaction concluded on the Islamic capital market must comply with Islamic ethics and the rule of law. While Islamic transactions can be generally characterized as free and fair, this freedom is not unlimited. These restrictions are in accordance with the provisions of the Sharia (Dusuki and Abozaid, 2008, pp. 63-78), and include bans on:

- usury (*riba*) understood as remuneration for granting of a loan,
- fraud (*gharar*) – as failure to inform each party to the transaction about its terms and conditions, which may contribute to increased risk of one of them,
- activities related to the production and sale of alcohol (*khamr*),
- gambling (*maysir*), in terms of the imbalance of effort and costs put in by the parties to the transaction in its conclusion, achieving undeserved profits,
- prohibition of speculation.

Thus the freedom that can be obtained under IFS is not identical with its counterpart in the conventional financial transaction system. There are similar provisions in the laws on justice in ICM transactions that cannot be obtained in another system, e.g. players are protected from misrepresentation, unbalanced information and unequal bargaining power (Obaidullah, 2005). However, all restrictions and limitations imposed by Sharia are intended to protect all the parties involved in the transaction and to ensure an even playing field for market participants.

It is estimated that the volume of financial resources from Muslim countries has reached USD 1.3 trillion (di Mauro et al., 2013, p. 18) and is steadily increasing, along with the number of Muslims worldwide. This is one of the reasons why it is worth considering the growing possibilities of the influence of Islamic markets on global finances and the growing interest in Islamic capital markets.

Due to the strong interest in capital markets of Islamic countries, especially after the financial crisis of 2008 (due to the improved transparency of the operating rules in relation to North America and Western Europe), stock indexes are developed based on quotations of entities from these markets (e.g. the Islamic Asia Pacific ex-Japan Agribusiness Index, the BPA Malaysia Bond and the Sukuk Index Series Overview, the FTSE Shariah Global Equity Index, the S&P 500 Shariah, and the Dow Jones Islamic Market World Index) (Islamic Indices, n.d.).

The Dow Jones Islamic Market World Index is an index showing global companies whose operating principles are in line with the principles of Sharia.

As shown in Figure 1, which includes index quotations for the period 30th April 2007-30th April 2017 compared to the S&P 500 index (including 500 companies with the largest capitalization, listed on the New York Stock Exchange and NASDAQ), the results of companies operating in accordance with Sharia law do not differ significantly from the level of the world's largest public companies. During the financial crisis of 2007-2008, and even up to 2013, the companies included in the Islamic Market World Index were listed higher, and thus became more attractive for investors in terms of investment. It is only since 2014 that the gap between the quotations of companies from Western and Islamic markets has grown, to the detriment of companies that comply with the rules of Sharia. One of the factors influencing this picture is the political instability and dynamic economic changes that take place in the countries of origin of the entities concerned.

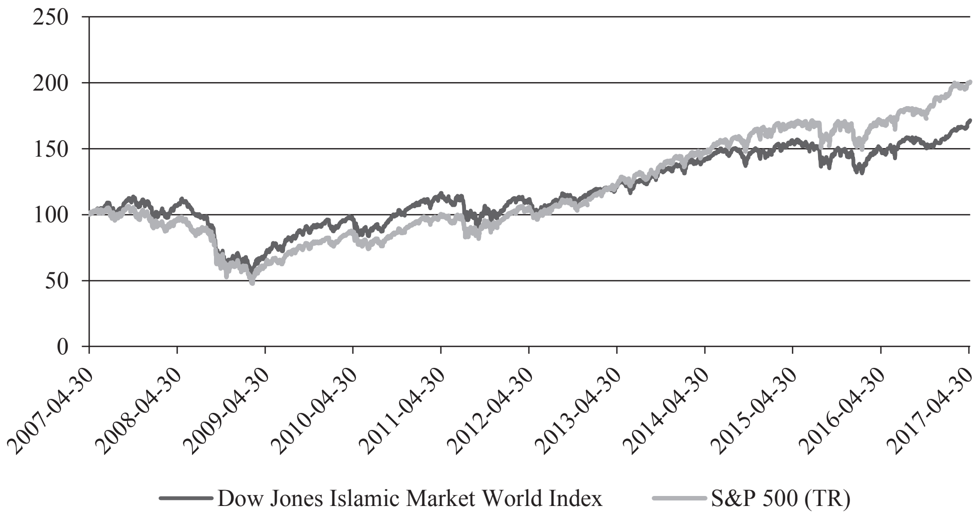

Fig. 1. The Dow Jones Islamic Market World Index and the S&P 500 Index in the period 30.04.2007-30.04.2017

Source: own study based on (S&P Dow Jones Indices, n.d.).

The capital markets of Islamic countries are those whose rules of operation are determined by the principles of Sharia. Therefore, the markets in both Indonesia and Malaysia fulfil the condition discussed further below. The portfolio investments described as part of the capital market analysis of both countries relate to capital flows, usually for a shorter period of time compared to direct investment. A portfolio investment is an investment in the form of a purchase of securities or a portfolio in the form of securities and is carried out with a view to obtaining a return (in the literature it is considered to be the purchase of up to 10% of the equity of a given entity, because the investment is not carried out to take over the control and management in the entity being acquired). This expected return is directly correlated with the expected investment risk (Gooptu, 1993, p. 15).

Portfolio investments can cover a wide range of asset classes, such as shares, treasury bonds, corporate bonds, treasury bills, real estate investment funds (REITs), investment funds (ETFs), investment funds and certificates of deposit. Portfolio investment may also include options, derivatives such as warrants and futures, and physical investments such as commodities, real estate, land and wood.

3. Investment attractiveness of the Indonesian and Malaysian capital markets

The history of the development of the Indonesian and Malaysian capital markets dates back only to the last decades of the 20th century. Therefore the need to work for the development of these markets, as well as to observe capital flows (including foreign) in order to use a dynamically developing trading system serve as an important element in the description of the importance of portfolio investments in the global economy. The history, operating principles and instruments listed on both markets are briefly presented below.

In 1976 the Indonesian Government established the first capital market institution so as to promote the development of the securities market in Indonesia. The first issue of shares on the Jakarta Stock Exchange (JSX) took place in August 1977. However, at the end of 1988 in Indonesia only 24 companies were listed on the stock exchange and the volume of trading in shares was low.

Numerous reform measures have been introduced since 1988, which led to the privatization of the JSX in April 1992. In addition, the Capital Markets Supervisory Board (Badan Pengawas Pasar Modal − Bapepam) was established in order to ensure the correct and fair opportunity to conclude transactions on the securities markets in Indonesia.

In 1997 the Indonesian Government established the Indonesian Central Securities Depository (the Kustodian Sentral Efek Indonesia − KSEI), which acts as the central settlement bank. In the same year, to coincide with the establishment of the KSEI, Bapepam introduced regulations aimed at ensuring the electronic trading of securities, which greatly simplified the IPO process.

Restrictions on foreign ownership of securities on exchanges were lifted in September 1997. As a consequence, foreign investors can buy up to 100% of shares offered in the public offering and up to 100% of shares on the stock exchange of all entities listed in Indonesia. The main exception applies to banks in which only 99% of shares may be acquired by foreigners or may be listed on the stock exchange, while the remainder is to be unlisted and owned by Indonesian investors. The process of concluding transactions is similar to the system operating in the United States and requires the submission of a detailed registration declaration at Bapepam.

Indonesia has been one of the best-performing markets in US dollars since early 2002. The Indonesian Government, in particular Bapepam and the JSX, have taken the initiative to improve their rules and regulations to bring them into line with international standards.

Furthermore, the Indonesian Government established an over-the-counter market (Bursa Paralel) and the Surabaya Stock Exchange (SSX), which merged in July 1995 to form a unified exchange that focuses on small and medium-sized enterprises. Other reforms included increased protection for minority shareholders, improved disclosure requirements, mandatory corporate governance requirements and greater transparency in listing procedures (Wells, 2010, pp. 10-21).

The Malaysian capital market has a much longer tradition, and thus belongs to the more developed markets and more popular among investors on the world market (and also more often described in the literature on the subject).

The Malaysian capital market is unique in that it includes two types of capital market, Islamic and conventional, which work simultaneously. The Islamic capital market is characterized by the lack of interest-based transactions, questionable transactions and securities operations of companies dealing with activities deemed illegal according to Sharia rules. The main regulatory authorities governing the capital market are Bursa Malaysia Berhad, the Securities Commission and the Labuan Offshore Financial Services Authority (LOFSA). On the Malaysian capital market, the first step towards securities trading took place in 1930, when the Singapore Stockbrokers Association was formed. However, the first formal organization of public trading in securities began in 1960. On 14th April 2004, the name the Kuala Lumpur Stock Exchange was changed to Bursa Malaysia Berhad. This entity runs a fully integrated exchange, offering a full range of services related to securities trading, including trade, settlement and deposit services.

Establishing the Islamic Capital Market Department (ICMD) and the Shariah Advisory Council (SAC) in 1996 was a pioneering step towards creating an organized and effective Islamic capital market. Assisted by ICMD in the area of jurisdiction, SAC mainly advises the Commission on all matters related to the comprehensive development of the Islamic capital market and acts as a reference centre for all capital market issues. The main reasons that were identified to support the establishment of the Malaysian financial centre were the 1997 Asian financial crisis and the liquidity problem arising from excess funds from the Islamic financial system.

Malaysia has placed great emphasis on the development of Islamic finances, including Islamic banking, insurance (*Takaful*), Islamic capital and the money market for over 30 years. As a result, this has led to the creation of a comprehensive Islamic finance system, rich in a variety of financial institutions, with high product innovation, market activity and built-in maturity that increases the stability of the entire system and region (Anwar, 2007, pp. 10-15).

Later the article the basic indicators of capital markets and the inflow of portfolio investments to the discussed capital markets will be analysed.

As indicated by Figure 2 below, the S&P Global Equity Indices index for Indonesia and Malaysia in 1996-2016 was subject to significant fluctuations, especially in the case of the Indonesian capital market. This is due to the fact that it is a young, dynamically developing market, creating only stable structures also for foreign capital. The Malaysian capital market is more developed, with opportunities to offer investors more diverse instruments. One can also recognize decreases in both countries during economic crises − regional in 1997 and global in 2008. A significant increase in interest in alternative investments in emerging countries, such as Indonesia, can be seen just after periods of crises on traditional financial markets.

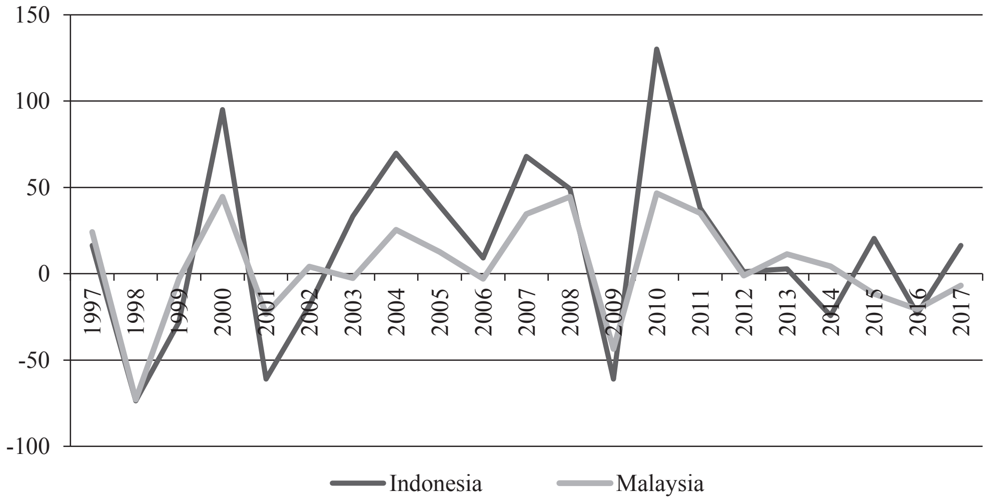

Fig. 2. The S&P Global Equity Indices for Indonesia and Malaysia in 1997-2017 (change in % year on year)

Source: own study based on the World Bank, Standard & Poor's, the Global Stock Markets Factbook.

The inflow of net portfolio investments to Malaysia and Indonesia in 1974-2015 is illustrated in Figure 3. Until the beginning of the 1990s, these values oscillated around the level of balance of outflow and inflow of capital to the financial markets of these countries. It has only been since the beginning of this century that the growing disparities between the inflow and outflow of portfolio investments to these markets can be seen, which results from the increase in their level of development, as well as the greater openness of investors from these countries to transfer capital abroad. The Malaysian market was much more popular in the discussed period, while the outflow of capital in the form of portfolio investments can be seen on the Indonesian market.

Given the diversification of the inflow of portfolio investments to the Indonesian and Malaysian markets in terms of the type of financial instruments, one can

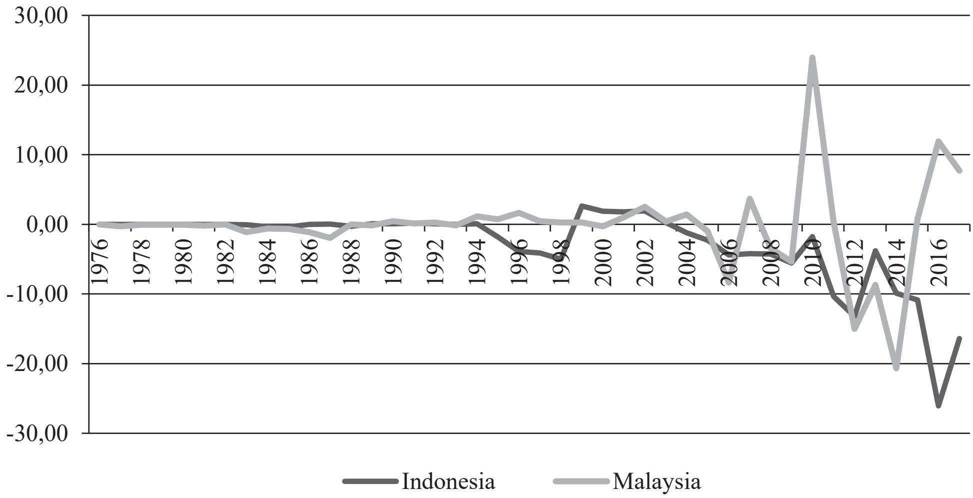

Fig. 3. Net portfolio investment inflow to Indonesia and Malaysia in 1976-2017 (data in USD trillion)

Source: own study based on (World Bank, n.d.).

distinguish the debt instrument markets (mainly Islamic bonds) and equity (shares of entities observing Sharia). The dynamics of capital inflow to both types of capital market instruments are illustrated in Figures 4 and 5.

The inflow of investment in the form of investing capital in debt instruments can be dated back to 1974. However, the dynamics of the inflow of foreign capital to Indonesia and Malaysia intensified only at the beginning of the 21st century (earlier, one could see increased interest in the period before the financial crisis in the countries of Southeast Asia in 1996 and decisive declines since 1998 − the escape of 'hot capital' from markets threatened by instability).

Debt instruments in Islamic capital markets are becoming increasingly popular and provide an alternative to traditional markets and investments. Short-term fluctuations in the discussed markets constitute corrections of upward trends for both countries, which may be a kind of an indication for institutions managing the capital markets of Indonesia and Malaysia to improve the level of quality of services rendered for foreign investors interested in this type of investments.

The data illustrated in Figure 5 show the volume of inflow of net portfolio investment into equity securities (stock market) since 1993, as no such inflow was recorded for Malaysia and Indonesia before (for Malaysia the beginning of this inflow dates back only to 2003, with no data available after 2011).

Figure 5 below shows a definitely different level of interest of foreign investors in investing in public companies in Indonesia and Malaysia. First of all, there is no clearly outlined upward trend in capital inflow. This trend for the Indonesian market

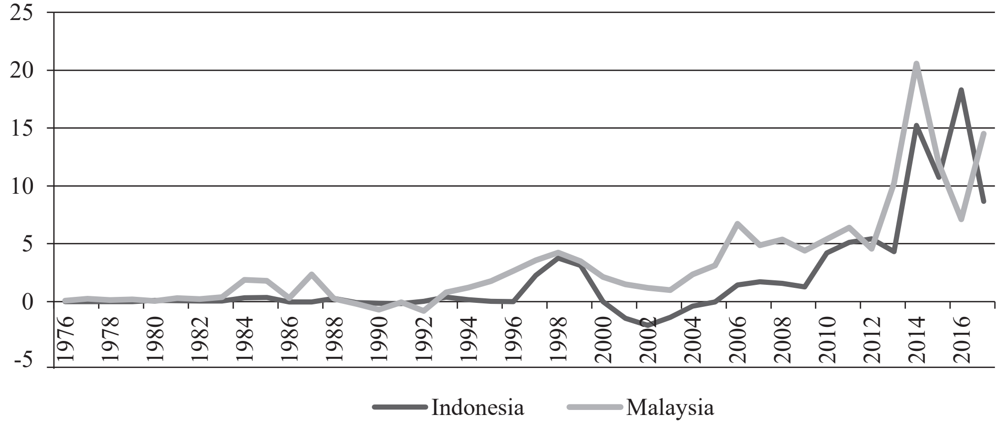

Fig. 4. The inflow of portfolio investments on the Indonesian and Malaysian bond markets in 1976-2017 (data in USD trillion)

Source: own study based on (World Bank, n.d.).

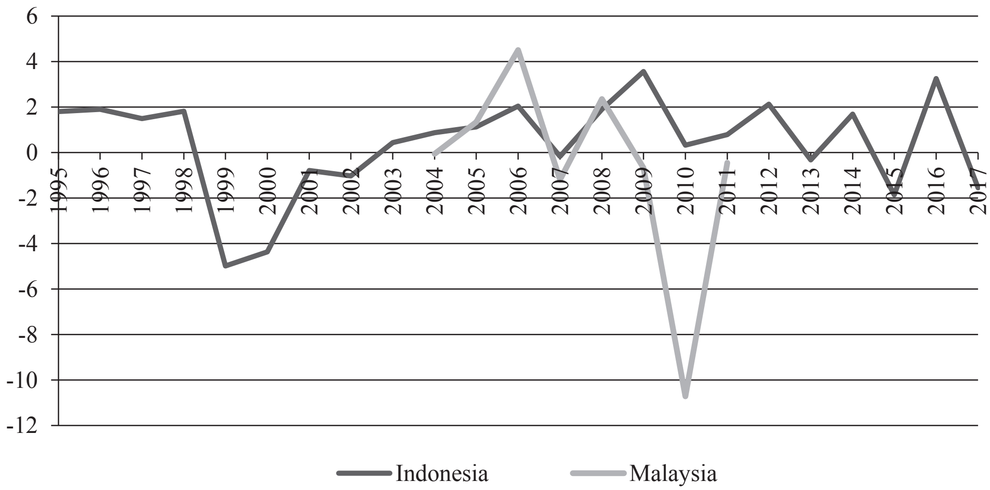

Fig. 5. The inflow of portfolio investments on the Indonesian and Malaysian equity markets in 1995-2017 (data in USD trillion)

Source: own study based on (World Bank, n.d.).

is rather horizontal, with a slight levelling of year-on-year fluctuations (a significant slump can only be seen during the 1997 crisis, which also illustrates the escape of speculative capital and the so-called "sudden stop" of the inflow of foreign capital to the capital market of this country). The Malaysian market, as a more developed one and more strongly connected with other markets of the region, reacted more strongly with the outflow of capital from equity instruments during the economic crisis in 2008.

The debt instruments market in Indonesia and Malaysia is definitely more worth and seems far more attractive to foreign investors − this is due to the tradition of Sukuk instruments, which are not treated as a risky alternative to more traditional directions and types of investments. The lower interest in the market of equity instruments may indicate the direction of development and the efforts to improve the quality of management and the way their product offer is presented by public companies from Indonesia and Malaysia on the international financial markets.

It is also worth looking at the data on the level of development of the Indonesian and Malaysian capital markets to consider the relationship between the inflow of portfolio investments to these countries and the following indicators: the number of companies listed on their capital markets (see Figure 6); the total value of trading in shares on the capital markets in question (see Figure 7); the size of capitalization of listed domestic companies in Indonesia and Malaysia (see Figure 8).

As shown by the above data, the number of companies listed on the Indonesian and Malaysian capital markets from 1980-2015 is constantly growing, with the increases being more dynamic in the latter country concerned. At the same time, Malaysia recorded the maximum number of companies – 1,021 − in 2006 (Bursa Malaysia), followed by a decrease. The huge interest in the possibility of raising capital through a stock exchange debut was caused by the favourable economic situation in developing countries before the global financial crisis in 2007.

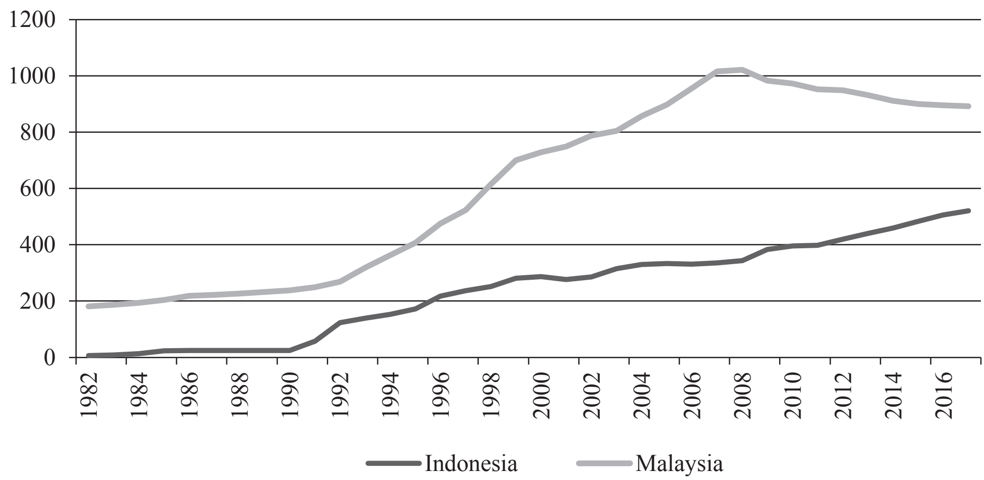

Fig. 6. Number of companies listed on the Indonesian and Malaysian capital markets in 1982-2017

Source: own study based on (World Bank, n.d.).

Considering the total stock trading index indicated in Figure 7 below, on the Indonesian and Malaysian capital markets in relation to the GDP of these countries in the years 1993-2015, a significantly lower share of the capital market in the economy can be seen compared to the level in OECD countries. This demonstrates the strong development needs of the discussed Asian economies in terms of raising capital through the issue of securities, which may contribute to the improvement of market allocation capacity. Public entities are in fact constantly monitored by the market and their activities must be transparent. This translates into the management of the image of enterprises, and thus into their investment attractiveness, which in turn translates into the value of companies and their development opportunities. Figure 7 also shows a stronger relationship between the Malaysian market and the OECD countries compared to Indonesia. This is due to greater market openness to accept foreign capital by creating investment opportunities in the field of capital market instruments and institutions. On the other hand, the stronger dependence of the Malaysian market on Western capital translates into greater fluctuations in this indicator and the threat of the escape of 'hot capital' during an economic crisis.

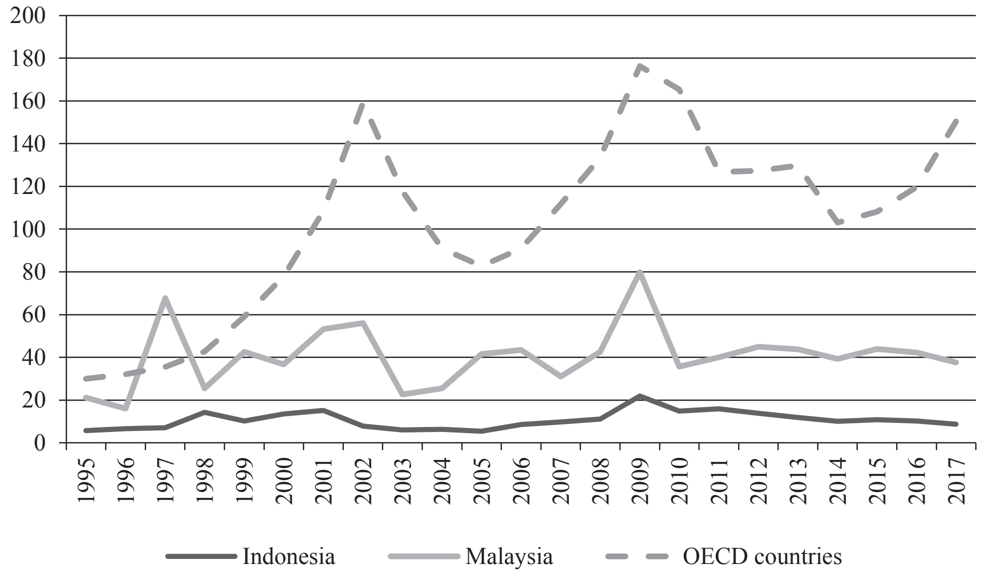

Fig. 7. Total value of trading in equities in Indonesia and Malaysia capital markets compared to OECD countries (in % of GDP) in 1995-2017

Source: own study based on (World Bank, n.d.).

The last of the analysed indicators − the size of capitalization of listed domestic companies in Indonesia and Malaysia compared to OECD countries in 1995-2015 (in % of GDP) shows similar trends in all the cases discussed.

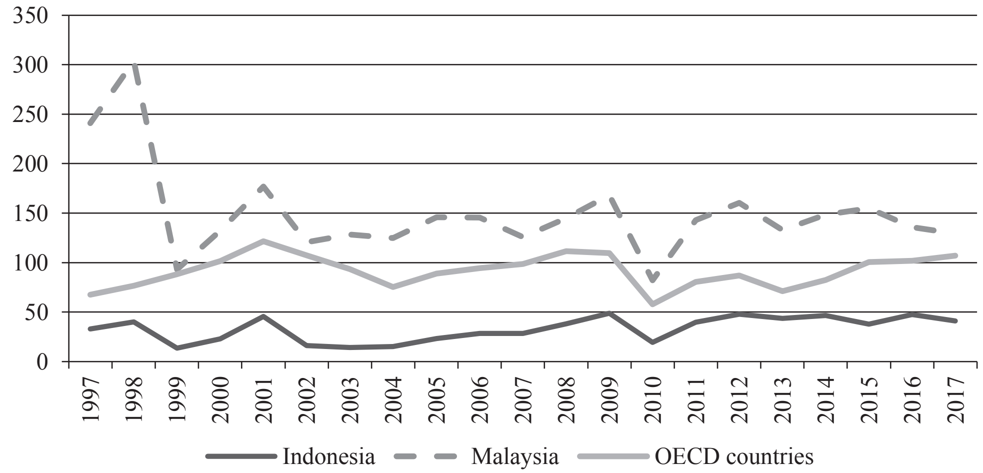

Fig. 8. Capitalization of listed domestic companies in Indonesia and Malaysia compared to OECD countries in 1995-2017 (in % of GDP)

Source: own study based on (World Bank, n.d.).

The highest dynamics of changes occurs for the Malaysian market, however, the size of capitalization of listed companies compared to GDP shows a horizontal trend; only Malaysia shows a significant decrease in the ratio due to the regional economic crisis in 1997. The decrease in capitalization value in all the cases can also be seen in 2008, during the worldwide financial crisis. The smallest effects are visible on the Indonesian market, which again indicates the lower level of connection with Western capital. This provides an opportunity to develop Indonesia's capital market as an alternative direction of investment in the era of turbulent development of capital markets in the world.

4. Conclusion

The main research goal of this article was to show the process of building the transaction efficiency of the capital markets in Indonesia and Malaysia, one of the effects of which is the inflow of capital in the form of portfolio investment.

Islamic financial institutions are still at an early stage of development. In order to further strengthen their position on the global financial market, in the era of dynamic development of traditional capital markets of Western countries, institutions operating on Islamic markets take an imitative approach towards conventional products, especially in terms of the credit risk profile. Restrictions in the level of development of the institutional environment of capital markets in Islamic countries (e.g. problems with the ownership of foreign investors' assets) cause problems with the implementation of the provisions of Sharia law. The institutions themselves, appearing as participants in the capital market trading, may also influence its development in Indonesia and Malaysia. Openness to new IT solutions, compliance with corporate governance rules (i.e. appropriate management and supervision standards in the trading of securities and management of public companies (Furtek, and Jurcewicz, 2006)), clarity and transparency of operations induce individuals and economic entities to take advantage of investment opportunities on both the domestic and foreign capital markets.

References

Ali, S. S., (2005). Islamic capital market products. Development and challenges. Islamic Research and Training Institute, Islamic Development Bank. *Occasional Paper*, (9).

Anwar, Z., 2007, *Enabling Islamic environment − Malaysian capital market growth*. INCEIF Global Forum. Retrieved 30.06.2019 from http://www.sc.com.my

Astuty, W. (2015). The extraordinary solution for Indonesia economic crisis: Shariah capital market. *Journal of Finance and Bank Management*, *3*(2).

Bursa Malaysia. (2019). Retrieved 28.06.2019 from http://www.bursamalaysia.com/market/listed-companies/

Dusuki, A. W., and Abozaid, A., 2008, Fiqh issues in short selling as implemented in the Islamic capital market in Malaysia. *JKAU: Islamic Econ*., *21*(2).

Furtek, M., and Jurcewicz, W. (2002). Corporate governance – ład korporacyjny w spółkach akcyjnych. *Przegląd Prawa Handlowego*, (6).

Gooptu, S. (1993). *Portfolio investment flows to emerging markets.* World Bank Publications.

Islamic Indices. (n.d.). Shariah-compliant indices for countries, regions and sectors key to Islamic finance. Retrieved 8.05.2019 from https://financial.thomsonreuters.com/en/products/data-analytics/market-data/indices/islamic-indices.html?gclid=Cj0KEQjwrsDIBRDX3JCunOrr_YYBEiQAifH-1Fv8vKgoYb3WxQ0UW9AIW1jKQyGeDsp60DV3U0OxNazkaAhWE8P8HAQ&ef_id=WBeUCwAABMeS9ged:20170508091745

ISRA. (2011). *Islamic financial system*. Kuala Lumpur: International Shari'ah Research Academy for Islamic Finance.

Maiyaki, A. A. (2013). *Principles of Islamic capital market*. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *3*(4).

Mapping the global Muslim population: A report on the size and distribution of the world's Muslim population. (2009). Pew Research Center. Retrieved 8.05.2019 from http://www.pewforum.org/2009/10/07/mapping-the-global-muslim-population/

Mauro di, F., Caristi, P., Couderc, S., di Maria, A., Ho, L., Grewal, B. K., Masciantonio, S., Ongena Z., and Zaher, S. (2013). Islamic finance in Europe. European Central Bank, (146).

Obaidullah, M. (2005). *Islamic financial system*. Islamic Economics Research Center. Retrieved 5.06.2017 from http://iei.kau.edu.sa

Ostrowska, E. (2007). *Rynek kapitałowy. Funkcjonowanie i metody oceny*. Warszawa: PWE.

S&P Dow Jones Indices (n.d.). Retrieved 8.05.2019 from https://us.spindices.com/indices/equity/dow-jones-islamic-market-developed-markets-index

Wells, S. (2010). *Moving toward transparency: Capital market in Indonesia*. Asia Regional Integration Center Publications. Retrieved 30.10.2019 from https://aric.adb.org/pdf/aem/external/financial_market/Indonesia/indo_cap.pdf

World Bank. (n.d.). Retrieved 6.010.2019 from http://data.worldbank.org/indicator/BX.PEF.TOTL.CD.WD?end=2015&start=1960&view=chart&year=2015