

**IMPORTANCE OF ISLAMIC STOCK INDICES FOR THE COUNTRY'S
FINANCIAL MARKET**

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PhD International Islamic Academy of Uzbekistan,
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This research delves into the paramount significance of Islamic fund indices as instruments for harmonizing investments with Sharia principles. With their provision of a comprehensive array of investment avenues adhering to ethical standards, these indices play a pivotal role in propelling the growth and dynamism of the Islamic capital market. Against the backdrop of an evolving global financial milieu, these indices assume an increasingly pivotal role, transcending their financial function to exert a compelling influence on the ethical comportment of corporations. This study underscores the critical import of these indices in effecting the seamless integration of deeply ingrained beliefs and contemporary investment paradigms, thereby engendering a just, equitable, and prosperous financial ecosystem for both Islamic and non-Islamic stakeholders.

Keywords: Islamic finance, stock indices, Sharia principles, ethical investments, global financial landscape, growth, integration, equity, prosperity.

Introduction

Stock indices, commonly referred to as stock market indices, serve as numerical metrics designed to meticulously monitor and evaluate the performance of a distinct cohort of publicly traded corporations or a designated segment within the stock market ecosystem. These indices assume the pivotal role of functioning as vital indicators, offering insights into the comprehensive well-being and operational prowess of either the broader stock market or a specific sector therein. Their multifaceted utility as indispensable instruments extends to guiding investors, financial analysts, and policymakers in comprehending the intricate dynamics of market movements, engendering informed investment judgments, and meticulously assessing the intricate tapestry of prevailing economic tendencies.

The foundational methodology encompassing stock index computation typically involves a weighted average amalgamation of either stock prices or market capitalization pertaining to the encompassed constituent companies. The intricacies of this computational framework, however, display variations contingent upon the index provider's methodology and the specific index that is being meticulously tracked. Within the realm of stock market indices,



a plethora of widely recognized examples emerges, including but not limited to the illustrious S&P 500, the venerable Dow Jones Industrial Average (DJIA), the technologically-oriented NASDAQ Composite, the esteemed FTSE 100, and the iconic DAX 30, among an expansive array of others.

Here are some common types of stock indices:

1. **Broad Market Indices:** These indices track the overall performance of a wide range of stocks across various industries. They provide a broad representation of the overall market's performance and are commonly used as benchmarks for comparing investment returns.
2. **Sector Indices:** Sector indices focus on specific industries or sectors within the economy, such as technology, finance, healthcare, or energy. They help investors assess the performance of individual sectors and make sector-specific investment decisions.
3. **Regional or Country Indices:** These indices track the performance of stocks from a specific country or region. For example, the FTSE 100 represents the largest companies listed on the London Stock Exchange, while the Nikkei 225 tracks the performance of top Japanese companies.
4. **Global Indices:** Global indices provide a broader perspective by tracking stocks from multiple countries or regions. They are designed to measure the performance of the global equity markets.
5. **Market Capitalization-Weighted Indices:** These indices give more weight to larger companies based on their market capitalization. Examples include the S&P 500 and the NASDAQ Composite.
6. **Price-Weighted Indices:** In price-weighted indices, stocks with higher prices have more significant influence on the index value. The DJIA is a well-known price-weighted index.

Stock indices serve several purposes in the financial markets, including:

- Providing benchmarks for investment performance evaluation.
- Facilitating the creation of index funds and exchange-traded funds (ETFs).
- Assisting in tracking the overall market sentiment and economic trends.
- Offering a reference point for asset allocation decisions.
- Helping policymakers and economists analyze market and economic conditions.

In the realm of the financial landscape, stock indices assume a pivotal and indispensable role, serving as paramount tools that intricately aid investors in comprehending and navigating the intricate tapestry of market movements, thereby enabling the formulation of astute and informed investment strategies. The significance of these indices transcends mere numerical measurements, as they wield the power to offer profound insights into the underlying dynamics of market fluctuations and trends, thus facilitating the augmentation of investor understanding and facilitating well-informed decision-making in the multifaceted arena of financial investments.



Literature Review

Nafis Alam and colleagues report that Islamic sectoral indices generally tend to exhibit a higher efficiency regime across the last decade[1]. Islamic index seems to have stayed attractive and resilient, allowing conformity with the weak form efficient market hypothesis. Study attempts to pioneer in this niche area by conducting a comparative analysis of 10 sectoral global indices for both conventional and Islamic counterpart spanning over 18 years. The analysis reveals that in the shorter horizon, efficiency tends to follow a similar pattern. In ‘Common shocks, common transmission mechanisms and time-varying connectedness among Dow Jones Islamic stock market indices and global risk factors’, a group at the University of Sfax led by Hedi Haddad reported that this study examines the spillover between the US yield curve components and return and volatility spillovers of ten Islamic equity sectoral indices [2]. The aim is to investigate the existence of volatility spillover effects between foreign exchange markets and Islamic stock markets in three major emerging countries. Since the 2007–2009 GFC, there has been renewed interest in Islamic finance as an alternative financial system for stability and economic growth. The researchers investigate the existence of short- and long-run co-movements of the seven Dow Jones Islamic market indices for the period from 4/14/2003 to 11/28/2018. The results indicate that the seven DJIM share five common trends and six common cycles.

Some of the authors’ findings may support previous studies in this field: “From our findings, we suggest that the nature of volatility spillovers across and within Islamic and/or G7 markets is time-varying and frequency-dependent. This is consistent with the HMM of Müller et al, the AMH of Lo and the CMH of Owusu Junior,” Haddad claimed.

Afees Shaik described Islamic Stock indices and COVID-19 pandemic [3]. Motivated by the COVID-19 pandemic, they construct a single factor predictive model for stock returns that incorporates uncertainty index for pandemics and epidemics. Shaik find that the Islamic stocks can be used to hedge whereas the conventional stocks are seen to be vulnerable.

In ‘Dynamic inflation hedging performance and downside risk’, a group led by Refk Selmi at the Toulouse Business School noted that inflation has attained the highest level in decades, with the Russian/Ukrainian war adding upward pressure on prices of energy and food [4]. In a high-inflation environment where investors face inflationary pressures, it becomes increasingly important to diversify portfolios towards assets with potential inflation hedging abilities. Islamic stock indices exhibit the best hedging properties under their bull states, extreme inflation episodes and for an investor willing just to protect against inflation.

A research team led by Muhammad Akbar from the Birmingham City University described adaptive market hypothesis [5]. Islamic finance has received increasing attention and experienced significant growth over the last two decades. This paper examines the consequences of complementarity between tradable and nontradable goods for exchange rates and monetary policy in a two-country general equilibrium model. It revisits well-known findings in the New Open Economy Macroeconomics literature that optimal monetary policies respond only to domestic shocks. Investment in stocks that conform to Shariah principles has been on the rise across global financial markets. The group aim to



investigate the optimal degree of interagency coordination of subsidy and tariff policies. The data set only includes trading activities conducted on centralized exchanges.

However, “The increase in cryptocurrencies trading in times of crises can be motivated by different explanations which are difficult to disentangle. A more specific analysis concerning the EU sanctions established in 2022 on Russia shows that crypto trading slows down when crypto-related services are explicitly included in EU financial sanctions packages,” say the researchers. There are various researches around this topic [6], [7], [8], [9].

Analysis and Discussion

Islamic stock indices, commonly referred to as Shariah-compliant stock indices, represent a specialized category of financial benchmarks meticulously engineered to monitor and assess the performance of stocks emanating from enterprises that diligently adhere to the principles and precepts inherent in Islamic tenets and ethical guidelines. This unique breed of indices is intrinsically designed to cater to the discerning requisites of Islamic investors, who ardently seek investment avenues that seamlessly align with their religious convictions and steer clear of engagements in business activities that transgress the boundaries delineated by Islamic tenets.

The construction of Islamic stock indices involves a rigorous screening process to ensure that the constituent companies adhere to Shariah principles. The screening criteria typically include:

Business Activities: Companies involved in prohibited industries, such as alcohol, gambling, pork-related products, conventional banking and finance (with interest-based transactions), and other non-compliant activities, are excluded from the index.

Debt Levels: Companies with excessive debt ratios or those involved in interest-based borrowing are generally avoided.

Financial Ratios: The financial ratios of the companies are analyzed to ensure they meet specific Islamic finance requirements.

Interest Income: Companies that derive significant income from interest or non-compliant financial activities are excluded.

Purification of Income: Companies with non-compliant income sources can undergo a purification process, where a portion of their income is donated to charitable causes.

Islamic stock indices are commonly used as benchmarks for Shariah-compliant investment funds and financial products. They provide a reference point for investors looking to assess the performance of their investments in line with Islamic principles.

Some well-known Islamic stock indices include:

- **Dow Jones Islamic Market Index (DJIM):** This index is a family of Islamic indices provided by S&P Dow Jones Indices. It includes regional and country-specific indices, such as the Dow Jones Islamic Market World Index and the Dow Jones Islamic Market Malaysia Index.



- **FTSE Shariah Global Equity Index Series:** Offered by FTSE Russell, this series includes various indices covering global markets that meet the criteria for Shariah compliance.
- **S&P Shariah Indices:** Provided by S&P Dow Jones Indices, these indices cover various regions and countries, including the S&P Shariah 500 Index.
- **MSCI Islamic Indices:** Offered by MSCI, this series includes regional and country-specific indices, such as the MSCI ACWI Islamic Index.

The substantive significance of Islamic stock indices resides in their pivotal function of propagating and advancing the domain of Islamic finance, thereby rendering the stock market an appealing arena for Islamic investors. This niche category of indices, renowned as veritable bastions of Shariah compliance, undertakes the momentous task of furnishing an expansive assemblage of investment avenues that align seamlessly with the precepts embedded within the Islamic framework. In doing so, they engender a catalytic impact upon the global expanse of the Islamic capital market, contributing substantively to its multifaceted growth and progressive evolution.

In essence, the intricate tapestry of Islamic stock indices effectively operates as a conduit through which Islamic investors are empowered to realize a confluence between their financial objectives and their deeply ingrained ethical and religious convictions. This symbiotic alignment, in turn, engenders an ecosystem characterized by investment practices that are both responsible and sustainable, thereby embodying the very ethos of principled investment comportment. The overarching significance of Islamic stock indices thus transcends the confines of a mere financial tool, assuming a profound role in nurturing investment practices that are not only aligned with the tenets of Islamic faith but are also informed by conscientious considerations of long-term societal and environmental welfare.

Dow Jones Islamic Market Index (DJIM): This index is presented by S&P Dow Jones Indices as part of the family of Islamic indices. It encompasses regional and country indices like the global Dow Jones Islamic Market Index and the Dow Jones Islamic Market Index for Malaysia. DJIM is calculated based on the weighted average of Dow Jones Islamic indices from various countries (regions). This index has been calculated since May 24, 1999.

Table 1. Composition of DJIM Index by country (as of July 31, 2023)

No	Country (region)	Number of constituents	Total market capitalization (USD billion)	Index weight (%)
1.	USA	561	31 303,33	68,9
2.	Japan	308	2 139,01	4,2
3.	Switzerland	49	1 552,69	3,2
4.	China	999	5 050,31	3,2
5.	Great Britain	67	1 157,31	2,5
6.	Canada	74	973,95	2
7.	France	27	1 312,63	2
8.	India	258	1 871,24	1,8
9.	Taiwan	253	1 044,02	1,7
10.	Australia	71	697,59	1,5
11.	South Korea	306	960,93	1,4



12.	Netherlands	13	651,14	1,3
13.	Germany	42	642,81	1
14.	Denmark	20	498,33	1
15.	Sweden	43	387,13	0,7
16.	Saudi Arabia	87	2 683,28	0,6
17.	Italy	18	229,89	0,3
18.	Finland	12	133,22	0,3
19.	Brazil	33	187,70	0,2
20.	Others (37 countries)	520	2 067,72	2,2

As of the designated date of July 31, 2023, a comprehensive examination of the DJIM index reveals a meticulously curated assemblage of no less than 3761 individual constituents, the intricate delineation of which is thoughtfully encapsulated within Table 1. A noteworthy facet that emerges upon scrutinizing this index lies in the composition of its foremost echelon, wherein the upper echelon is chiefly dominated by a select cohort of the top 10 constituents. This notable subset of the index, by virtue of its encompassing essence, commands a substantial proportion of the entire index value, with an appreciable quantum amounting to 26.7% attributably apportioned therein.

Further accentuating the computational facet underpinning the index valuation is the meticulous alignment of user-generated activities with a vast array of distinct nations spanning the global spectrum, aptly attesting to the far-reaching and inclusive nature of the index's foundation. In essence, these user activities, meticulously channelized through a rigorous matching process, exhibit a comprehensive engagement that spans no less than 56 countries, thereby underscoring the encompassing global orientation inherent within the framework. Predominantly emanating from the prolific domain of stocks enlisted on American exchanges, this array of user-engendered contributions consequently assumes a vanguard role in substantively enriching the cumulative value embodied within the index's ambit. This discernible dominance, emanating chiefly from the United States-listed stocks, substantively commands a substantial proportion accounting for 68.9% of the holistic composite index value, thereby concretizing its preeminent stature within the overarching construct.



Figure 1. Dynamic of DJIM Index [10].



Within the context of comprehending the underlying trajectory of the DJIM index, which serves as a discerning barometer of growth dynamics across historical epochs, an imperative facet meriting consideration lies in the acknowledgment of distinct temporal junctures that bore witness to notable contractions, as visually illustrated in Figure 1. A pivotal illustration of such instances is discerned during the unfolding of the COVID-19 pandemic in the year 2020, which engendered a profound impact upon the value of the DJIM index. This substantial decline, elucidated by empirical evidence, is attributed to a confluence of factors encompassing the untimely announcement heralding the pandemic, the pronounced lag in the calibration of the economic infrastructure, and the lack of foresight pertaining to the impending trajectory of the pandemic situation.

Emanating from the realms of this pivotal juncture, a resounding resonance is discernible across varied typologies of indices, transcending geographical boundaries to encapsulate the global expanse. During this phase, characterized by a universal downtrend, indices of disparate categories experienced palpable retractions, illustrating a confluence that reverberated throughout the expanse of diverse financial landscapes. However, indicative of the intrinsic resilience inherent within economic systems, the multifaceted course of the economy gradually navigated a trajectory of convalescence, a trajectory that was marked by a succinct duration. In alignment with this resurgence, the economy managed to reclaim and reconstitute its pre-pandemic positioning, thereby underscoring the adaptive resilience that is emblematic of the overarching economic fabric.

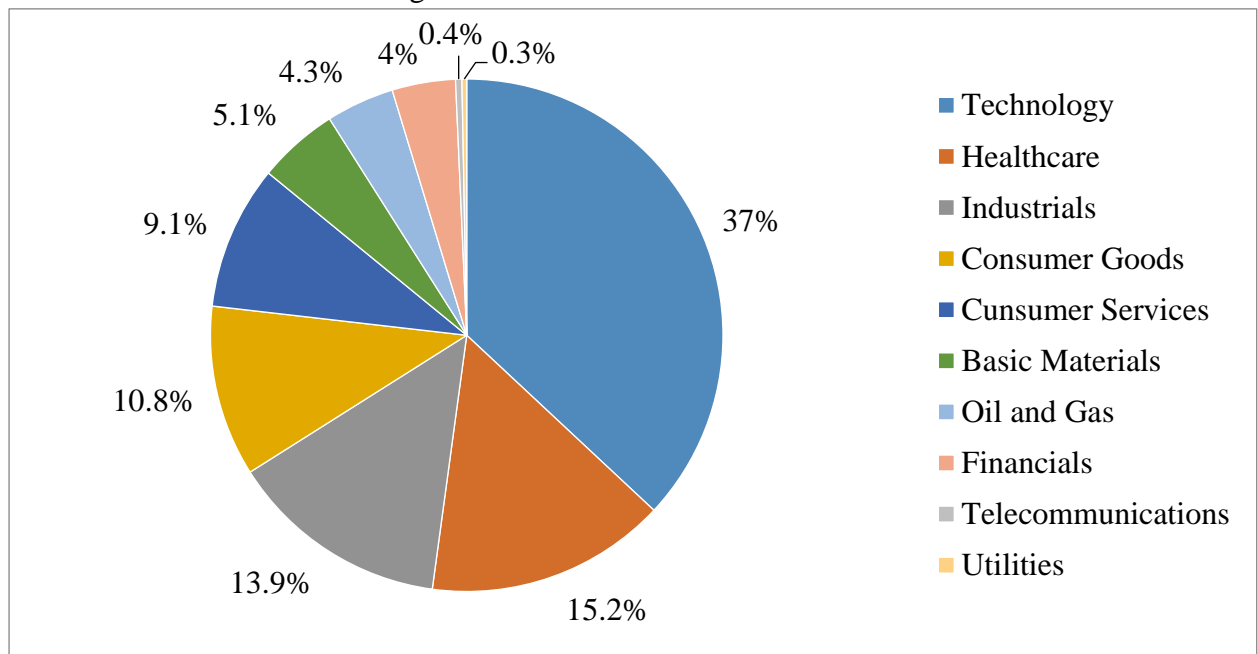


Figure 2. Composition of DJIM Index by Sector [11].

Upon meticulous scrutiny of the sectoral breakdown of the DJIM index, a conspicuous and noteworthy pattern emerges, revealing a distinct prevalence of high-tech companies that exert a substantial influence. This pronounced eminence of high-tech companies contributes significantly, encompassing 37% of the index's overall composition, as visually depicted in Figure 2. Among these influential entities, notable industry giants such as Apple, Microsoft, Nvidia, Alphabet, and Meta hold a commanding presence. Subsequent to this, the analysis



reveals an additional noteworthy facet within the realm of sectoral representation, with a remarkable fortitude observable within the health preservation sector, signifying a proportion of 15.2%, and the industrial sector, reflecting a robust proportion of 13.9%, both contributing to the comprehensive structure of the index.

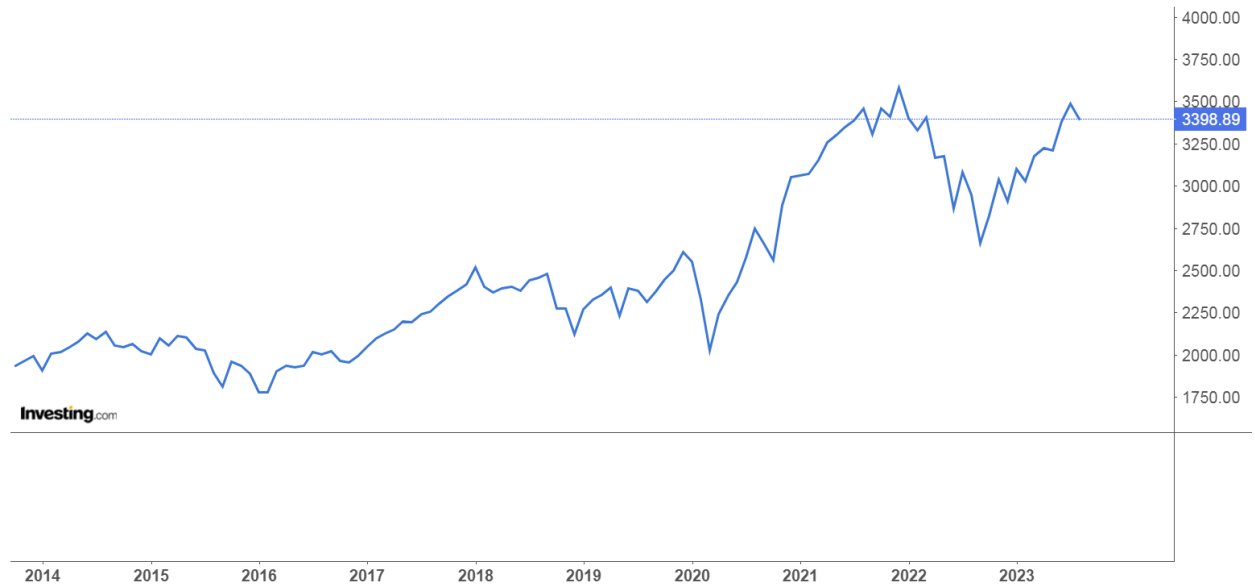


Figure 3. FTSE Shariah All World index dynamics [12].

The "FTSE Shariah All World" index, introduced by Yasaar Ltd, stands as a comprehensive compilation of various indices meticulously designed to encapsulate the global markets that strictly adhere to the tenets of Sharia principles. The inception of the FTSWORLDS index occurred on the 29th of October, 2007, encompassing a diverse array of 2099 instruments, as meticulously outlined in Table 2. As of the 31st of July, 2023, a discerning examination of its composition reveals that the upper echelon of the index is significantly constituted by the top 10 enterprises, collectively accounting for an impressive 30.5% of the cumulative index value. Moreover, it is noteworthy that the process of calculating the index value aptly correlates user activities with 46 distinct countries, wherein the substantial contribution predominantly emanates from US-listed stocks, effectively magnifying their influence within the index. This pivotal factor culminates in an approximate representation of nearly 60% of the total index value.

In parallel to the trajectory observed across various Islamic fund indices, the FTSE Shariah All World index illustrates an enduring inclination towards long-term growth, counterbalanced by an abrupt downturn during the commencement of the COVID-19 pandemic, vividly demonstrated in Figure 3. Delving further into the index's evolution, it becomes apparent that the ascendancy of technology-oriented companies remains steadfast, adhering to Sharia principles and maintaining an elevated stature, as substantiated by the trends elucidated in Figure 4. Concurrently, in tandem with these dominant technology entities, the health preservation sector, closely followed by the sphere of industrial products and services, along with the broader realm of consumer products and services, collectively contribute their pivotal shares to the index, securing proportions of 15.9%, 15.7%, and 13.7%, respectively.

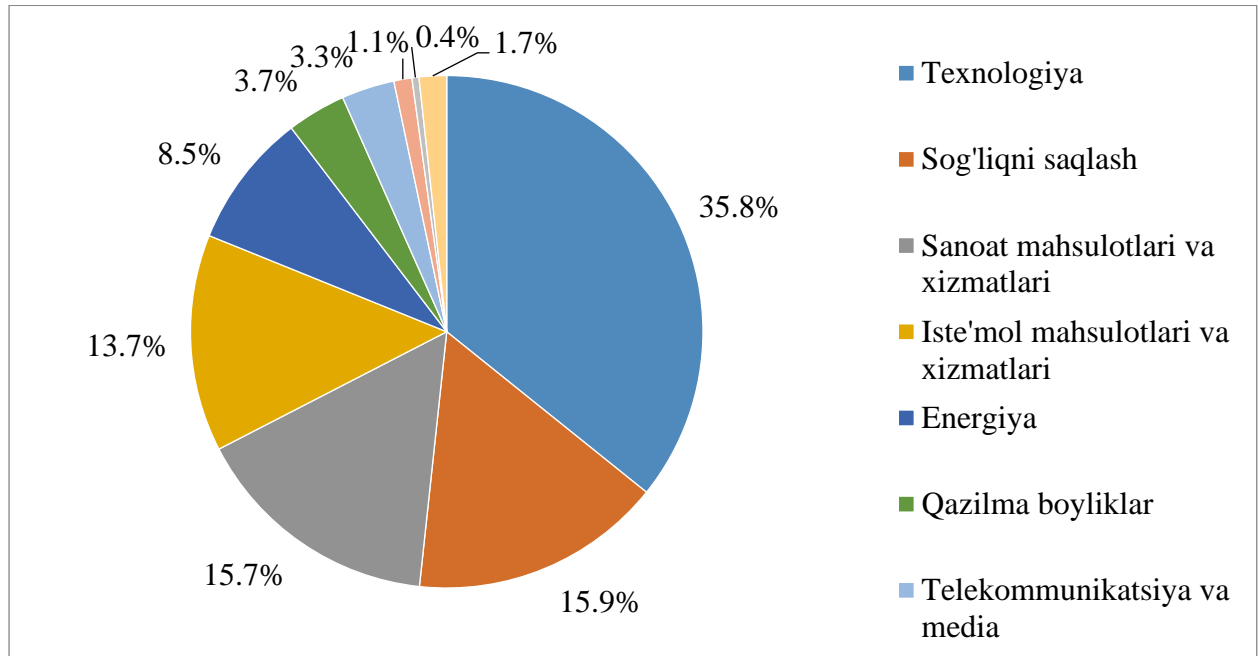


Figure 4. Composition of FTSE Shariah All World Index by Sector [13]

Table 2. Composition of the FTSE Shariah All World Index by countries (as of July 31, 2023)

No	Country (region)	Number of constituents	Total market capitalization (USD billion)	Index weight (%)
1.	USA	219	19 683,81	59,93
2.	Japan	284	2 039,03	6,21
3.	Great Britain	59	1 431,51	4,36
4.	France	33	1 068,40	3,25
5.	Switzerland	35	887,85	2,70
6.	Germany	49	850,90	2,59
7.	Taiwan	65	793,91	2,42
8.	Australia	63	712,24	2,17
9.	South Korea	80	677,47	2,06
10.	China	580	590,85	1,80
11.	India	108	547,61	1,67
12.	Canada	14	471,35	1,44
13.	Netherlands	13	436,63	1,33
14.	Denmark	11	369,18	1,12
15.	Sweden	33	324,39	0,99
16.	Saudi Arabia	49	238,55	0,73
17.	Brazil	40	232,59	0,71
18.	Spain	12	232,03	0,71
19.	Italy	15	171,29	0,52
20.	Others (27 countries)	337	1 084,37	3,29

Upon meticulous examination of the compiled data presented in both Table 1 and Table 2, a conspicuous trend emerges, elucidating that the trading of Sharia-compliant stocks significantly garners momentum within countries boasting well-entrenched economic



advancement and a heightened level of developmental maturity, in stark contrast to countries wherein the Muslim population is comparatively lower. This discernible contrast can be comprehensively explicated through the interplay of a multitude of interrelated factors that intricately shape this phenomenon:

Primarily, it is evident that well-developed nations invariably harbor an advanced financial infrastructure, encompassing the robust presence of rigorously organized stock exchanges, comprehensive regulatory frameworks, and an array of meticulously established financial institutions. This extensive financial ecosystem collectively fosters an environment ripe for the meticulous conception and operationalization of specialized indices tailored to adhere to the tenets of Islamic finance, exemplified by the distinct realm of Islamic fund indices.

Furthermore, it is imperative to underscore that developed countries inherently boast a substantial and diversified investor base, distinctly characterized by a pronounced proliferation of Islamic securities. In these sophisticated economic landscapes, investors exhibit a predilection for Islamic assets, regarding them as a novel avenue through which they can effectively diversify their investment portfolios, thereby capitalizing on the potential advantages derived from a judiciously diversified investment strategy.

Moreover, it is an incontrovertible reality that several well-established nations, including formidable entities such as the United Kingdom, the United States, and Japan, stand as prominent financial bastions on the global stage. In a concerted bid to fortify their prominence in the realm of international finance, these nations endeavor to design and proffer pioneering Islamic financial products, prominently featuring Islamic fund indices. This strategic endeavor serves a dual purpose: firstly, it accentuates the allure of these countries as a haven for international investors seeking to engage with Sharia-compliant financial instruments, and secondly, it bolsters the nation's strategic foothold within the global financial landscape.

In summation, the discernible inclination for the conspicuous trading of Sharia-compliant stocks within well-developed countries resonates as a resounding testament to the intricate confluence of factors characterizing these advanced economies. The robust financial infrastructure, the presence of a diversified investor base, and the concerted efforts towards innovation and internationalization in Islamic finance collectively encapsulate the nuanced dynamics that delineate this fascinating trend in the realm of Islamic fund indices and Sharia-compliant trading.

The escalating trajectory of ethical and socially responsible investments traverses the global landscape with unwavering momentum. A noteworthy confluence arises between the fundamental tenets of Islamic finance and the overarching ideals governing ethical investments, thus conferring a magnetic appeal upon Islamic fund indices that resonates far beyond the confines of Muslim investors.

Within jurisdictions harboring a substantial Muslim populace, the labyrinthine complexities stemming from legal and regulatory considerations occasionally cast a shadow upon the seamless introduction and widespread promotion of Islamic financial products. This intricate tapestry of challenges is underpinned by a diverse array of factors that intricately interplay to engender regulatory constraints. In contrast, nations fortified by well-established



legal frameworks may find the path to embracing and meticulously governing Islamic financial instruments notably smoother, owing to the robust scaffolding upon which their regulatory paradigms are founded.

Enriched by an illustrious historical lineage entrenched within the realm of capital markets, developed countries stand as veritable custodians of extensive experiential wisdom. While Islamic fund indices may diverge from their conventional counterparts across certain nuanced contours, the landscape is such that adept market participants can adroitly usher in novel financial instruments without unduly encountering intractable impediments.

At this juncture, it is paramount to underscore that the evolutionary trajectory of the Islamic capital market is inexorably entwined with the broader developmental tapestry that envelops the general market milieu. The interdependence between the flourishing Islamic capital market and the overarching developmental pulse resonating across the wider financial spectrum is an undeniable testament to the intricate symbiosis prevailing within this multifaceted ecosystem.

The landscape of financial indices is enriched by the presence of the S&P Shariah Indices, meticulously curated and presented by the esteemed entity of S&P Dow Jones Indices. These indices radiate across diverse geographical expanse, encompassing a tapestry of regions and nations that reverberate with Islamic ethos. A cornerstone within this array is the prominent S&P Shariah 500 index, emblematic of the Sharia-compliant investment trajectory.

In a parallel realm, the MSCI Islamic Indices, a comprehensive series curated under the aegis of MSCI, unfurl an intricate web of regional and country-specific indices, prominently featuring the MSCI ACWI Islamic index, emblematic of the broader aspiration to align investment principles with Islamic tenets.

Embodied within the realm of Islamic finance, fund indices emanate as formidable agents, intricately orchestrating the convergence of Islamic capital and astute investors within the dynamic milieu of the fund market. Their significance resonates in their ability to conjure a diverse array of investment avenues meticulously tailored to be in unison with the tenets of Sharia principles. This resonance echoes forth to reverberate within the realms of the global Islamic capital market, serving as a catalyst for its unfettered growth and elevation. This transformative effect extends further, affording investors the cherished privilege of harmonizing their financial aspirations with the contours of their ethical and religious convictions. This synoptic alignment, characterized by a harmonious confluence of fiduciary goals and spiritual beliefs, yields a fertile ground for investments rooted in prudence and longevity.

The evolution of Islamic fund indices has orchestrated their metamorphosis into potent ethical instruments, assuming the venerated role of intermediaries traversing the spectrum between Sharia principles and the complex labyrinthine tapestry of modern financial markets. This symbiotic interaction liberates investors from the dichotomy between faith and finance, providing them the vantage to partake in the enigmatic dance of the fund market while remaining steadfast to their sacred values.

At the fulcrum of this transformative journey lies the screening process, meticulously scrutinizing the fabric of Sharia compliance and discerning its intertwining with modern



financial markets. This screening is not confined to the linear assessment of financial metrics; rather, it is an intricate tapestry woven with the threads of ethical investments, a profound evaluation of corporate activities consonant with ethical alignment, and a discerning appraisal of debt thresholds. This multi-dimensional scrutiny adds layers of resilience, fortifying the foundation of Islamic fund indices and safeguarding their intrinsic fidelity to the bedrock of Sharia principles.

Conclusion

Islamic fund indices assume a pivotal stance within the multifaceted tapestry of the financial arena, illuminating a distinctive path for investors to traverse in assessing the efficacy of their investment endeavors congruent with the intricate contours of Sharia principles. Concurrently, these indices unfurl an expansive array of investment conduits meticulously crafted to resonate with the tenets of Sharia, thereby catalyzing a cascading impact on the evolution and expansion of the dynamic milieu known as the Islamic capital market.

In the context of the ever-evolving panorama of the global financial landscape, the salience of Islamic fund indices is poised to extend its gravitational pull, its resonance growing in tandem with the evolving intricacies of the financial realm. This gravitational pull is not confined within the confines of financial markets alone; its sphere of influence extends to corporate comportment, invoking a transformational impact upon ethical paradigms by wielding the potent influence of Sharia principles to orchestrate a realignment of business conduct.

In its very essence, Islamic fund indices epitomize an elegant synergy, an artful integration between the tapestry of beliefs and the intricate weave of finance. They not only exemplify the congruence and resilience of Islamic principles in harmonious coexistence with contemporary investment modalities but also mirror a testament to their practical viability. In the contemporary context where the momentum of ethical investments gains ever-more traction and the onus on responsible financial practices gains pronounced prominence, the role and import of Islamic fund indices burgeon in parallel. Their ascendancy bears witness to a profound enrichment of the intricate fabric of the global financial ecosystem, infusing it with a resolute dose of robustness and an inherent sense of equity.

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