

**Comparative Study: Islamic Index Performance between
Indonesia and Malaysia in All Business Cycles
for the Period 2008 - 2012**

Desi Purnamasari¹

ABSTRACT

Jordan Et Al (2012) said that Performance Evaluation is the assessment of how well money manager achieves a balance between high returns and acceptable risks. This evaluation is used to help the investors decide whether they should entrust investment funds. This research aims to apply performance evaluation on comparing Islamic index performance between Indonesia and Malaysia for the period 2008 – 2012 using data from official website of both countries' Islamic index.

In this research, it was found that even if in term of number, the average daily return of Indonesian Islamic Index was higher than Malaysian Islamic Index, the average daily return of Indonesia and Malaysia in all of the three periods are actually not significantly different from zero. However, Malaysia performed better than Indonesia in term of risk-adjusted return in overall and growing period. It was shown by Malaysian Sharpe Index and Jensen's Alpha Index which was higher than Indonesian values. Even if Indonesian average daily returns was higher it still happened because Indonesia had greater standard deviation than Malaysian. While for the Treynor Index, Indonesia seemed to be better than Malaysia. It indicates that if there were only systematic risk happened then Indonesia won over Malaysia. For declining period, performance of both countries' Islamic index are negative however Indonesia seemed to perform better.

Keywords: Indonesian Islamic Index, Malaysian Islamic Index, Performance Evaluation

¹ Undergraduate Student of Management Program Bakrie University