

UNIVERSITI TEKNOLOGI MARA

**ISLAMIC STOCK INVESTMENT: AWARENESS
AMONG YOUNG ADULT IN KEMAMAN DISTRICT,
TERENGGANU**

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ABSTRACT

The goal of this study is to fill a knowledge gap in Islamic stock investment among Malaysian young adults. This study adopts a quantitative technique, with a survey administered using Google Forms and data analysed using the Statistical Package for the Social Sciences (SPSS). The researcher's strategy for conducting this study is to distribute online questionnaires to 270 randomly selected young adults in Kemaman, Terengganu. SPSS software was used to analyse the secondary data set. The findings indicate that there is a gap in young individuals' understanding of Islamic stock investment, particularly within the district. This study will assist policymakers and financial institutions in developing targeted financial products, educational programmes, and regulatory frameworks to foster a financially educated young population while also contributing to the body of knowledge on Islamic finance and young adult investing behaviour. The findings can be used as a foundation for future research including probability sampling methods.

Keywords: Islamic capital market, stock market, Islamic stock investment, young adults

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CHAPTER 1

INTRODUCTION

1.1 RESEARCH BACKGROUND

The Islamic finance industry has grown significantly internationally, due to an increasing need for Shariah-compliant financial goods and services. Islamic stock investing, a key component of Islamic finance, provides ethical investment opportunities through Islamic regulations, attracting an increasing amount of Muslim investors seeking to align their financial goals with their religious beliefs. Islamic financial markets, including equities and debt markets, play an important part in this expansion, with Islamic investing principles functioning as a guiding principle to minimize losses and promote prudent behaviour. The ethical basis of the Islamic finance sector helps to include ethical components in conventional financial markets, fostering stability, rational actions, and ethical practices while addressing constraints and problems (Alam et al., 2023; Dian Puspitasari et al., 2023).

According to Securities Commission Malaysia, the Malaysian government actively supports Islamic finances, recognizing its importance in increasing financial inclusion and economic growth. However, research finds that young individuals are unaware with Islamic financial instruments, which might limit their participation in the Islamic capital market. This knowledge gap may limit the industry's future growth possibilities. To overcome this issue, efforts should be directed towards increasing knowledge among young adults regarding Islamic financial solutions and their benefits. Improving financial literacy programmes and encouraging educational efforts can allow young people to make educated decisions and actively participate in the Islamic finance industry, so contributing to Malaysia's long-term prosperity and development (*AOB Annual Report 2023*, 2023; Ghaouri et al., 2023; Kamarudin, 2023).

The purpose of this study is to address a gap in knowledge on Islamic stock investment among Malaysian young adults. This study focuses on a specific location, Kemaman District, Terengganu, to acquire a thorough knowledge of the levels of awareness and variables influencing investment decisions within a certain demographic and geographical context. By focusing on a specific location, the study can give more focused data for authorities looking to encourage Islamic stock investing among young Malaysians.