



A STUDY OF CORRELATION AND VOLATILITY LINKAGES BETWEEN  
SUKUK AND INTERNATIONAL STOCKS INDEXES.

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## DECLARATION OF ORIGINAL WORK



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## ABSTRACT

Portfolio allocation and risk management would consider about the volatility and also the co-movement financial markets. During the recession all the investors and Institutional would be threat to stay in this condition. The more correlation between the securities and the stocks it will give the bad impact to the portfolio risk. This study will investigate the correlation and the volatility linkages between the Dow Jones Sukuk Index with FTSE Malaysia Index, FTSE Indonesia Index, and FTSE Singapore Index. In this study the test that been used to test the volatility linkages of variables is GARCH models. The duration of availability data that had been took to test in the test model start from 2007 until 2015 the data also in daily basis that it could cover the monthly quarterly and yearly, during this period the result data can be forecasting during the recession condition. Study found that the volatility of the FTSE Indonesia are significantly low correlated with the Dow Jones Sukuk Index, which mean the FTSE Indonesia stock index are low volatility risk rather than FTSE Malaysia Index and FTSE Singapore Index.