THESIS TITLE: IMPACT OF CRUDE OIL PRICES, GOLD PRICES AND GEOPOLITICAL RISKS ON SUKUK PERFORMANCE

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ABSTRACT

Purpose:

Among Islamic financial market instruments, Sukuk has become quite popular in the recent times. Therefore, analyzing the impact of various macroeconomic variables on Sukuk has become necessary in order to provide clear picture to investors and policy makers who are planning to invest in Sukuk market. This study investigates and analyses whether crude oil prices, geopolitical risks and gold prices have a correlation with Sukuk performance.

Methodology:

This research is quantitative in nature and it is based on secondary data. Time period covered for this study is from June 2011 till Dec 2020. For data analysis, regression method is used in EVIEWS software. Data of Dow Jones Global Sukuk has been utilized for this study and has been extracted from Nasdaq.com. Data for Global crude oil prices, gold prices and geopolitical risks have been extracted from investing.com and matteoiacoviello.com respectively.

Results:

The results of this study show that gold prices have a significant and positive impact on Sukuk performance. Geopolitical risks have a significant and inverse relationship with Sukuk performance while the variable crude oil prices have insignificant effect on Sukuk performance. These results will provide new insights to investors and facilitate them in their decision making.

Key words: Sukuk, Sukuk performance, Crude Oil prices, Gold prices, Geopolitical risks.

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