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Impact of the Monetary Policy Instruments on Islamic Stock Market Index Return

This paper uses a Garch modelling framework to investigate the link between a variety of macroeconomic variables (interest rates, monetary aggregates, inflation) and stock index returns both Islamic and conventional (these include conventional and Islamic Dow Jones indexes and equivalent for the Malaysian market based in Kuala Lumpur). The first aim of the paper is to see if the Islamic indexes (that screen out interest usage by firms in various ways) are responsive to interest rate as well as volatilities – extant literature is mixed on this. The paper goes on then to look at links between other macro variables and the same indexes. The approach is duplicated for conventional indexes. The main finding is that the Malay Islamic index is not responsive to interest rates whereas the Dow Jones Islamic index is. Monetary aggregates and inflation also seem to influence stick index returns.
Overall the paper is poorly executed. The written English throughout is poor. The author does not tell us what time period is being investigated. Explanation of Garch results could be clearer and there is no need for 10 tables (why are they numbered 4.1 to 4.10?) – a lot of the univariate results can be put in footnotes or Annex.
The paper really does not give a good explanation as to why one would expect macro variables to impact stock returns and also does not say anything about the construction of these – M2 and M3 are not precisely defined and are highly correlated.
Overall the paper is very poorly presented, has a weak motivation and limited literature review. Results should be much clearer. It does not reach journal standard and so should be rejected.