

## TANBIH ABAH SEPUH IN THE ETHICS OF SPECULATIVE FINANCIAL MARKETING TO AVOID THE BUBBLE MARKET TRAP

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### Abstract

This study examines the application of the teachings of Tanbih Abah Sepuh in preventing the phenomenon of bubble market through the perspective of Islamic ethics in speculative financial marketing. Using data from the Composite Stock Price Index (IHSG) and the Consumer Price Index (CPI) on the Indonesia Stock Exchange for the period 2016-2022, this study analyzes the relationship between interest rates (BI rate) and the level of bubble market. The regression results show a negative correlation between the BI rate and bubble market, indicating that high interest rates can suppress market speculation. The teachings of Tanbih, which emphasize the values of honesty, justice, qana'ah (feeling sufficient), tawadhu' (humility), and the avoidance of gharar (uncertainty) and maisir (gambling), provide an important ethical basis for financial stability. The application of these values is expected to reduce excessive speculation, maintain market balance, and support a sustainable and equitable economic system.

Keyword: *Tanbih Abah Sepuh; Speculative Financial Marketing Ethics; Bubble Market*

### A. INTRODUCTION

Although it provides quick profits for some parties, this speculative market often ignores the principles of healthy economic sustainability, so that it can cause market instability that is detrimental to the wider community. The phenomenon that often arises as a result of this kind of practice is a bubble market - a condition in which the price of an asset or commodity rises unreasonably to a point that cannot be maintained, before finally experiencing a drastic decline that is detrimental to all parties, both individuals and groups.

In the context of Islamic economics, economic activities and markets are regulated with the primary objective of maintaining the welfare of humanity in a sustainable manner. Islam emphasizes the importance of justice, balance, and harmony in all aspects of life, including economic transactions. Therefore, in the Islamic economic system, there is a prohibition on practices that can cause uncertainty (gharar) and gambling (maisir), both of which are often found in speculative markets.

His will emphasizes the importance of justice and harmony, and reminds people not to get caught up in greed and the negative influence of lust that can bring harm to both themselves and others. This will reminds us not to fall into the temptation of profits obtained in unethical ways, including in speculative financial marketing activities.

The ethical principles taught by Abah Sepuh are very relevant in the context of modern financial marketing, where many market players are tempted to make big profits through speculation that harms others. Through this approach, this study aims to apply Islamic ethics in financial marketing to prevent the occurrence of a bubble market.

This study proposes that the principles of tanbih, which prioritize values such as justice, honesty, humility, and social responsibility, can be used as a guide for financial industry players to carry out their activities in a more just and sustainable manner. By implementing these values, financial marketing in Islam is expected to avoid detrimental speculative practices and create stronger economic stability.

In addition, this study also aims to show that by maintaining a balance between individual interests and social interests, and paying attention to the principles of Islamic ethics in every transaction, we can avoid market collapse caused by bubble markets, and create a more just, sustainable, and beneficial economic system for all levels of society.

## B. LITERATURE REVIEW

Islamic Marketing Ethics Islam teaches its followers to engage in a detached way of wealth acquisition, Allah S.W.T. state the issue through one of the Quranic verses as follows: O you who believe! Eat not up your property among yourselves unjustly except it be a trade among you, by mutual consent. And do not kill yourselves (nor kill one another). Surely, Allah is Most Merciful to you, (annisa : 29). means that all aspects of marketing must be parallel with the teaching of Islam. In other words, any marketing activities must be done with the ethical boundaries set by Islamic teaching. Pohan stated that there are 9 (nine) marketing ethics that are the principles in implementing marketing, namely: 1) Be pious, 2) Behave well, 3) Be fair, 4) Serve and be humble, 5) Keep promises and do not cheat, 6) Honest, 7) Not suspicious, 8) Not badmouthing, and 9) Not giving bribes, (Pohan, 2022). Islam strongly encourages its adherents to engage in business or entrepreneurship since it views it as worship to God. Regarding that, a company is seen as executing worship to God, (Shafin, 2018).

Speculation itself is an assumption that is not based on reality, thus speculative activities are very risky and will cause uncertain results, while predictions in business activities must be based on existing facts or data. Kant maintained that, using mathematics as an example, we can only fully comprehend what we have produced ourselves, (Gare, 2020).

## C. METHOD

### This study uses a mixed method study

The qualitative approach aims to explore the views, attitudes and perceptions of stakeholders regarding the ethics of speculative financial marketing as explained in Tanbih Abah Sepuh (reference source for teachings or guidelines). At this stage, data collection methods can use focus group discussion (FGD) techniques and literature studies. The focus is to explore the meaning, context and ethics contained in speculative financial marketing practices and how these are regulated or analyzed through the perspective of Tanbih Abah Sepuh.

The quantitative approach aims to measure the extent to which speculative financial marketing ethics are accepted or implemented among market players and the general public. At this stage, data can be collected through secondary data on BI rates and CPI on bubble markets.

The data analysis technique uses simple linear regression between interest rates and consumer price index with the equation:  $Y = a + bX$

Where :

Y = bubble market

X = bubble influencing factors (BI rate and Consumer Price Index)

## D. RESULT

### 1. Tanbih's Perspective on Speculative Financial Marketing

Marketing in Islam is allowed as it is part of muamalah, which relates to human relationships under Islamic law. Advertisers must interact with consumers honestly and should not harm others in business practices. Sharia marketing is a discipline focused on creating, offering, and exchanging value, strictly following Islamic principles. According to the Tanbih perspective from Sheikh Abdullah Mubarak bin Nur Muhammad ra, important values in marketing include honesty, justice, humility, and caution against greed. Tanbih stresses the importance of integrity in all areas of life, including business.

#### a. Honesty ( *Shiddiq* )

Tanbih emphasizes honesty as a key value in business, fostering integrity and trust among business actors, consumers, and society. It warns against deceit for quick profits. Honesty is vital in marketing, helping consumers make informed choices, building trust, and enhancing loyalty. Honest business practices ensure transparency and ethics, benefiting consumers and promoting long-term success.

#### b. Justice ( *Fair* )

The principle of justice in Tanbih focuses on fairness in human relations and obedience to religion and the state, promoting peace and support for one another.

Key messages from Tanbih include:

- 1) Faithful Obedience: True piety involves respecting religious and state laws through actions, not just rituals.
- 2) Mutual Support: Helping others in goodness and piety while avoiding actions that lead to sin or conflict.

In business and marketing, *Tanbih* highlights honesty, transparency, and integrity. Products or services should be marketed with clear, accurate information to avoid harming consumers. Justice involves balancing personal profit with community impact, promoting ethical competition. *Tanbih*'s teachings encourage individuals to uphold justice, respect others' rights, and support one another, fostering a fair and devoted society.

**c. Avoiding Gharar and Maisir**

The teachings of *Tanbih* stress avoiding gharar (uncertainty) and maisir (gambling) in life, as they cause injustice and harm. The following quote highlights this principle:

*"Inget Sakabeh Murid-murid, ulah kabaud ku pangwujuk nafsu, kagendam ku panggoda syetan."*

This reminds students to resist greed and the lure of quick profits, which can lead to unethical and harmful actions. Greed often opens the door to **gharar** and **maisir**, causing individuals to disregard ethics and justice. *Tanbih* further teaches cooperation in goodness and piety, as reflected in the verse from *Surah Al-Maidah*:

*"Kudu silih tulungan dina kahadean jeung katakwaan... ulah silih tulungan dina perdosaan jeung permusuhan."*

In business and finance, avoiding gharar means giving clear information so consumers know the benefits and risks of financial products. Maisir involves risky trading that ignores ethics. *Tanbih* promotes justice, transparency, and honesty in transactions to build trust and sustainable practices. These principles help individuals and businesses act ethically for everyone's benefit.

**d. Humility ( Tawadhu' )**

Humility, or tawadhu, as taught in *Tanbih*, promotes harmony and balances personal and community interests. It helps avoid arrogance and supports collaboration in fulfilling duties. In marketing, humility means ethical practices, treating consumers as partners, and prioritizing long-term relationships, which builds trust and loyalty.

Ultimately, *Tanbih* underscores humility as essential for nurturing mutual respect and integrity, creating lasting personal, professional, and societal harmony.

**e. Avoiding Greed ( Qana'ah )**

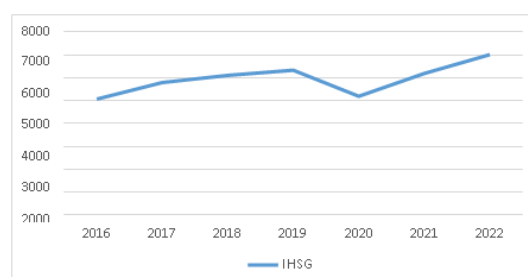
The teaching of *qana'ah* in *Tanbih* emphasizes contentment with what one has, avoiding greed, and fostering a life of simplicity, gratitude, and compassion. It encourages individuals to respect others, especially those less fortunate, and avoid unethical actions driven by excessive desires. A quote from *Tanbih* reflects this principle:

*"Ka sahandapeun ulah hayang ngahina atawa nyieun deleka culika, henteu daek ngajenan, sabalikna kudu heman, kalawan karidloan malar senang rasana gumbira atina."*

This teaching encourages living sincerely and avoiding greed, which causes personal and social issues. It highlights the importance of helping others and fostering a harmonious society. In financial marketing, *qana'ah* advises against greed and unethical practices, urging transparency and fairness while focusing on consumer welfare. This approach promotes ethical business that benefits everyone and maintains integrity.

## 2. Bubble market trap

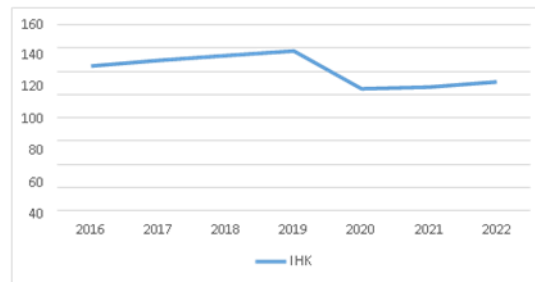
In the research conducted from 2016 to 2022, the data used in this study includes the Composite Stock Price Index and the Consumer Price Index which are presented in the following graph:



Source: Finance.yahoo.com

The graph above shows the Composite Stock Price Index of the Indonesia Stock Exchange (IDX) for the period 2016-2022. Where in that period the largest IHSG occurred in 2022, which was 7,006.8 and the lowest IHSG occurred in 2016, which was 5,059.89.

In addition to the Composite Stock Price Index, the data needed to detect bubble market is the Consumer Price Index. Here is the Consumer Price Index for the period 2016-2022



Source: Finance.yahoo.com

The graph above shows the Consumer Price Index for the period 2016-2022. Where in that period the largest CPI occurred in 2019, which was 137.6 and the lowest CPI occurred in 2020, which was 104.91.

The results of the comparison between the Composite Stock Price Index and the Consumer Price Index for the 2016-2022 period obtained the value of the bubble market for that period, which is presented in the following table:

**Table 1**  
**Bubble market indonesia stock exchange period 2016-2022**

Period	IHSG	CPI	Bubble market
2016	5059.89	124.67	40.59
2017	5785.12	129.42	44.70
2018	6098.58	133.56	45.66
2019	6323.83	137.6	45.96
2020	5190.41	104.91	49.48
2021	6186.02	106.55	58.06
2022	7006.8	111.03	63.11

Source: Processed Data (2023)

### Data Analysis Techniques

Simple linear regression analysis is a statistical method that functions to test the extent of the causal relationship between the Causal Factor Variable (X) and the Consequence Variable (Y), in this study the Bi rate as the independent variable (X) and Bubble market as the dependent variable (Y).

The results of the simple linear regression test are presented in the following table:

**Table 2**  
**Simple Linear Regression Test**  
**Coefficients<sup>a</sup>**

Unstandardized Coefficients	Standardized Coefficients		
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Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	8435.121	1105.969		7,627	.001
	Bi Rate	-7,347	2.306	-.818	-3.186	.024

a. Dependent Variable: Bubble market

Source: SPSS V.26 For Windows

Based on table 4.2 in column B, the constant value is 8435.121. While the value of the Bi rate is -7.347. So the simple linear regression equation can be written as follows:

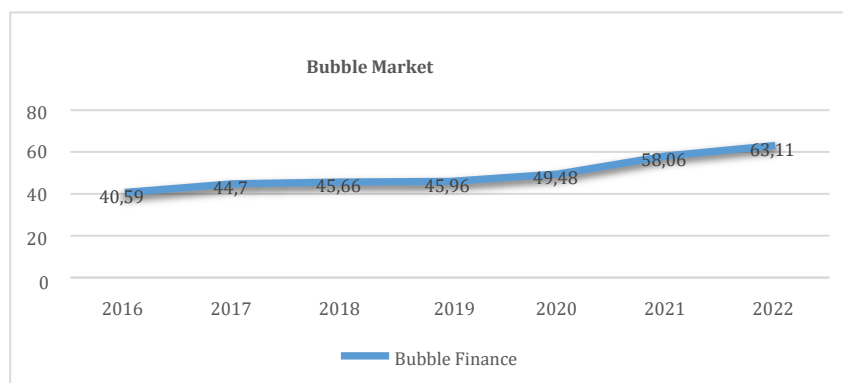
$$Y = 8435.121 - 7.347X_1.$$

The regression equation can be explained as follows:

1. Bubble market without the influence of the BI rate has a regression coefficient of 8435.121.
2. If the Bi rate increases by one unit or one level, it will reduce Bubble market by 7.347 assuming other variables remain constant or zero.
3. Bubble market if influenced by the BI rate variable, the coefficient will be known as  $Y = 8435.121 - 7.347 X_1$ .

This means that this bubble market has a significant negative correlation with the BI rate, which is a measure of *risk-free* or the degree of risk-free, which means that if this bubble increases by one unit, it will be in contrast to the *risk-free level* in the economic and financial context, referring to investments that are considered free from the risk of default or loss.

The result of the calculation to detect the Bubble Market period 2016-2022 is by comparing the Composite Stock Price Index with the Consumer Price Index. So it can be described in the following graph:



Source : data processed (2023)

From the graph above, the bubble market increased every year from 2016 to 2022. In 2016, it was 40. 59, derived from an IHSG of 5,059. 89 and a CPI of 124. 67, with a BI interest rate of 6. 00. In 2017, it rose to 44. 70, from an IHSG of 5,785. 12 and a CPI of 129. 42, with a BI rate of 4. 56. In 2018, it reached 45. 66, with an IHSG of 6,098. 58 and a CPI of 133. 56, and a rate of 5. 10. In 2019, it was 45. 96 from an IHSG of 66,323. 83. Bubbles affect the economy as people change their behavior based on price signals, often leading to higher investments due to the expectation of excessive returns.

### 3. Tanbih's Perspective on Avoiding the Bubble market Trap

This study combines the teachings of Tanbih, especially from Abah Sepuh, with an analysis of market bubbles using data from the Composite Stock Price Index (IHSG) and Consumer Price Index (CPI) on the Indonesia Stock Exchange from 2016 to 2022. It shows that ethical values from Tanbih can prevent market bubbles caused by asset prices rising too high.

The findings indicate that while IHSG increased, CPI peaked in 2019 and decreased in 2020. The study identifies a negative link between the BI rate and bubble formation, suggesting higher interest rates stabilize the market. The teachings emphasize honesty, justice, and avoiding uncertainty and gambling in

transactions, promoting long-term sustainability and ethical practices. Integrating these teachings can reduce speculative risks, prevent market bubbles, and support a fair financial system.

## E. CONCLUSION

Marketing in Islam is a valid economic activity that must follow sharia. Key values include honesty, justice, humility, avoiding uncertainty and gambling, and resisting greed. Tanbih emphasizes moral integrity and accountability for mutual benefit and societal welfare.

This study reveals a growing bubble market in Indonesia from 2016 to 2022, with the IHSG peaking at 7,006.8 in 2022 and the CPI at 137.6 in 2019. It shows the BI rate negatively impacts the bubble market.

The implementation of Tanbih ethical values by Abah Sepuh, like honesty and justice, can lessen market bubble risks and promote stability. Data from 2016 to 2022 show signs of a bubble from unreal asset prices. Regression analysis showed that raising the BI rate helped limit speculation. Tanbih principles foster wise decisions and a stable financial ecosystem.

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