Fundamental Based Strategy for Selecting Potential Stocks in the Jakarta Islamic Index

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Article Info	ABSTRACT
	This study addresses the challenge of identifying potential stocks for long-term investment within the Jakarta Islamic Index (JII) amid dynamic market conditions and regulatory changes impacting the capital market. The research aims to develop a systematic approach to stock selection based on fundamental analysis, utilizing the Stockbit application's Stock Screener feature. The method involves several stages, including defining screening criteria based on market capitalization, profitability, revenue growth, Return on Equity (ROE), Net Profit Margin (NPM), debt levels, and dividend consistency. Stocks are further evaluated through valuation metrics such as Price Earnings Ratio (PER) and Price to Book Value (PBV) to identify potential discounts of over 20% relative to their five-year historical averages. The screening process shortlisted four issuers: KLBF, TLKM, ASII, and UNTR, all of which meet both quality and valuation criteria, and are currently trading at attractive discounts. These findings offer valuable insights for investors, providing a practical framework for initial screening and deeper financial analysis, including examination of the companies' financial statements and business models. The study concludes that integrating digital tools like Stockbit with fundamental analysis enhances decision-making for investors and suggests further research to explore advanced screening techniques and integration with sharia compliance considerations.
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INTRODUCTION

Investment in the capital market is a complex and dynamic activity, influenced by a variety of global and domestic factors. In recent years, the volatility of international financial markets, changes in U.S. interest rates, and geopolitical tensions such as energy crises and regional conflicts have significantly impacted investor sentiment worldwide (Gunawan, 2024; Munir, Akram and Abbas, 2024). In the context of Indonesia, fluctuations in the rupiah exchange rate, adjustments to the benchmark interest rate by Bank Indonesia, and government fiscal policies, including the expansion of halal industry development, have played a crucial role in shaping the landscape of capital market investments (Laplane and Mazzucato, 2020; Snasel *et al.*, 2023). These dynamics affect not only conventional

investments but also sharia-compliant instruments such as the Jakarta Islamic Index (JII) (Ningrum, 2022; Alim, Matsaany and Rahmawati, 2023).

Despite these challenges, the Indonesian capital market continues to offer opportunities, particularly for investors adopting a long-term perspective. The downturn of the Composite Stock Price Index (IHSG) and the JII in early 2025, driven by global economic uncertainties, is perceived by value investors as an opportunity to accumulate fundamentally strong stocks at discounted prices. However, the complexity of selecting high-potential stocks amid such volatility underscores the need for a structured, data-driven approach (Buz and de Melo, 2021).

One commonly used method is stock selection based on fundamental analysis (Shah, Isah and Zulkernine, 2019; Nti, Adekoya and Weyori, 2020). This research aims to present systematic steps in identifying stocks with good investment potential based on certain fundamental parameters. Previous research by (Natalis Christian and Frecky 2019) showed that return on equity (ROE), book value per share (PBV), earnings per share (EPS), dividends per share (DPS), and company size have a significant positive effect on stock prices.

In early 2025, the Composite Stock Price Index (IHSG) experienced a significant decline, including stocks in the Jakarta Islamic Index (JII), which consists of the 30 most liquid sharia-compliant stocks on the Indonesia Stock Exchange (IDX). This decline was caused by investor concerns over global and domestic economic uncertainty. Despite market pressure, long-term investors using a value investing approach see this decline as an opportunity to accumulate quality stocks at lower valuations. This study aims to provide a systematic guide to screening and selecting quality sharia-compliant stocks listed in the JII index. The main focus is to optimize the results of the analysis by identifying the fundamental criteria used in the stock screening process.

This study is educational in nature and does not aim to provide recommendations to buy or sell stocks. According to capital market practitioner (Doddy Prayogo 2023), there are several key criteria in stock screening. First is market capitalization. Ideally, investors select large companies that are market leaders with a market cap above IDR 10 trillion. Second is net profit. (Lo Kheng Hong 2023), a prominent stock investor in Indonesia, emphasizes the importance of choosing companies capable of generating large profits. Therefore, this paper will explain how to find companies that have generated profits of more than one trillion rupiahs in recent years. Other criteria in assessing company quality include several important aspects. First, Revenue Growth, where a healthy company is one that can increase its revenue consistently.

Second, Return on Equity (ROE), which ideally should be greater than the IHSG growth, i.e., around 10–12% per year, indicating the company's ability to generate profits from shareholders' equity. Third, a high Net Profit Margin is an indicator of operational efficiency and can reduce the risk of losses amid economic uncertainty. Fourth, a low Debt to Equity Ratio (DER) reflects a healthy capital structure, making the company more stable in facing economic shocks. Finally, companies that have consistently distributed dividends over the past five years show a commitment to shareholder welfare and strong cash flow health. After determining the above criteria, the next step is to use the "stock screener" tool from the

Stockbit app to filter stocks based on those parameters. The screening data is further analyzed to evaluate stock valuations using ratios such as Price Earnings Ratio (PER) and Price to Book Value (PBV). Stocks with PER and PBV below the five-year average and a discount of more than 20% become the main candidates for deeper analysis.

Previous studies have consistently demonstrated that fundamental analysis is an effective method for predicting stock performance. Indicators such as return on equity (ROE), book value per share (PBV), earnings per share (EPS), dividend payout history, and firm size have proven to significantly influence stock prices (Christian and Frecky, 2019). However, there remains a notable gap in how digital stock screening tools are integrated with fundamental analysis, particularly within the niche of sharia-compliant investments in emerging markets like Indonesia. Until now, research has seldom addressed the practical use of platforms such as Stockbit to streamline the stock selection process, especially for novice investors who require simplified yet effective methods to make informed decisions.

To address this gap, this study seeks to formulate a comprehensive and systematic framework for selecting prospective stocks within the Jakarta Islamic Index (JII). The framework is built upon the utilization of the Stockbit application's Stock Screener feature, which allows for the application of clearly defined investment criteria. These criteria include selecting companies with a market capitalization of over IDR 10 trillion, consistent annual net profits exceeding IDR 1 trillion, sustained revenue growth, a minimum ROE of 10%, a net profit margin of at least 5%, a debt-to-equity ratio below 100%, and a history of regular dividend payments. Furthermore, valuation measures such as the Price Earnings Ratio (PER) and Price to Book Value (PBV) are employed to identify stocks trading at discounts exceeding 20% compared to their five-year historical averages.

Following the screening stage, the process continues with a deeper examination of the selected companies' financial statements over the past five years and an analysis of their respective business models. Particular attention is given to understanding whether the companies operate within cyclical or non-cyclical industries, especially for those linked to commodities, as this understanding is vital for anticipating future performance. This layered analytical approach empowers investors to make more strategic decisions by coupling quantitative financial indicators with qualitative insights about industry dynamics and company strategies.

Ultimately, this study contributes to both academic and practical spheres by providing a structured guide for stock screening and evaluation tailored to sharia-compliant investments. The framework developed herein bridges theoretical models with real-world application, especially beneficial for beginner investors aiming to navigate the complexities of stock selection. Moreover, the integration of digital tools like Stockbit enhances the accessibility and accuracy of investment analysis, helping investors to identify undervalued, high-quality stocks with promising future potential in an ever-evolving market environment.

METHODS

This study employed a quantitative approach by conducting stock screening on companies listed on the Indonesia Stock Exchange (IDX), utilizing the Stockbit application's

Stock Screener feature as the primary tool. The screening was performed during active market hours at 14:30 on March 19, 2025. The Stockbit platform was selected for its accessibility and ability to streamline the identification of stocks that align with predetermined investment criteria, thereby simplifying the decision-making process for both novice and experienced investors. As suggested by (Suganda 2018)., using digital tools enhances the efficiency of market analysis and enables timely identification of investment opportunities.

The screening process applied eight fundamental parameters to ensure that selected companies reflected strong financial health and investment potential. These criteria included: (1) a minimum market capitalization of IDR 10 trillion to ensure company scale and market trustworthiness (Prayogo, 2023); (2) consistent net income of at least IDR 1 trillion as an indicator of robust profitability (Hong, 2023); (3) positive revenue growth demonstrating sustainable business expansion (Gunawan, 2024); (4) Return on Equity (ROE) of 10% or higher to reflect effective capital utilization (Christian and Frecky, 2019); (5) Net Profit Margin (NPM) above 5% to ensure operational efficiency; (6) Debt-to-Equity Ratio (DER) below 100% to signify a stable capital structure; (7) consistent dividend payments over the last five years to indicate reliable shareholder returns; and (8) favorable valuation based on Price-to-Earnings Ratio (PER) and Price-to-Book Value (PBV), focusing on stocks priced at least 20% below their five-year historical averages to capture undervalued opportunities (Kumari and Swarnkar, 2023).

The research procedure was conducted in three main stages. First, the fundamental parameters were inputted into the Stockbit screener, producing an initial shortlist of six stocks that met the predefined criteria. Second, these shortlisted stocks underwent further fundamental analysis, including a review of the past five years' financial statements, strategic assessments of company operations, and evaluation of relevant industry trends and cyclical factors. Third, stocks were evaluated based on valuation metrics (PER and PBV), and companies displaying significant discounts of over 20% compared to historical averages were prioritized. The final selection process identified four stocks—KLBF, TLKM, ASII, and UNTR—that demonstrated both strong fundamentals and attractive valuations.

To mitigate investment risk, the study recommends portfolio diversification by including stocks from different industry sectors, enhancing resilience against sector-specific fluctuations. Regular monitoring of the selected portfolio was also carried out to ensure ongoing compliance with the screening criteria, with adjustments made in response to evolving market dynamics. Throughout the process, the research maintained systematic documentation of each analytical step, providing a clear reference for future evaluation and potential replication. By integrating digital screening tools with fundamental analysis, this methodology offers a structured and replicable approach to identifying high-potential investments within the Jakarta Islamic Index universe.

RESULTS AND DISCUSSION

Stock prediction is an important field of study due to its potential for financial gain. Choosing representative features and developing accurate prediction models are key factors in improving stock price prediction accuracy (Kumari and Swarnkar, 2023).

Determining Performance Evaluation

According to capital market investment practitioner (Doddy Prayogo 2023), there are a series of strict criteria for selecting the best stocks. The stock screening process covers various aspects of financial health and company growth potential. In presenting the screening results, values in billion units are equivalent to IDR 1 billion. The details are as follows:

1. Market Capitalization (> IDR 10 T)

   This research only considers stocks with a market capitalization of more than IDR 10 trillion. Market capitalization reflects the level of investor confidence in a company; thus, a minimum threshold of IDR 10 trillion was set. Based on the screening results, it was found:

   a. Stock code TLKM has the highest market capitalization of IDR 231,805.59 billion or IDR 231 trillion.

   b. Stock code PTBA has the lowest market capitalization of IDR 27,419.17 billion or IDR 27 trillion.

Table 1 Stock Screening Criteria

Symbol	Market Cap (dalam milyar rupiah)	Revenue (Growth 3 year)	Average (Growth ROE 5 yr)	Average (Net Profit Margin 5yr)	Debt to Equity Ratio (Quarter)	Net Income (TTM) (dalam milyar rupiah)	Current PE Ratio (TTM)	Mean PE Standard Deviation (5 Year)	Current Price to Book Value	Mean PBV Standard Deviation (5 Year)	Dividend Payment Streak (Annual)
TLKM	231,805.59 B	3.02%	18.71	15.37%	0.36	22,736.00 B	10.20	16.15	1.71	3.04	16
ASII	181,771.15 B	12.33%	13.78	9.47%	0.47	34,051.00 B	5.34	10.02	0.85	1.28	16
ICBP	123,907.77 B	13.34%	18.17	10.93%	0.93	8,079.86 B	15.34	18.78	2.68	3.31	14
UNTR	82,848.94 B	19.15%	19.04	13.86%	0.22	19,531.21 B	4.24	7.50	0.89	1.26	16
KLBF	46,875.12 B	9.62%	15.45	11.16%	0.03	3,080.20 B	15.22	25.40	2.11	3.96	16
PTBA	27,419.17 B	30.48%	28.32	20.95%	0.14	5,556.96 B	4.93	6.28	1.36	1.56	16

Source: Stockbit Data Processing

Based on the screening results presented in Table 1, the six selected issuers exhibit solid financial characteristics with their respective strengths. TLKM recorded the largest market capitalization at IDR 231,805.59 billion, reflecting its market dominance in the telecommunications sector, while PTBA, despite having the smallest capitalization at IDR 27,419.17 billion, stood out with the highest revenue growth of 30.48% and an impressive five-year average Return on Equity (ROE) of 28.32%, far exceeding the

minimum threshold of 10%, alongside the highest Net Profit Margin (NPM) of 20.95%. In terms of leverage, KLBF demonstrated the most conservative financial profile with an exceptionally low Debt to Equity Ratio (DER) of 0.03, indicating minimal reliance on debt financing. Meanwhile, ASII led in net income generation, achieving IDR 34,051.00 billion, reflecting the strength of its diversified business operations. From a valuation perspective, most issuers displayed current PER and PBV ratios below their respective five-year historical averages, with UNTR and ASII recording current PERs of 4.24 and 5.34, respectively, lower than their historical means, suggesting attractive undervaluation opportunities for investors. All issuers, except ICBP which reported a 14-year record, maintained consistent dividend payments for 16 consecutive years, indicating a long-term commitment to shareholder returns. Overall, this combination of factors demonstrates that the selected issuers not only meet the fundamental criteria established in this study but also offer attractive investment prospects in terms of growth potential, profitability, financial stability, and competitive market valuations.

2. Net Profit (> IDR 1T)

This study only considers stock issuers with a net profit of more than 1 trillion rupiah. High net profit reflects the company's ability to generate earnings and build investor confidence. This threshold is considered to adequately represent the company's profitability. Based on the screening results, the stock code ASII has the highest net profit of IDR 34,051 billion or IDR 34.05 trillion, while the stock code KLBF has the lowest net profit of IDR 3,080.2 billion or IDR 3.08 trillion.

3. Revenue Growth in the Last 3 Years

This criterion only includes stock issuers with positive revenue growth for three consecutive years. Consistent revenue growth indicates company stability and the potential for long-term investment growth. The screening results show that the stock code PTBA has the highest revenue growth of 30.48%, while the stock code TLKM has the lowest revenue growth of 3.02%.

4. Return on Equity (>10%)

This study selects stock issuers with an average Return on Equity (ROE) of more than 10% over the last five years. ROE reflects the efficiency of a company in generating profit from shareholders' equity. Based on the screening results, the stock code PTBA has the highest ROE of 28.32%, while the stock code ASII has the lowest ROE of 13.78%.

5. Net Profit Margin (>5%)

This criterion includes stock issuers with an average Net Profit Margin (NPM) of more than 5% over the last five years. NPM indicates the percentage of revenue that becomes the company's net profit. The screening results show that the stock code PTBA has the highest NPM of 20.95%, while the stock code ASII has the lowest NPM of 9.47%.

6. Debt to Equity Ratio (<100%)

This study only considers stock issuers with a Debt to Equity Ratio (DER) of less than 100%. This ratio indicates the level of the company's debt relative to its equity. Based

on the screening results, the stock code ICBP has the highest DER of 0.93 times, while the stock code KLBF has the lowest DER of 0.03 times.

7. Regular Dividend Distribution (At Least in the Last 5 Years)

This criterion includes stock issuers that have consistently distributed dividends over the past five years. The screening results show that almost all six selected issuers have consistently distributed dividends over the past 16 years, while the stock code ICBP has distributed dividends over the past 14 years.

Table 2 Stock Valuation Screening

No	Stock Issuer	PER	Avg PER 5Y	PBV	Avg PBV 5Y	Discount to Avg PER	Discount to Avg PBV	Price (19/03/25)
1	TLKM	10,46	16,15	1,75	3,04	35%	42%	Rp 2.400
2	ASII	5,41	10,02	0,86	1,28	46%	33%	Rp 4.540
3	ICBP	15,62	18,78	2,74	3,31	17%	17%	Rp 10.800
4	UNTR	4,35	7,50	0,91	1,26	42%	28%	Rp 22.775
5	KLBF	15,37	25,40	2,13	3,96	39%	46%	Rp 1.010
6	PTBA	5,00	6,28	1,37	1,56	20%	12%	Rp 2.550

Source: Stockbit Data Processing

Table 2 presents a comprehensive comparison of valuation metrics among the screened stocks, focusing on their current Price Earnings Ratio (PER) and Price to Book Value (PBV) relative to their respective five-year historical averages. ASII and UNTR stand out with the most attractive discounts to their average PER, at 46% and 42% respectively, indicating significant undervaluation and potential upside for value-oriented investors. KLBF also demonstrates a compelling case, with discounts of 39% on PER and an impressive 46% on PBV, positioning it as an attractive prospect given its stable financial profile. TLKM, while maintaining a moderate PER discount of 35%, offers a substantial PBV discount of 42%, enhancing its appeal within the telecommunications sector. On the other hand, ICBP and PTBA, although showing lower discount percentages — with ICBP at 17% for both PER and PBV, and PTBA at 20% and 12% respectively — still reflect reasonable valuation gaps that could attract investors seeking exposure to consumer goods and energy sectors. Overall, these findings highlight that several issuers are trading at significant discounts relative to their historical valuations, suggesting favorable entry points for investors aiming to capitalize on undervalued opportunities in the current market environment.

8. Valuation Evaluation

This study only considers stock issuers that meet the quality criteria. The qualified stocks are then sorted based on the Current Price to Book Value (PBV) and Current Price to Earnings Ratio (PER) (Trailing Twelve Months or TTM), compared with the average (mean) PBV and PER over the last 5 years. Stocks that show a price difference between the current market price and the 5-year average valuation, indicating a potential discount of 20% or more, are selected for further analysis.

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Performance Evaluation Results

After evaluating the valuation criteria, the results are recorded in a spreadsheet to calculate the potential discount based on PBV and PER. Stocks showing a potential discount of more than 20% are identified as worthy investment candidates for further review.

Table 3 Stock Valuation Ranking

No	Stock Issuer	PER	Avg PER 5Y	PBV	Avg PBV 5Y	Discount to Avg PER	Discount to Avg PBV	Price (19/03/25)	
1	KLBF	15,37	25,40	2,13	3,96	39%	46%	Rp	1.010
2	TLKM	10,46	16,15	1,75	3,04	35%	42%	Rp	2.400
3	ASII	5,41	10,02	0,86	1,28	46%	33%	Rp	4.540
4	UNTR	4,35	7,50	0,91	1,26	42%	28%	Rp	22.775
5	ICBP	15,62	18,78	2,74	3,31	17%	17%	Rp	10.800
6	PTBA	5,00	6,28	1,37	1,56	20%	12%	Rp	2.550

Source: Stockbit Data Processing

There are four stock issuers that meet the criteria, namely KLBF, TLKM, ASII, and UNTR. After this screening process, it is important for investors to continue the analysis by downloading and studying the financial statements of the past five years and understanding the business model of the target investment company. This approach helps investors gain a comprehensive view of future business prospects. For investors with specific preferences, such as adherence to sharia principles, additional screening can be conducted to ensure that the selected issuers are listed in the sharia stock index. By considering these various aspects, investors still need to carry out in-depth analysis to select stocks with good growth potential and optimal investment returns.

This screening process emphasizes the importance of a comprehensive understanding of financial statements and company conditions before making investment decisions. With a careful and data-based approach, investors can make wiser decisions and maximize profit opportunities in the stock market.

Discussion

Investment is the process of allocating funds with the goal of obtaining profits in the future. Investors expect future cash flows from investments to exceed the initial capital invested. One commonly used investment instrument is stocks traded on the stock exchange. Major stock market indices serve as indicators for measuring the performance of the largest company stocks on a particular exchange. In stock investment, there are two main approaches used to assess investment feasibility:

1. Performance Assessment Results
   This approach focuses on assessing the intrinsic value of a company through analysis of historical and current financial statements, long-term growth strategies, industry conditions, and macroeconomic factors. In addition, this analysis also considers the

potential impact of geopolitical situations on company performance (Grudniewicz and Ślepaczuk, 2023).

2. Technical Analysis

This approach uses historical price and trading volume data to predict future stock price movements. Building a stock portfolio requires decisions about stock selection and the proportion of funds allocated to each stock. Important aspects of portfolio construction include investment objectives and risk tolerance. According to (Solares *et al* 2022), there are three main stages in stock portfolio management:
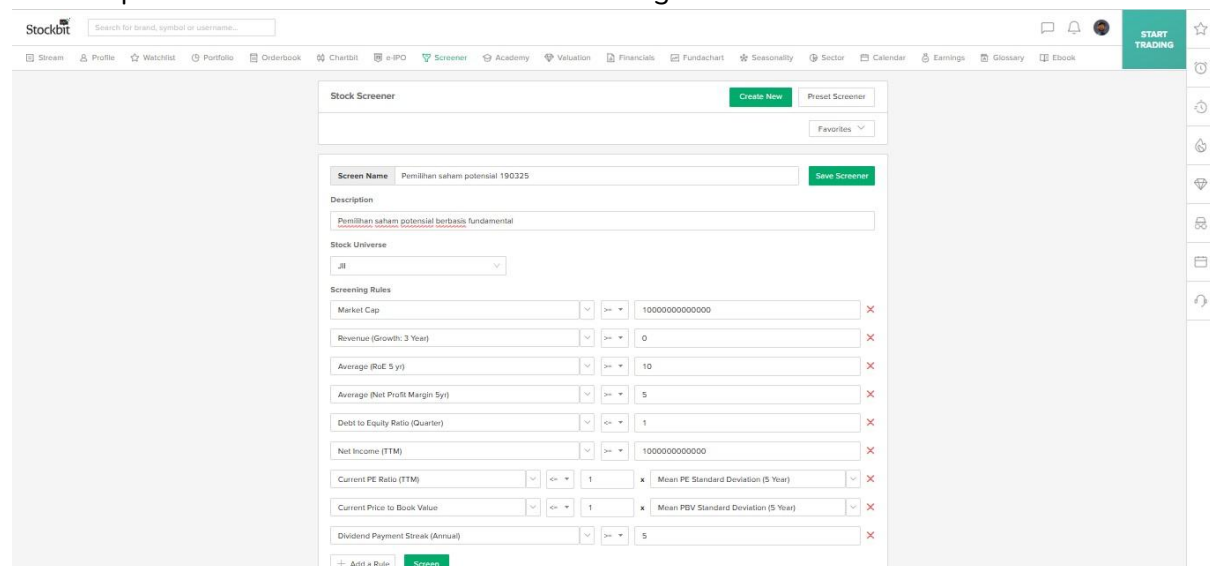
a. Price Forecasting,Projecting future stock returns.

b. Stock Selection,Determining which stocks are worth investing in.

c. Portfolio Optimization, Determining the allocation of funds to selected stocks. A comprehensive approach that encompasses all these stages is essential to ensure an effective decision-making process and optimal investment outcomes.

3. Stock Screening

The capital market is a dynamic and complex environment, requiring a deep understanding in selecting stocks. One of the important initial approaches is the stock screening process, which is filtering based on certain criteria to find stocks that have characteristics in accordance with investment goals.

The main purpose of stock screening is to filter and narrow down stock choices in the market. By using clear criteria, investors can eliminate stocks that do not meet standards and focus their attention on stocks with high growth and return potential. This screening serves as an important foundation for investors in making more accurate and measured decisions.

Figure 1. Stock Criteria Indicators for Selecting Potential Stocks Based on Fundamentals

In this study, several fundamental criteria are the main focus in the stock screening process:

a. Significant Market Capitalization

Only stocks with a market capitalization above IDR 10 trillion are considered. Market capitalization reflects investor confidence in the company's prospects and indicates the size, stability, and growth potential of the company in the market.

b. Consistent Net Profit

Another criterion is a minimum net profit of IDR 1 trillion. Net profit reflects the company's profitability and ability to generate earnings after deducting all expenses. Stocks with high net profit indicate strong competitiveness and potential returns for investors.

c. Positive Revenue Growth

Companies that show sustainable revenue growth reflect good operational performance and strong demand for their products or services. Stocks with positive revenue growth offer promising long-term investment prospects.

d. Return on Equity (ROE) Minimum 10%

ROE reflects a company's efficiency in using shareholders' equity to generate profits. An ROE of 10% or more indicates the company's ability to deliver good returns and reflects efficient management and successful business strategies.

e. Net Profit Margin Minimum 5%

Net profit margin shows the percentage of revenue that becomes net income after all costs and liabilities are met. A minimum net profit margin of 5% reflects operational efficiency and the company's ability to generate significant profits.

f. Debt to Equity Ratio Below 100%

Companies with a debt to equity ratio below 100% indicate a healthy capital structure and low debt risk. This suggests that most of the capital is derived from shareholders' equity rather than loans.

g. Consistent Dividend Policy

Companies that have consistently distributed dividends over the past five consecutive years reflect financial stability and confidence in business growth. Stocks from such companies offer stable returns and indicate reliable financial performance.

h. Fair Valuation Assessment

Stock valuation is assessed using Price Earnings Ratio (PER) and Price to Book Value (PBV) ratios that are lower than the five-year average. Stocks with fair or below intrinsic value valuations offer attractive investment opportunities and minimize the risk of buying overpriced stocks.

The screening process conducted using the Stockbit application resulted in an initial selection of six stock issuers that met the fundamental criteria set by this research. These issuers included TLKM, ASII, ICBP, UNTR, KLBF, and PTBA. Each company demonstrated solid fundamentals, reflected in their market capitalization, profitability, operational efficiency, financial health, and dividend history. Among them, TLKM stood out with the highest market capitalization of IDR 231.8 trillion, reflecting strong investor confidence and the company's dominant market position in the telecommunications sector. Conversely, PTBA had the smallest market capitalization of IDR 27.4 trillion, but still met the minimum threshold, indicating sufficient scale to be considered for investment.

Regarding net profit, ASII recorded the highest net income at IDR 34.05 trillion, underscoring its position as a major conglomerate with diverse business operations, while KLBF posted the lowest at IDR 3.08 trillion, yet still demonstrating robust profitability. Revenue growth over the past three years further validated the financial health of these issuers, with PTBA showing the strongest growth rate of 30.48%, largely driven by favorable commodity prices and increased demand for energy resources. Meanwhile, TLKM, despite having the lowest revenue growth of 3.02%, maintained its attractiveness through steady profitability and market dominance.

An evaluation of Return on Equity (ROE) revealed that PTBA again led the group with an impressive five-year average ROE of 28.32%, significantly exceeding the ideal benchmark of 10%. This indicates effective capital utilization and high profitability for shareholders. Net Profit Margin (NPM) analysis showed PTBA maintaining the highest margin at 20.95%, demonstrating operational efficiency and resilience amid market volatility. Additionally, the Debt-to-Equity Ratio (DER) remained below the 100% threshold for all selected companies, with KLBF exhibiting exceptional financial stability with a DER of only 0.03 times, reflecting minimal reliance on debt financing.

Further analysis focused on valuation metrics, specifically comparing the current Price Earnings Ratio (PER) and Price to Book Value (PBV) against their five-year historical averages. This evaluation aimed to identify stocks trading at substantial discounts, signaling potential undervaluation in the market. The findings highlighted that KLBF and TLKM were trading at discounts of 39% and 35% in PER, and 46% and 42% in PBV, respectively. ASII and UNTR also exhibited notable discounts, strengthening their appeal to value-oriented investors. These results are consistent with the principles of value investing, which advocate for acquiring high-quality stocks at prices below intrinsic value to maximize long-term returns (Christian and Frecky, 2019; Hong, 2023).

Consequently, four issuers—KLBF, TLKM, ASII, and UNTR—emerged as the final selection, having met both the quality and valuation benchmarks established in this study. These companies offer a combination of strong fundamentals and attractive valuations, positioning them as promising candidates for further analysis and portfolio inclusion. The analysis supports the argument that a data-driven, methodical approach enhances the ability to identify undervalued, high-potential stocks, especially in volatile market conditions. Beyond the numerical evaluation, this study also underscores the importance of understanding business models and industry cycles. Investors are encouraged to assess whether a company operates in cyclical or non-cyclical sectors, as this greatly influences performance resilience during economic fluctuations. For example, KLBF, operating in the consumer health sector, tends to exhibit defensive characteristics, while ASII and UNTR, exposed to automotive and heavy equipment sectors, are more sensitive to economic cycles and commodity price movements.

In line with previous research emphasizing the effectiveness of combining quantitative screening with qualitative insights (Nti, Adekoya, and Weyori, 2020), this study illustrates that integrating fundamental screening tools like Stockbit with a comprehensive evaluation of financial reports and industry dynamics provides investors with a holistic decision-making

framework. By adopting such an approach, investors, particularly those adhering to sharia principles, can navigate market complexities more confidently and construct resilient investment portfolios aligned with their financial objectives.

CONCLUSION

This study concludes that adopting a systematic, data-driven approach to stock screening, particularly through the utilization of the Stockbit application combined with rigorous fundamental criteria, enhances the potential to maximize investment returns while effectively mitigating associated risks. The screening process successfully identified four issuers—KLBF, TLKM, ASII, and UNTR—that met both quality and valuation benchmarks, each demonstrating a discount of over 20% relative to their five-year historical averages. These results provide a strong empirical foundation for investors to undertake further due diligence by analyzing financial statements in depth and thoroughly understanding each company's business model and industry positioning. To further strengthen investment decision-making, this study recommends that investors conduct comprehensive evaluations of financial performance trends over the past five years, with a focus on revenue growth, profitability, and cash flow sustainability. A clear understanding of each company's core business operations, income generation strategies, cost management, and market positioning is essential. For investors with specific ethical considerations, particularly concerning sharia compliance, it remains critical to ensure alignment with Islamic financial principles by selecting companies listed in indices such as the Jakarta Islamic Index (JII). Moreover, diversifying portfolios across various sectors can help mitigate sector-specific risks and enhance overall portfolio resilience. Recognizing the dynamic nature of capital markets, it is advisable for investors to continuously update their strategies in response to evolving economic conditions, regulatory changes, and industry trends. Leveraging digital tools like Stockbit not only facilitates real-time market monitoring but also empowers investors with data-driven insights for timely decision-making. Importantly, this research highlights opportunities for future studies to expand upon the current framework by integrating alternative analytical approaches, such as combining fundamental screening with technical analysis, exploring the use of artificial intelligence for predictive insights, or conducting comparative evaluations across other Islamic indices globally. By pursuing these avenues, future research can contribute to developing more comprehensive models for stock selection, particularly within the context of sustainable and sharia-compliant investments in emerging markets.

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