

ABSTRACT

Global conditions have an impact on the global economy, triggering fluctuations in oil prices, interest rate policies, and exchange rate fluctuations that affect stock prices. Climate change dominates global attention, so a transition to producing renewable energy is needed. It's just that the energy sector in Southeast Asia is the largest contributor to greenhouse gas emissions and contributes globally. This research aims to analyze the impact of the variables carbon price, brent oil price, palm oil price, interest rates, and exchange rates on stock returns in the energy sector in ASEAN, both partially and simultaneously, and in the short and long term. This research uses purposive sampling to determine the sample, thus obtaining 6 ASEAN stock markets in the energy sector in the 2017-2022 period. This research uses panel data and the Vector Error Correction Model (VECM). The research results show that partially the carbon price, brent oil price, palm oil price, and exchange rates partially have a positive effect on the stock returns in the energy sector in ASEAN except interest rates because they have no effect, and simultaneously the carbon price, brent oil price, palm oil price, interest rates, and exchange rates have an effect on the stock returns in the energy sector in ASEAN. In addition, carbon prices have a negative influence while the brent oil price, palm oil price, interest rates, and exchange rates have a positive impact on the stock returns in the energy sector in ASEAN in the short term. In the long term, only carbon prices can negatively influence stock returns in the energy sector in ASEAN. These findings indicate that capital markets can be influenced by macroeconomic factors, so understanding macroeconomic factors is important for capital market players, especially in the energy sector.

Keywords: Capital Market, Carbon Emission, Energy Commodity, Green Investment, Stock Returns in Energy Sector