## **ABSTRACT**

The high economic growth after the Covid-19 pandemic has increased the demand for commodities for the global industry along with high carbon emissions which have resulted in extreme climate change and directly impacted global trade activities has made institutions and governments continue to carry out sustainable economic and financial developments that focus on environmental, social and governance (ESG) based economic growth. This research was conducted with the aim of exploring the causal relationship between world oil prices, green bonds, stock prices of low carbon footprint companies and the movement of the IDX Composite. This research uses a causality-quantitative research method. The population and sample used in this study is the WTI world oil price and 3 indices, namely the S&P 500 Green Bonds Index. the MSCI World Low Carbon Leader Index and the IHSG IDX Composite for the period 2019 to 2022 which are taken daily closing prices. The research method used in this research is Granger causality test and Vector Autoregressive (VAR) estimation of panel data on the Eview statistical tool with stationary test, lag length test, VAR stability test, VAR estimation test, Granger causality test and IRF. The results of the Granger Causality study show that there is a reciprocal or two-way relationship between the price of WTI crude oil and the JCI (IDX Composite), the MSCI World Low Carbon Leader Index and the S&P 500 Green Bonds Index, as well as the MSCI World Low Carbon Leader Index and the price of WTI crude oil. . In addition, there is a one- way relationship between the S&P 500 Green Bonds Index variables on the JCI (IDX Composite) and the MSCI World Low Carbon Leader Index on the JCI (IDX Composite). Finally, there is no influence between the S&P 500 Green Bonds *Index and the price of WTI crude oil.* 

Keywords: Greend Bonds, Stock Carbon, WTI Oil Prices, IHSG IDX Composite, Granger Causality Test (VAR)