

ABSTRACT

This study aims to analyze the spillover effects of commodity price volatility on the volatility of energy-based stocks listed on the Indonesia Stock Exchange, particularly during the geopolitical conflict between Russia and Ukraine. This conflict created significant global uncertainty, resulting in fluctuations in commodity prices such as oil, gas, coal, gold, and wheat, which impacted stock markets worldwide, including Indonesia. This research is crucial as it provides insights into how commodity price volatility affects Indonesia's commodity-based stock market, which is highly dependent on global trade.

This study employs a quantitative methodology using the BEKK-GARCH model to analyze the transmission of volatility between global commodity prices and several listed companies in Indonesia. The analyzed companies include the oil and gas sector: Medco Energy International (MEDC), Perusahaan Gas Negara (PGAS), and Energi Mega Persada (ENRG); the coal sector: Adaro Energy (ADRO), Bayan Resource (BYAN), and Bumi Resource (BUMI); the gold mining sector: PT Aneka Tambang (ANTM), PT Merdeka Copper Gold (MDKA), and PT J Resource (PSAB); and the wheat-importing food industry: Indofood (INDF), Mayora (MYOR), and Sari Roti (ROTI). The data comprises daily returns of stock prices and commodities over a one-year period before and after the onset of the Russia-Ukraine conflict, specifically from February 2021 to February 2023. Data sources were obtained from secondary platforms such as Yahoo Finance and Investing.com.

The results of the study reveal a significant spillover effect between commodity prices and energy stocks in Indonesia, particularly in the post-conflict period. Oil and gas price volatility had the most substantial impact on energy stocks. Furthermore, the study finds that the differences in volatility effects are evident between the pre- and post-conflict periods, with volatility increasing significantly during the conflict. These findings provide essential implications for investors and policymakers in managing risks and developing investment strategies that are more adaptive to global volatility changes.

Keyword : Commodity Spillover, Russia-Ukraine conflict, BEKK Garch, Volatility.