

## **ABSTRACT**

This study aims to analyze the reaction of Indonesia's capital market to the United States ban on the imports of Russian oil. The ban was imposed due to political tensions between the United States and Russia due to Russia invading Ukraine. Using event study methodology, this study analyze the stock return and trading volume activity in the mining index's sub-sector crude petroleum and gas production listed on the Indonesian Stock Exchange (IDX) before, during and after the announcement of the ban. The findings suggest that the ban had a negative impact on the Indonesian capital market, particularly on the the mining index's sub-sector crude petroleum and gas production. The study showed a negative abnormal return occurred. On the other side for trading volume activity also showed a significant changes caused by the announcement made by the U.S government. Therefore this study concluded that the announcement created a negative impact towards companies in the mining index's sub-sector crude petroleum and gas production listed on the Indonesian Stock Exchange (IDX).