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Effectiveness of Using Candlestick Charts in Stock Investment: Evidence from Indonesia in the New Normal Era

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ABSTRACT

This study aims to determine whether there is a difference between the stock price prediction results of support and resistance based on candlestick data from the closing price of retail sector companies during the new normal. Samples were taken from retail companies (ERAA and ACES) and included in the LQ45 index for the period January - June 2022. Secondary data from daily data were used in the form of graphs or charts of stock price movements. The results of the study show that the movement of the Moving Average indicator has nothing in common with the closing price of the candlestick data, where the inequality of this movement produces buy and sell signals. Candlestick technical analysis shows a downtrend trend where there are 8 signals consisting of 4 buy signals and four sell signals from each sample, so it is concluded that there is a difference or inequality that occurs between the moving average indicator and the closing price showing the support level and resistance level that can predict the movement of the share prices of two retail companies listed on the LQ45 index. The results of this study prove that the use of candlesticks with moving averages during the new standard can be recommended to short-term and long-term investors to determine the trend of future price movements in determining the buy and sell points of shares to get the desired return.