THE STOCK PURCHASE STRATEGY DURING THE COVID-19 PANDEMIC

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Abstract

Since the COVID-19 pandemic throughout 2020, the Composite Stock Price Index (JCI) has decreased by minus 18.3% (idx.channel.okezone.com) and this is almost evenly distributed on several trading floors of the world. The urgency (priority) of this research is to be able to add a new perspective to the business environment analysis model as an investment strategy in determining stock purchase decisions appropriately while still considering business environmental factors that are able to dynamically influence investors. This research is a qualitative descriptive method. The key informants in this research are from UOB Kay Han Securities managers in Bandung branch and others include research results from the Indonesia Stock Exchange (IDX) which incidentally is the millennial generation has reached 60% of the total stock investors on the IDX. Although as 34% of the younger generation stated that they are reluctant to invest in stocks. They stated percentage of millennial in stock transactions is a new phenomenon that encourages youth economic empowerment in investing. To analyse and choose a stock buying strategy during the COVID-19 pandemic there are still used Fundamental Analysis Strategy and Technical Analysis Strategy.

Keywords: Purchase of Shares, Indonesia Stock Exchange (IDX), Fundamental and Technical Analysis Strategy.

1. Introduction

The capital market as an institution that accommodates investment facilities that mobilize funds as an alternative means of long-term capital formation (De la Torre et, 2017). Along with its development since the issuance of Law Number 8 of 1995 concerning the Capital Market concerning the provisions that define the stock exchange as a facility that organizes securities buying and selling activities as well as the involvement of other parties who provide funds and utilize them in accordance with the applicable provisions and regulations stipulated by professional institutions as a mediation that brings together investors who have excess funds (over liquid) with people who need funds (under liquid).

(Barus, 2014), said that the mediation vehicle to facilitate the interests of investors with institutions that need funds is carried out by the Indonesia Stock Exchange (IDX) in accordance with its functions and roles to provide complete information relating to the offer and purchase of shares on a fluctuating basis related to stock performance. which are traded both individually and institutionally as a form of public accountability that presents factual data that is able to influence investor perceptions in determining the purchase and sale of liquid shares and to minimize investment risk as stated in rare article 7 of Law Number 8 of 1995 that information are facts and relevant regarding events traded on the Stock Exchange and or the decisions of investors, prospective investors or other parties with an interest in the information.

Accuracy of information submitted to the public must be real on the basis of the principle of openness so as not to mislead investors correctly and transparently which fundamentally characterizes the identity of the issuer of the company with all its activities in the form of corporate action as a representation of the company's internal factors with all its activities including program plans and targets, achieving profitability to ensure investment returns and accelerate investment when the stock are traded (Net Asset Value) (Vershik & Nikitin, 2011). In addition to internal factors, investors also deserve to be treated to various information by considering external aspects, according to (Subing et, 2017) that the external environment consists of a remote environment (remote control) or also called the macro environment in the form of legal, political, economic forces on a regional scale. national and international as well as other factors that contribute to stock movements, namely technological forces and social forces. Other researchers, for example (Chu, 2020) add more external factors that investors need to consider in relation to environmental analysis activities. They call it the business environment in the form of ecological factors and global competition.

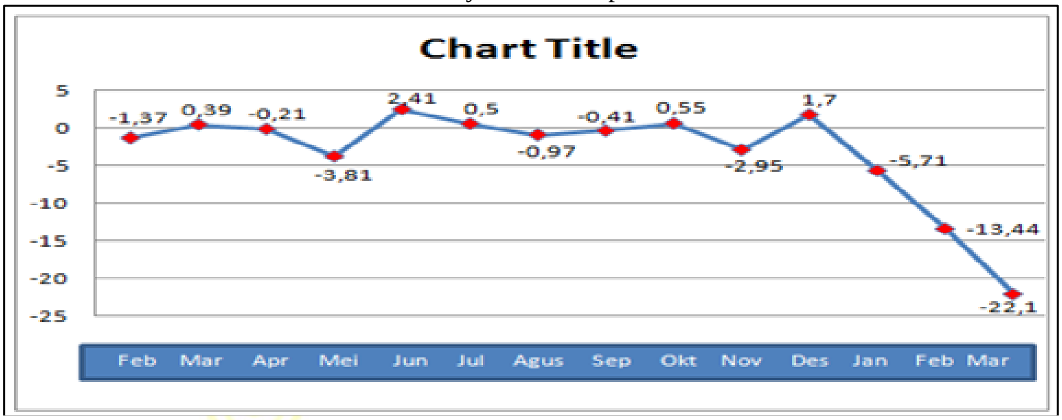
Quoting from the website of the Financial Services Authority (OJK), several factors that influence the rise and fall of a company's stock price can be classified into internal factors and external factors (Yartey, 2008). Internal factors are factors that arise from within the company. While external factors are factors that come from outside the company. External factors such as macroeconomic fundamentals impact on the ups and downs prices (Grundy, et, 2020). Other factors are fluctuations in interest rates up or down caused by the policy of the Federal Reserve which stimulates the rise or fall of Bank Indonesia (BI) benchmark interest rates (Salim, M. .et, 2020).

Other things that need to be taken into account are rising inflation, pressure from high unemployment rates, security factors as well as political shocks that can have a direct effect on the ups and downs of stock prices (Company, 2021). Other things that need to be taken into account are hoaxes and rumours that develop in the community in the form of news disclosures that are widespread and difficult to control so that it triggers panic selling of capital market investors to release their shares (Rebecca, at, 2018). As for other factors, namely market manipulation can also have a psychological impact on novice investors as victims of market games carried out by large investors by utilizing the mass media to manipulate certain conditions by reducing or increasing stock price performance (Trehan, at, 2017).

The phenomenon of the aggressive spread of the Covid-19 pandemic has hit more than 150 countries in the world and has changed the principle of life with a new order in changing behaviour in work, study and in social and economic activities, must comply with health protocols towards Adaptation of New Habits so that it can threaten stagnation of economic actors in stock trading activities. As a result of the spread of COVID-19 is that the IMF predicts that world economic output in 2020 will shrink by 2-5% so that the world will lose economic output worth USD 12 trillion in a period of 2 (two) years. will officially experience a recession after the third quarter of the economy was recorded at minus 5.32%, but on an annual basis (y-o-y) it still experienced a 3.49% contraction so that it was not as deep as the second quarter, according to the Head of BPS Suhariyanto.
The decline in contraction from 5.32% to 3.49% indicates that the national economy has become uncertain and is faced with a situation of uncertainty to invest, especially affecting the performance of the capital market so that investors must rearrange their portfolios to be more careful in diverting their financial activities. As it is known that since the Covid-19 pandemic throughout 2020 the JCI (Joint Stock Price Index) has decreased by minus 18.3% (idx.channel.okezone.com) and this is almost completely evenly distributed on several trading floors in the world. Inarno said that the JCI had reached its lowest point in March 2020 at the level of 3,937 or down minus 37.5% compared to 2019. However, on March 24, 2020, the JCI was pushed up to the level of 5,143 or up 30.6%.

The fluctuations in the change in the structure of the ups and downs of capital market investment indicate that there is still a glimmer of hope to revive the stock. Sri Mulyani predicts in the third quarter it will be minus 2.9% to 1%, which is why when compared to the previous quarter (q-o-q) there was a national economic growth of 5.05% showing a positive direction because it was driven by growth in government consumption expenditure which increased by 9.76% compared to 2019 (bbc.com).

Figure 1
Composite Stock Price Index (JCI)
February 2019-2020 period



Source: ojk.go.id (2020)

The figure above shows that the Composite Stock Price Index (JCI) indicates that in March 2019 along with the outbreak of the Covid-19 pandemic, it was at the final number of 6,468,755 or 0.39% and decreased by minus 0.21% with the final figure of 6,455,352 in April 2019 This shows that the shares traded were quite stable until December 2019 which then experienced a significant decline at the end of January 2019 with a final figure of 5,940,048 or a decrease of minus 5.71% and until February 2020 the JCI experienced a drastic decline to minus 5.71%. 13.44% with the final figure showing 5,452,704 as well as in mid-March 2020 it decreased with the final figure of 5,907,575 or minus 22.10% (ojk.go.id).

The phenomenon of the decline in stock performance was politically influenced by the statement of Indonesian President Joko Widodo during a press conference on March 15, 2020 at the Bogor Palace, which called on all Indonesians to work, study and worship at home so that the spread of Covid-19 could be immediately inhibited. Investors responded to the President's statement as a negative sentiment that prompted massive stock sales as a form of investor concern that threatened the national economy. However, in the third week of May 2020 investors optimistically responded to the implementation of the easing of Large-Scale Social Restrictions (PSBB) with the opening of a number of economic and business activities that showed the passion for stock trading had crept up again in June 2020 with trading volume reaching 770.08 billion shares with transaction value of Rp.785.04 trillion (Widya Cipta: Journal of Secretary and Management Volume 4 No 2, September 2020).

Thus, it is increasingly clear that the quantification of the rise and fall of stock trading is absolutely influenced by external business factors that accumulate to encourage public perception in determining investment choices to secure their share portfolio. However, the investment strategy carried out by investors and novice investors does not rule out the possibility of being influenced by other variables that also determine investment decisions that are profitable for investors.

2. Method

This research is a qualitative descriptive method. The key informants were the manager of mutual funds in Bandung, the manager of UOB Kay Han Securities in the Bandung branch, and the manager of the securities in the Bandung branch. The

determination of the informant is based on the fact that the person concerned has competence in the fields of capital market, investment and stock analysis. Primary data comes from direct interviews via telephone with these informants. The stock purchase strategy during the COVID-19 pandemic is carried out in the following stages:
Data analysis is searching and systematically compiling data from the results obtained from interviews and field notes, so that it can be easily understood and the findings can be informed to others (Bogdan and Biklen, 1982). In this study, data analysis with a qualitative approach uses data analysis according to Miles and Huberman (1984), which consists of three flow of activities that occur together, namely: data reduction, data presentation, and drawing conclusions. The stages in these three flows are as follows:

1. Data Reduction
   The data obtained from research informants are described in the form of a complete and detailed description or report. The field report was then reduced by the researcher, summarized, selected the main points, and focused on the relevant matters.
2. Data Presentation
   The data from the interviews were formed by the researchers in tables and sentences. Everything is formed in such a way, so that information is obtained that is easy to understand.
3. Drawing Conclusions/ Verification
   The researcher draws conclusions from the complete configuration during the research process, then verification is carried out by rethinking the things that crossed the researcher's mind while recording or reviewing the presentation of data or field notes. In other words, every conclusion is always verified during the research.

3. Result and Discussion

The Indonesia Stock Exchange (IDX) noted that the stock investor base, which incidentally is the millennial generation, has reached 60% of the total stock investors on the IDX. However, the results of a New Harris poll via the Stash application as quoted from the Financial Services Authority (OJK), almost 80% of young people do not even look at investing in the stock market. This shows that the passion for investing in capital market transactions encourages millennial interest as a new phenomenon in economic empowerment in transactions as an alternative investment option although as 34% of the younger generation stated that they were reluctant to invest in stocks because the working system in the stock market was too difficult to learn or understand. There are many terms in the capital market, especially stocks, such as bullish, bearish, and many others. Referring previous of research results indicate that the influence of covid-19 has an impact on the Indonesia and Internasional economy. However millennials are optimistic about investing in the capital market through online transactions.

Based on an interview with the Manager of Danareksa Sekuritas Branch Bandung as an informant, starting a stock investment is very easy. Capital for investment is currently starting from Rp. 100 thousand. No need to deposit millions of rupiah, just learn about stocks on the website, participate in trainings or enter capital market schools. Self-taught learning can also be done by asking friends who have already entered the capital market or reading books and finding out on the internet. For stock investment, you must understand the basic knowledge first when is the right time to buy or sell stocks, to learning strategies and mitigating the risk of loss. To analyse and choose a stock buying strategy during the COVID-19 pandemic, there are two basic approaches, namely: Fundamental Analysis Strategy and Technical Analysis Strategy.

A. The following is a stock buying strategy during the covid-19 pandemic with a fundamental analysis strategy

Knowing when is the best time to buy stocks can be seen through two analysis that can be done, fundamental technical analysis. Fundamental analysis refers to the approach to political, economic, and business trends and can also see it through the company's or issuer's financial statements. Meanwhile, technical analysis uses the movement of the stock approach at a certain time, including prices and fluctuations, as well as information on the highest and lowest points of the stock.

What you need to pay attention to is don't look at the cheapest stock prices. However, the stock price of the company is worth buying. It's useless if you buy shares in companies that have bad performance, so they don't make a profit. Then you have to know important things when buying shares of an issuer, such as fluctuations in the JCI movement due to external and internal factors, the company's liquidity profile and level, profits from shareholder investments in the company, market trends, sales, and Earning per Share (EPS) Growth.

Earnings per share (EPS).

EPS Earning per share (EPS) or also known as earnings per share is a financial ratio that measures the amount of net income earned per share outstanding. Earnings per share shows the company's ability to generate profits. It could be that earnings per share in smaller companies are actually higher than large-scale companies.The more number of shares outstanding will affect the level or amount of earnings per share. This is because the company's profits will be distributed to all shares issued by the company concerned. So, high earnings per share in a company does not always show better performance than other companies. This is because the level of earnings per share is influenced by the number of shares outstanding. However, the general principle is that the higher the company's earnings per share, the more profitable it is to invest in it

Price Earnings Ratio (PER)

Price Earnings Ratio is the ratio of earnings per share (EPS) to market price per share on income growth. By trying to increase the ratio, it is expected that his income will also increase. There are two factors that influence the increase or decrease in PER, there are the dividend payout rate and profit growth. As profits increase, the value of the price-earnings ratio also increases.

Price Earning Growth (PEG) Ratio

In the world of stocks, the PEG Ratio is a very commonly known concept. Price/earnings ratio or PEG Ratio is a calculation that can help you to see and calculate future earnings growth. The stock market should looking for ways to project and forecast things because the focus is on the future, not the present. That's why the PEG Ratio is needed.

In short, the PEG Ratio can be interpreted as a ratio used to measure the fair price of a stock based on the potential for an increase in a company's profit in the future. This figure is very important for a financial analyst because it can provide a more complete picture than the price to earnings (PER) ratio. The PEG ratio also includes the growth factor of earnings per share (EPS) is considered capable of providing a more accurate picture.

How to Calculate PEG Ratio?

Before digging further into PEG, here is a formula that can be used to calculate the PEG Ratio, and how these results will affect the future of a company.

PEG = P/ E / (projected growth in earnings). For example, if a stock has a P/E of 30 and next year's projected growth earnings are 15 percent, the PEG ratio is 2, divided by 30 divided by 15. The calculation method is to take the current stock price, then divide it by earnings per share (EPS). The results of this calculation will tell you whether a company's stock price is high or low relative to its earnings company's value in the stock market.

What do high P/E numbers mean?

Some investors think that a company with a high P/E number is overpriced and this cannot be said to be wrong that the indicationntraders have pushed the stock price beyond the reasonable limits of growth that is likely in the near term. But on the other hand, a high P/E number can also be an indication of confidence that the company will continue to grow, improve, and has good prospects in the future. If this is true, then the stock price could skyrocket in the future.

The Application of PEG Ratio

P/E is different from PEG. As explained above, P/E is a component of finding the PEG Ratio of a company. From the example above, for example, it was found that the PEG Ratio of a company is 2. So you have to find out what the number 2 means. In this context, the lower the number you get the less price you have to pay for each unit of future earnings growth. So even if a company's stock has a high P/E number, it could be a good value that the lower ratio means better (cheaper) and a higher ratio means expensive Similar to the P/E ratio, a lower PEG number means the stock of a company is considered undervalued. For example, if a company is growing 30 percent annually, then the P/E of the stock could also be close to 30.

If after the calculation it is found that the PEG ratio is below 1, it can be said that the company's stock price is "cheap". If the ratio calculation results in a number more than 1, then the stock price can be said to be "expensive". However, with a PEG ratio of 1, it can be assumed that the company's stock price is fair to its growth.

Some things to keep in mind regarding PEG are:

• Investors may prefer the PEG ratio because it explicitly shows the expected value of a company's earnings growth and can give an idea of whether a company's high P/E ratio indicates a stock price that is too high promising growth in the future.

• The PEG ratio is not appropriate to measure a company without high growth. For example, large, well-organized companies have more stable dividend income, but very few opportunities for growth.

• The company's growth ratio is an estimate changes the subject matter to limit the projection of future events may change due to several factors: market conditions, setbacks in expansion, and investor interest.

PEG Ratio calculation accuracy

• Not only with the PEG ratio, but this applies to all existing ratio calculations. The accuracy of the calculation is highly dependent on the data entered for the calculation. Therefore, seek the consideration of financial experts in calculating this ratio and as much as possible use official data and the latest data to get a more accurate calculation.

• The calculation of the PEG ratio can indeed be called simple, but it can be used realistically and conservatively, especially to find and calculate the growth of a company in the future.

• If you are looking to make an investment and want to find out the PEG ratio of a company, it is advisable to consult a financial expert. Especially if you are a layman. Financial professionals usually know the latest information and trends that will help you find even more accurate figures. For investors, calculating the PEG ratio will help them make decisions.

Dividend Yield

In the world of stock investment, investors will not only benefit in the form of capital gains but also dividends when investing in a company. Dividend is the distribution of profits to shareholders based on the number of shares owned and how much profit the company distributes to shareholders. In addition to getting capital gains, investors will also get dividends when they decide to invest in a company.

Dividend Yield needs to be calculated to see the ability of a company to provide profits for them. In addition to Dividend Yield, investors also need to know the Dividend Pay-out Ratio, which are 2 ratios that are often considered and become one of the determinants in deciding to invest. It should be noted that the two ratios are usually not always positively correlated. Usually, a company that has a high Dividend Pay-out Ratio has several things, such as having a stock price that is difficult to rise or a mature blue chip company. As is known, blue chip companies tend to have high stock prices so that the dividend yield is low. Therefore, companies that have high dividend yields will usually experience an increase in stock prices when dividends are distributed.

The formula for calculating Dividend Yield is as follows:

Dividend Yield = Dividend per Share (Dividend per Share): Market Value per Share (Price per Share) x 100

If the price can be directly checked on the stock exchange, then you have to calculate it yourself to know how much the dividend per share is for the company you are analysing. Dividend per share is the dividend per share that the company will usually declare when distributing dividends.

Return on Equity

Return on Equity is a term that is familiar in the business world, especially in the ears of investors. ROE is a profitability ratio to measure the extent to which the company's ability to generate net income for investors or owners of the company's shareholders' investment by using their own capital. The closer the ROE value is to 100% is worth 100% indicates that every 1 rupiah of shareholder can generate 1 rupiah of the company's net profit.

The calculation of the ROE value is based on the formula:

(Net Profit / Equity) × 100%

In calculating ROE, two major tools are used in a company, namely net income and equity. In addition, net income is also useful as a basis for measuring other important indicators such as ROE. While equity is the amount of company capital that can be used as an illustration of a person's ownership rights to company assets. The constituent elements of equity are paid-in capital, unshared profits, revaluation capital, contributed capital, and other capital.

To make it easier to understand, there is an example below to calculate the ROE of a company.

Calculation Example

PT. ABC Sejahtera written on December 31, 2018 shows that the company engaged in the cotton fabric industry was able to generate a net profit of 1 billion rupiahs. The average shareholder equity of the company is Rp 625,000,000. What is the ROE value of the company?

Answer:

ROE = (Net Profit / Equity) × 100%

ROE = (1,000,000,000 / 625,000,000) × 100%

ROE = 160%

Interpretation:

Based on the calculation results, the ROE value is 160%, which is close to, even exceeding the 100% value. This means that for every 1 rupiah of shareholder equity, the company can process it into 1.6 rupiah of company net profit. this certainly indicates that PT. ABC Sejahtera is an effective and efficient company in generating profits, so it is highly recommended for investors to invest in PT. ABC Prosperity. How to use ROE figures as investment analysis can be done in two ways, there are:

First, by looking at the company's ROE value for the last 5 to 10 years. It is useful to know the track record of the company's credibility. if during the last 5 to 10 years the company's ROE value has always been close to 100%, this indicates that the company can constantly manage its capital well so that it can effectively and efficiently generate income.

Companies that have such an ROE value are certainly a suitable company to be used as investment for investors. However, if the ROE value fluctuates, it is better for investors to avoid investing in the company, even though in the last year the ROE value was very high. This indicates that although in the last period the company could be said to be promising, the company was still unstable and could not be consistent in managing the company's capital.

Second, by comparing the ROE value with other companies that have the same industry scale. In comparing ROE between companies, what needs to be remembered is that the comparison of ROE values must be done between companies that have the same industrial scale. Companies with large industries certainly have large amounts of capital, and generally can generate large profits as well. This certainly cannot be compared with small-scale companies that have small capital as well.

Based on the explanation previously presented, it is clear that ROE is an important indicator for the company. The better the ROE value, the more eager investors will be to invest in the company. Therefore, companies must be smart in increasing their ROE. Here are some ways that can be done so that a company's ROE can increase.

1. Increase sales without increasing operational costs and expenses. In other words, companies must improve sales efficiency. Increasing sales efficiency can be done by placing advertisements or facilitating the distribution of products from the company.

2. Reducing the cost of goods sold. This can be done by sorting the company's equipment and replacing or repairing equipment that has been damaged. That way, the company's operating expenses will be reduced more or less.
3. Increase sales relatively on the basis of asset value. This can be done in two ways, namely seeking to increase sale or reduce of the amount of investment in company assets.
4. Increase the use of debt relative to equity. This increase was carried out to the point where it did not jeopardize the company's financial well-being.

ROE is one indicator that is very useful for investors, but unfortunately this indicator has drawbacks. The drawback of this indicator is that it only uses the total net income and equity, but ignores the company's total debt in its calculation. Even though the amount of debt is also an indicator that can be used to see the effectiveness of a company.

B. Strategy to buy shares during the covid-19 pandemic with a tactical analysis strategy.

Technical Analysis Strategy to predict the direction of stock price movements and other stock indicators according to historical market data. Based on the results of an interview with the Manager of UOB Kay Han Securities Branch Bandung, when compared to investment, stock trading is indeed more complicated and challenging. A trader must be sensitive to reading global conditions that affect stock movements. It also takes accuracy and precision in deciding when to buy or sell the capital ownership certificate. Not just relying on instinct, a trader usually uses technical analysis to interpret price fluctuations in a graphical form. From the patterns formed over a certain period of time, traders can predict future stock trends.

The following are the results of subsequent interviews regarding the indicators of the technical analysis strategy.

Relative Strength Index (RSI).

The RSI acts as a momentum parameter, which is measuring price movements. An increase in momentum indicates the stock is being actively bought, while a decrease indicates a weakening trend for the stock in question. In addition to momentum, RSI is also a parameter of oscillation. That is, traders can find out whether market conditions have been overbought (overbought) or oversold (oversold). On a scale of 0-100, the asset value is considered to be in an oversold situation when it is less than 30. Meanwhile, overbought occurs when the RSI value exceeds 70.

Trading Strategy Using the Relative Strength Index

Like other indicators, the RSI aims to detect buy and sell signals. By relying on overbought and oversold positions, the trader can determine when he should trade.

The standard counting period is 14, as recommended by Welles Wilder. Traders may modify the period, either increase or decrease. However, this will affect the sensitivity of the RSI. For example, period 10 is faster to reach overbought or oversold levels than period 20. So, what is the strategy for using RSI for trading?

• Buying Rules

The first step is to wait for the RSI value to fall to the oversold area, which is below 30. Watch until the RSI turns up above 30. To be more convincing, make sure with a bullish candlestick that the RSI escapes the oversold position. Do not rush; wait until the candlestick closes. At the opening of the next candlestick, enter or buy to a set a potential loss or stop slightly below the last swing low.

• Selling Rules

Make sure the RSI value reaches a level above 70, aka overbought. Wait for the RSI to reverse down below the number 70. As with buying rules, candlesticks must also be completed or closed first. At the opening of the next candlestick, traders can enter or sell. As a precaution against losses, the stop loss is placed slightly above the last swing low.

• Failure Swing Rules

Sometimes, the Relative Strength Index experiences swing failure. That is, the graph does not reverse direction consistently, but returns to the previous point and then reverses again. There are two kinds of failure swing conditions and how to execute them.

• Bullish Failure Swing

It is said to be a bullish failure swing when the oversold position, which should have continued to reverse, actually fell back to level 30, then reversed again until it skyrocketed to the highest level. This is called

a delayed reversal signal. The graph forms a curve like the letter W.
The skyrocketing chart indicates a buy signal. Stop loss is placed after the RSI drops from the highest level.
• Bearish Failure Swing
Bearish failure swing is a delayed reversal condition after experiencing overbought. Instead of continuing to fall to the lower level, the chart rises again and aligns with overbought, then finally drops again to the lowest level. The curve of the curve looks like the letter M. A sell signal appears when the RSI plunges back to the lower level. When the falling chart starts to rise again, a stop loss can be prepared.
Basically, the Relative Strength Index is very easy to use. The concept is based on overbought and oversold conditions. As long as you are careful and patient in observing movements, traders can rely on these stock indicators. RSI is suitable for traders who diligently wait for signals, instead of aggressively making transactions.

Moving Average Convergence Divergence (MACD)
Interviewed with Danareksa Sekuritas Branch Bandung, the indicator is used to confirm the strength and direction of the trend, as well as to determine the point of reversal (reversal). In addition, MACD can also provide information whether the current trend is strong enough or not that the indicator can be used by anyone, be it beginners or experienced.
That is why, many traders consider MACD to be the most efficient and reliable technical indicator. In addition to providing information about the current trend, in general the Moving Average Convergence Divergence Divergence (MACD) can be used to:
• Measure market momentum, whether conditions have been overbought or oversold.
• See if there is a bullish or bearish divergence.

MACD is an indicator to detect overbought and oversold by looking at the relationship between long and short-term Moving Averages which is built into the platform has the following components:
1. MACD Signal Line - usually displayed as a dotted red line.
2. MACD Histogram - in the form of vertical lines
3. MACD Zero Line.

How does this component work ? Histogram is an indicator that predicts whether the trend is strong enough or not. It means that the momentum is getting bigger. However, if the histogram is getting shorter, then there is an indication that the momentum is decreasing. This will usually be followed by a correction.
In addition to the Histogram, MACD can also be used to find entry signals. The method is quite easy. That is, it can only pay attention to the histogram and MACD signal line.
When the MACD signal line "breaks away" , that is the signal. A buy signal occurs when the MACD signal line breaks from below the zero line, while a sell signal occurs when the MACD signal line breaks above the zero line.
Despite having advantages, the MACD Indicator still has weaknesses. Therefore this indicator when trading used it on rather long time-frames such as four hours charts or daily.

Finding Divergence
Divergence is a condition where the price is moving up, but the MACD line or histogram is getting lower. The Divergence signal indicator can be used as a reference to determine the ideal open position.
There are two types of divergence that can be used as a reference for entry, such as:
1. Bullish for Buy Position Entry, and
2. Bearish for Entry of Sell positions.

Bullish Divergence
Bullish divergence occurs when the chart valley is getting lower but the histogram is getting higher. Confirmation of the bullish divergence is when the histogram rises above the zero level as in the example below:

Bearish Divergence
Bearish divergence occurs when the top of the graph is getting higher but the top of the histogram is getting lower. Confirmation of a bearish divergence is when the histogram drops below the zero level as in the example below.

It is important to have knowledge of Divergence so as not to make the wrong entry. Lack of understanding of Divergence can get you stuck in a difficult situation, especially when you want to buy/sell. If you can use this indicator correctly, you can find and generate maximum profit potential.

4. Conclusion

Based on the results of the analysis and discussion of the data, the authors obtain conclusions that can be drawn from research on the Stock Purchase Strategy during the Covid-19 Pandemic as follows:
Based on an interview with the Manager of Danareksa Sekuritas Branch Bandung as an informant, starting a stock investment is very easy. Capital for investment is currently starting from Rp. 100 thousand. No need to deposit millions of rupiah, just learn about stocks on the website, join trainings or enter capital market school. Self-taught can also be done by asking friends who have already entered the capital market or reading books and finding out on the internet. For stock investment, you must understand the basic knowledge first.

1. Starting from learning to read the movement of the Composite Stock Price Index (JCI), when is the good position to buy or sell stocks, to learning strategies and mitigating the risk of loss.
2. To analyze and choose a stock purchase strategy during the COVID-19 pandemic, there are two basic approaches, namely: Fundamental Analysis Strategy and Technical Analysis Strategy.
3. Fundamental Analysis Strategy indicators include EPS (Earning per share), Price Earnings Ratio (PER), Price, Dividend yield, and Return on Equity.
4. Regarding the technical analysis strategy, interviewed with the Manager of UOB Kay Han Securities Bandung Branch, when compared to investment, stock trading is indeed more complicated and challenging. A trader must be sensitive to reading global conditions that affect stock movements. It also requires accuracy and precision in deciding when to buy or sell the capital ownership certificate. Not just relying on instinct, a trader usually uses technical analysis.
5. The Indonesia Stock Exchange (IDX) noted that the share investor base, which incidentally is the millennial generation, has reached 60% of the total stock investors on the IDX. However, the results of a New Harris poll via the Stash application as quoted from the Financial Services Authority (OJK), almost 80% of young people do not even look at investing in the stock market. A as 34% of the younger generation stated that they were reluctant to invest in stocks because the working system in the stock market was too difficult to learn or understand. The increasing percentage of millenials in stock transactions is a new phenomenon that encourages youth economic empowerment in investing that there are many terms in the capital market, especially stocks, such as bullish, bearish, and many others.
6. Referring to the results of the previous research indicate that the influence of covid-19 impacted on Indonesia and global economy including the weakening of the Composite Stock Price Index (IHSG). Its shows millennials are optimistic about investing in the capital market through online transactions that consistently use fundamental and technical analysis. However the author suggests that further research be carried out outside the variables that the researcher did not to do.

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