

UNDERSTANDING OF TECHNICAL AND FUNDAMENTAL ANALYSIS OF THE STOCK INVESTMENT DECISIONS

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Abstract

Theoretically, technical and fundamental analysis could be used by the investors as the base to make financial decisions in the capital market with regards to the transaction of common stocks. However, based on our initial interview, many investors tend to make decision based on the psychological factors and most of them do not have a good understanding of these analysis. We try to examine whether investors in Palembang use technical and fundamental analysis in making decision. We obtain the primary data through questionnaires and our findings show that respondents tend to use technical analysis in making the decision.

Keywords: technical analysis, fundamental analysis