

Navigate The Ins And Outs Of Investing Through Tips And Strategies For Financial Success In LQ45 Stock Selection

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Abstract .This article explains the various important aspects of navigating stock investing to achieve financial success. In this article, we will discuss tips and strategies that can help investors make smart decisions in choosing LQ45 stocks. LQ45 is a stock price index of the 45 largest and most liquid companies on the Indonesia Stock Exchange (IDX). We present a practical guide to understanding the characteristics of LQ45 stocks, Readers will gain valuable insights to understand the intricacies of stock investing and achieve their financial goals. Emphasis is placed on investment strategies that have the potential to provide profitable returns. By understanding these tips and strategies, investors will have a solid guide on LQ45 stocks to achieve their financial goals through stock investing.

Keywords: Investment Ins and Outs, Tips and Strategies, Financial Success in LQ45 Stock Selection.

INTRODUCTION

In the world of investment, one of the most popular and demanded instruments is stocks. Stock investing has great potential to provide significant financial returns, but it also involves risks that cannot be ignored. Therefore, financial success in stock investing requires a deep understanding of the stock market, as well as the proper application of tips and strategies.

Stock investing is a good way to build long-term wealth, plan for retirement, or achieve other financial goals. However, to achieve success in stock investing, you need to address various complex aspects, from proper stock selection to wise risk management. In this article, we will discuss some important tips and strategies that can help you achieve financial success in stock investing. In Indonesia, one of the stock indices that is often highlighted by investors is LQ45. The index includes 45 of the largest and most liquid companies on the Indonesia Stock Exchange (IDX), making it an important indicator of the health of the country's capital markets.

Investing in LQ45 stocks offers a great opportunity for investors to earn significant profits. However, behind these opportunities lies an inevitable risk. Therefore, it is important for potential investors, especially those who are just entering the stock market, to understand the intricacies of LQ45 stock investment carefully. In this context, this article aims to provide practical and strategic guidance to help investors deeply understand the characteristics of LQ45 stocks, choose stocks wisely, and manage investment risks appropriately.

Navigation of Investment Ins and Outs refers to a deep understanding of the world of investment, including knowledge of various investment instruments, strategies, risks, and

factors that influence investment decisions. It involves a deep understanding of how to manage and optimize investments to achieve long-term financial goals. In the context of stock investing, navigating the intricacies of investing involves an understanding of how the stock market operates, how to choose the right stocks, when to buy or sell stocks, and how to manage investment risk.

You will learn about how to analyze stocks, manage portfolios, plan long-term investments, and deal with challenges that may arise in your journey as a stock investor. With the knowledge gained, you will be able to make smarter investment decisions and optimize your profit potential, while also minimizing the risks involved.

Quickly discover the ins and outs of stock investing, apply appropriate tips and strategies, and go on your way to greater financial success in your investment journey. With a deep understanding and a wise approach, you can harness the potential that exists in the stock market to achieve your financial goals.

Every individual basically needs investment, because with investment everyone can expand the wealth base that can be used as social security in his future. A person often does not realize that he has made an investment, for example by saving and so on. In order not to be trapped investing into a "junk" portfolio, or even deceived by irresponsible parties with attractive lures, and must prioritize hospitality and fully understand the risks faced in investing.

With the investment, the company or investor expects several benefits that ensure cash management, create close relationships and strengthen the financial position of a company. Investment is a very important element in the company. Investment activities carried out by the company will be used as the basis for assessing the company's cash management. (Maftuhin, 2020)

Research Questions

How can tips & strategies in navigating the ins and outs of investing help investors achieve financial success on LQ45 stock selection?

Research Objectives

Uncover Tips & Strategies factors in navigating the ins and outs of investing that can assist investors in financial success on LQ45 stock selection.

LITERATURE REVIEW

Investment Ins and Outs

According to Mulyadi (2001: 284) "Investment is the association of resources in the long term to generate profits in the future. Launching Forbes, investment is the process of

buying assets whose value can increase over time so that they can get profits. However, in the financial world, investment is the purchase of securities, property, and other valuables to get capital gains or profits. Simply put, investing is when you buy an asset at a low price and sell it again at a higher price. You must understand that in investment, we will not only benefit. However, there are also risks that can lead to losing profits.

Usually, investments with low risk will provide little profit. Conversely, investments with high risk, the benefits obtained can be more.

Types of Investment :

1) Stock

One of the most common types of investment is stocks. This type of investment is usually tried by people who are experienced in investing. A beginner, it's better to avoid trying stock investment first if you still don't have extensive knowledge about the world of investment. One reason is because stock investment has a considerable risk. However, when getting reciprocity, the benefits obtained are also greater.

2) Bond

A bond is a type of investment issued by a government or a business. In this type of investment contains a promise from the issuing party to pay rewards in the form of interest and pay off the principal debt in a certain period.

3) Mutual funds

Lately this type of investment is also increasingly popular. In fact, mutual funds are said to be one type of investment that is recommended for beginners. According to The Balance, when investing in mutual funds you can buy a portion of a diverse pool of investment types such as stocks, bonds, or other types of investments.

4) Gold

Gold investment is often tried by those who are still new to the world of investment. This is because, investing in gold is much safer than other types of investment. One of the reasons why gold investment is preferred by beginners is of course because gold has a fairly stable price, so the price rarely drops dramatically.

5) Property

This type of investment is also popular. However, it should be understood that property investment requires a lot of capital. Even so, the benefits obtained from making property investments are quite promising. So, there are still many people who are tempted to try this type of investment. Making property investment can be done by buying a house, building, or piece of land. Maybe the price is not cheap, but the benefits obtained can be quite large. (Ismi, 2023)

In addition, the process of understanding and managing various aspects of investment carefully and wisely. It includes an in-depth understanding of financial markets, investment instruments, risks and returns, as well as the use of appropriate strategies to achieve financial goals. The level of navigation in the ins and outs of investment can be measured by the following indicators :

1. An understanding of how to pick stocks
2. An understanding of risk analysis
3. And an understanding of how to manage an investment portfolio for financial success. It includes an understanding of economic factors, financial data analysis, and smart investment decisions.

TIPS AND STRATEGIES

According to David (2010) Strategy is a way to achieve long-term goals, business strategy can be in the form of geographical expansion, differentiation, acquisition, product development, market penetration, employee rationalization, divestiture, liquidation, and joint venture.

The understanding of the word 'tips' in general by many people is practical, simple suggestions as short instructions so that others succeed in doing something according to what is expected, using sentences that are easily understood by anyone who reads it. Tips are generally given based on the knowledge or experience of a person or expert. (Waspodo, 2020) "Tips" is a term used to refer to practical advice, advice, or guidance given to people to help them do things better or more efficiently. Tips can cover a wide range of topics, including health tips, financial tips, productivity tips, shopping tips, and so on. The purpose of giving tips is to provide additional insight or knowledge to people so that they can cope with certain problems or situations more easily. Tips are often based on personal experience or expert knowledge, and they are designed to guide people in taking better decisions or finding solutions to problems they face. In the digital age, tips are often shared through websites, blogs, social media, and other online platforms to provide useful information to readers or users.

Understanding strategy in general can be interpreted as an individual or group effort to create a scheme to achieve the target target to be addressed. In other words, strategy is the art for individuals or groups to utilize, ability and resources owned to achieve target targets through procedures that are considered effective and efficient to achieve the expected goals. Understanding strategy can also be interpreted as an action to adjust to all reactions or environmental situations that occur. Whether it is an unexpected situation or an unexpected one. Whether we realize it or not, strategy can be a bridge that facilitates the continuity of planning, implementation and also achieving goals. Not only to achieve goals personally, but also can be applied to achieve goals in the form of groups and organizations. (V, 2020)Berikut ada beberapa tujuan pentingnya membuat strategi :

- 1) Keeping Interests
- 2) As a means of evaluation
- 3) Provides an overview of goals

- 4) More Efficient and Effective
- 5) Developing Creativity and Innovation
- 6) Preparing for Change

So, "Strategy tips" are practical advice or guidance given to help a person or organization plan and achieve their goals efficiently. A strategy is a plan of action designed to achieve a specific goal. Strategy tips provide concrete guidance on how to design, execute, and manage strategies more effectively.

In a variety of contexts, such as business, marketing, finance, and personal development, strategy tips can include how to identify opportunities, overcome challenges, manage resources wisely, improve operational efficiency, and achieve desired results. Strategy tips can focus on various aspects, including business planning, digital marketing, time management, decision making, risk management, and more.

Strategy tips are often based on practical experience, market research, data analysis, and proven management principles. They are designed to help individuals or organizations develop strategies that align with their goals and achieve success.

Financial Success in LQ45 Stock Selection

According to Vicko, success or financial success can be achieved as seen from efforts to get used to 90 days from receiving the first salary. Financial success itself is the key to the loss of your worries in terms of finances, so you can live calmly, comfortably, without having to think about this. Financial success is a condition where you have begun to accumulate wealth. That is, the money you save must be able to grow and continue to grow automatically over time. Meanwhile, saving is just an activity to save money, where its value will not grow automatically. Because, when adding savings, it means you also have to deliberately set aside your income. Well, the only way for you to succeed financially is to invest. Using the money you have to make even bigger money is the key to hoarding wealth.

Financial success in LQ45 stock selection refers to the ability of individuals or investors to select profitable LQ45 stocks, which can ultimately result in significant growth in investment value. This process involves a deep understanding of the stock market, company analysis, as well as external and internal factors that can affect stock prices. Remember that investing in LQ45 shares involves risk, and there is no guarantee of profit. It is important to have a sound investment plan, understand the risks involved, and continuously learn and adapt to market changes in order to achieve financial success in LQ45 stock investing.

Financial success in LQ45 stock selection can be achieved through a careful, analytical and strategic approach to investing. Here are some keys to achieving financial success in LQ45 stock selection:

Keys to Financial Success with Investment

1) Deep Understanding of LQ45 shares

One important first step is to understand the characteristics of the LQ45 index as well as the companies included in it. This involves a thorough analysis of the financial statements, historical performance, and future projections of those companies.

2) Meticulous Fundamental Analysis

Conducting fundamental analysis of LQ45 stocks is key. It involves evaluating the company's financial health, financial ratios, profit growth, management, and other factors that affect the value of the stock. In-depth fundamental analysis helps identify stocks that have high intrinsic value.

3) Keep up with Market News and Developments

Awareness of economic, political, and social events affecting the stock market is important. Recent news and developments can provide insight into potential changes in stock prices and allow investors to respond quickly. (thebalance.com, 2021)

Stock selection is when an analyst or investor uses a form of systematic analysis to conclude that a particular stock will be a good investment and, therefore, should be added to his portfolio. This is also known as active management. The position can be long or short and will depend on the analyst's or investor's view of the price of a particular stock.

Stock selection can be a very difficult process because there is never a foolproof way to determine the influence of the future price of a stock. However, by examining various factors, an investor may be able to get a better picture of the future price of a stock rather than relying solely on guesswork alone. Since forecasting is not an exact science, investors or analysts who use any forecasting technique must include a margin of error in their calculations. (Chen, 2022)

Statistics show that the majority of big profits come from only a handful of stocks. Know how to choose stocks and tips on choosing LQ45 stocks so as not to put the wrong investment funds. Stocks with high returns certainly provide capital gains and promising dividends for investors. In order to avoid capital loss, investors need to understand how fundamental analysis and technical analysis work in managing stocks. Fundamental and technical analysis is a way of professionally selecting stocks. Tips on picking stocks based on analysis help identify stocks worth buying that should go into a portfolio.

RESEARCH METHODS

This research uses a qualitative approach, the data used is secondary data, namely data obtained from publications in the form of weekly data on LQ45 shares that we take from the web <https://www.investing.com/> . The selected stocks are using *purposive sampling* techniques and stocks that continue to appear and are listed in the LQ45 index group on the Indonesia Stock Exchange in September 2023.

This type of research is also referred to as phenomenological research, where this research presents phenomena that have patterns and interrelated meanings. This research focuses on the phenomenon of Tips and Strategies in financial success that is useful to help potential investors in choosing LQ45 shares to buy. Then from the research method used, it will get the right description of the phenomenon so as to prevent problems that occur. (Purnama Ramadani Silalahi; Aisy Salwa Daulay; Tanta Sudiro Siregar; Aldy Ridwan, 2022)

Research variables used in this study include the dependent variable, namely Financial Success in LQ45 Stock Selection. And the Independent variables consist of Navigation, Ins and Outs, Investments, Tips & Strategies.

Research Instruments

In Indonesian Big Dictionary it is explained that an instrument is a necessary tool to do something. Based on this understanding, it can be defined that research instruments are tools used by researchers in collecting data in the research process. Instruments are closely related to the methods used in research.

In this study, the instrument used for data collection is a document instrument. So, in qualitative research, there's a process of data collection by way of literature studies. (Salmaa, 2022)

Instrument Measurement

Instrument measurement in this study involves choosing methods to collect data or documents from written sources, such as journals and articles, in contrast to quantitative data that can be analyzed using statistical methods. Instrument measurement in this study refers more to the methods used to collect, evaluate, and analyze data obtained from relevant literature.

Data Collection Techniques

In this study, the data collection technique involved collecting information from written sources, namely from the official website of LQ45 shares. Data collection in research is Theory Analysis which does not involve the direct participation of the research subject, but rather focuses on the analysis and synthesis of information in the literature relevant to the research

topic. The data used in this study is secondary data where a literature study was carried out by looking for data on the official website of LQ45 shares for the 2021 period related to LQ45 shares.

Data Analysis Techniques

This research uses theoretical analysis techniques such as collecting, evaluating, and analyzing data obtained from the official website of LQ45 stocks such as IDX . By using the Optimal Portfolio method, the optimal portfolio is a portfolio chosen by an investor from the many choices in the efficient portfolio collection. The chosen portfolio is certainly in accordance with the preferences of the investor concerned for the return or risk he is willing to bear. (Tandelilin, 2001, p. 75)

Analysis and Discussion

In this study, calculating the optimal portfolio with the aim of determining stocks that are worth buying. The calculation of table 1.1 uses Risk Free of 6%. Risk free can be taken from the official website of Bank Indonesia/BI 7 Days. The stock issuers to be analyzed are BBNI, SMGR, KBLV, UNLVR, and BBKA.

Tabel 1

Emiten	α	β	σ^2_{ei}	ERB	Ci	C ^A	Keputusan
BBNI	0,009945	-0,075130	0,000172	0,632633	0,000597	0,006316	Optimal
SMGR	-0,009560	-0,416208	0,000122	0,160783	0,006316	0,006316	Optimal
KBLV	0,004882	2,406633	0,001467	-0,022201	-0,002270	0,006316	Tidak Optimal
UNVR	0,007666	0,313570	0,000335	-0,159261	-0,001337	0,006316	Tidak Optimal
BBKA	-0,002086	0,221681	0,000039	-0,269130	-0,009546	0,006316	Tidak Optimal

α (Alpha)

β (Beta)

σ^2_{ei} (Variansi Residual)

ERB (Excess Return to Beta)

Ci (Cut of Rate saham ke-i)

C^A (Certainty Equivalent)

Based on the calculation data above, it contains several stock issuers (Indonesian stock exchange). In table 1.1, there are several variables used to analyze the performance of these stocks. The following are the calculation results based on Table 1.1:

- BBNI:** It has a positive alpha, which indicates better performance than the market. A positive beta indicates that this stock is likely to follow the market. Low error variance indicates that the observation results are close to the predicted results. The ERB is quite high, indicating an expected rate of return that is higher than the market rate of return.
- SMGR:** It has a negative alpha, which indicates below-average market performance. A negative beta indicates that the stock is moving in the opposite direction to the market.

However, low error variance indicates the observational results are quite close to the predicted results.

3. **KBLV:** A positive alpha indicates better performance than the market. A very high beta (2.406633) indicates a very high sensitivity to market changes. However, a high error variance indicates the observational results are far from the predicted results.
4. **UNVR:** A positive alpha indicates better performance than the market. A positive beta indicates linkage to the market. A low error variance indicates that the observation results are close to the predicted results.
5. **BBCA:** A negative alpha indicates a below-average performance in the market. A positive beta indicates linkage to the market. A low error variance indicates that the observation results are close to the predicted results.

Of the 5 stocks that use the Optimal Portfolio calculation if the expected return value is positive, then the stock is considered worthy of being used as an alternative in investing, based on the calculation above, there are 2 positive value stocks because the **ERB value is greater than Ca**, namely (BBNI and SMGR) so that it will be used in the next stage of calculation.

Tabel 2

	Zi	Wi	α	β_p	σ_{ei}^2	Saham	RP
SMGR	-272,7982833	0,341598285	0,003397076	-0,02566444	0,00006	34%	Rp34.159.829
BBNI	-525,7955474	0,658401715	-0,006294026	-0,274032293	0,00008	66%	Rp65.840.171
	-798,5938307	1	-0,00290	-0,299696734	0,00014	100%	Rp100.000.000

Based on the calculation using the Optimal Portfolio in Table 2.1, BBNI shares are more optimal because they have a percentage of 66%, while SMGR shares have a percentage of 34% of 100% with an estimated capital of 100,000,000 to be invested.

So, if an investor wants to invest, you should diversify into BBNI by 66% with RP funds. 65,840,171 million. As for SMGR, the funds needed are 34% or worth IDR 34,159,829 million.

CONCLUSION

The conclusion of this article is that navigating stock investments, especially in LQ45 stocks requires a mature understanding and strategy to achieve financial success. Some important points that can be taken from this article are investment is not only a matter of money but also needs a deep understanding, there needs to be tips and strategies such as understanding the company's financial condition, growth prospects, and other factors are considered key in decision making.

SUGGESTIONS

Here are the suggestions that must be considered for investors and potential investors to achieve financial success in the selection of LQ45 shares:

1. Do an in-depth analysis and don't rush into making investment decisions.
2. Avoid investing in the same place, this is to avoid the risk of considerable loss.
3. Consider company factors such as past performance, future prospects, and good company management.
4. Avoid herd behavior without fundamental analysis and make smarter decisions.

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