

COMPARISON OF IMPLEMENTATION BETWEEN EMA, WMA, SMA IN PREDICTING IHSG

Ahmad Dwikhaldi Rifai

Program Studi Sistem Informasi, Universitas Nasional, Indonesia

Tio Adi Kurniawan

Program Studi Sistem Informasi, Universitas Nasional, Indonesia

Agus Iskandar *

Universitas Nasional

Correspondence author email : iskandaragus1005@gmail.com

Abstract

This study compares the implementation of Exponential Moving Average, Weighted Moving Average, and Simple Moving Average in the movement of the Composite Stock Price Index. Through the analysis of historical IHSG data, we found that EMA consistently outperforms WMA and SMA with higher accuracy. This result indicates that the use of EMA, focusing on recent data, can be a more responsive approach to changes in stock market trends. However, this research also highlights the need to consider the weaknesses and limitations of each forecasting method. The implications of these findings can provide valuable guidance for stock market practitioners in investment decision-making. Future research can deepen this analysis by considering additional factors to improve IHSG predictions

Keywords: EMA, WMA, SMA

INTRODUCTION

The stock market is one of the main places where investors and other market players interact to trade shares and other assets. In this context, predicting stock market movements is an important key for investors and financial analysts to make timely and effective investment decisions. Therefore, the use of accurate and efficient forecasting methods is very important.

In financial literature, there are various forecasting methods used to predict stock market movements. Among these methods, there are three methods that are often widely used, namely Exponential Moving Average (EMA), Weighted Moving Average (WMA), and Simple Moving Average (SMA). These three methods have different approaches to calculating historical price averages, which are used to make predictions about the direction of market movements.

In the context of the Composite Stock Price Index (IHSG) in the Indonesian stock market, the use of this forecasting method is also an interesting topic to research. IHSG is the main indicator of the performance of the Indonesian stock market and is an important reference for investors in making investment decisions.