

ABSTRACT

Stock is one type of investment that available for the investor. There are two strategies for investor to invest in the stock market: the first strategy is active investment. And the second strategy is passive investment. Active investment is the strategy for buy the stock at lower price and sells stock at higher price. Beside, passive investment is the strategy to buy a stock and hold a stock for a longer period before the stock will be selling. This research will show the comparison of both investment strategies and focusing in stock of Bakrie group. The author will compare the same stocks by using two strategies. The Strategy one will buy the stock and keep for 18 months (from January 2009 until June 2010) without selling it. The second strategy will keep buying and selling the stock for 18 months period. The strategy to buy and sell is using technical analysis to make a decision. The result shows that from seven stocks in Bakrie group, there is only 1 stock that give higher return if invest using passive investment strategy. The rest of the stock shows that active investment strategy is give higher return for the investor. However, this research is only focusing in stock of Bakrie group and using 18 months period. Therefore, further research is needed.

Keyword: passive investment, active investment, technical analysis and efficiency market hypothesis