The U.S. Quantitative Easing Policy During the COVID-19 Pandemic and Its Influence on the Growing Number of Indonesian Retail Investors

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Abstract. This research aims to determine whether the quantitative easing policy issued by the United States government to boost the United States economy during the Covid-19 pandemic has impacted stock price volatility on the Indonesia Stock Exchange (IDX), which resulted in the increasing number of individuals (retail) investors on the Indonesia Stock Exchange increased. The quantitative easing policy taken by the United States government in 2020 to ease the economic burden during the COVID-19 pandemic made JCI volatility high, eventually affecting individual (retail) investors seeking opportunities in the high volatility of the Indonesian capital market. This research examines using the theory of Financial Structure power by Susan Strange and used publicly available data as secondary data and primary data taken through observations of the Indonesian stock market or JCI and interviews with experts to find whether the U.S. quantitative easing policy had an influence on the growing number of new retail investors in Indonesia during the COVID-19 pandemic. This research discovered that the U.S. quantitative easing policy had indirect influence on the growing number of new retail investors in Indonesia during the COVID-19 pandemic. For future research, economic standpoints and theories are needed to get better analysis for this topic.

1 Introduction

The COVID-19 pandemic is the issue that has had the most effect on all aspects of modern human life in this decade; this pandemic has made many people lose their jobs because many sectors have stopped immediately due to restrictions on human mobilization. The COVID-19 pandemic made people lose their jobs, which made them unable to purchase necessities and essential goods. With many people unable to purchase goods, many companies' sales decreases drastically, and this cycle continues to repeat, resulting in recessions and economic crises. According to data taken from the U.S Bureau of Labor Statistics, in April 2020, there were 23,109,000 total unemployed in the United States, 2,306,000 lost their jobs permanently, and 18,047,000 temporarily laid off (U.S. Bureau of Labor Statistics 2022). The Federal Reserve (Fed) implemented several policy initiatives to overcome the problems mentioned earlier. The United States Congress also took the unusual step of channeling up to $500 billion to the Treasury for helping the Fed programs such as Coronavirus Aid, Coronavirus Relief, and the Economic Security Act (Labonte 2021). The Federal Reserve (Fed) implemented several policy initiatives to overcome the problems mentioned earlier. The United States Congress also took the unusual step of channeling up to $500 billion to the Treasury for helping the Fed programs such as Coronavirus Aid, Coronavirus Relief, and the Economic Security Act (Labonte 2021). One of the U.S. steps to overcome the economic crisis caused by the COVID-19 pandemic in their country is to initiate the quantitative easing policy.

Quantitative easing policy issued by the United States government and The Federal Reserve flowed out from the United States to emerging countries such as Indonesia, which had a higher Return on Investment than the capital market in the United States. On March 24, 2020. The Jakarta Composite Index (JCI) closed at level 3,973, the lowest point for the JCI for the last five years. However, after the dollar flows caused by the quantitative easing policy in the United States poured into the Indonesian capital market, the JCI experienced a drastic increase of 69.42 percent and touched the level of 6,656 on October 26. During the quantitative easing period in the United States, there was an increase in foreign flows into the JCI. In Q4 2020, there were -4.2 trillion rupiahs that came out of the Indonesian stock exchange (Indonesia Stock Exchange 2021). On 2017, Vahlevi and Muharam conducted research on the effect of quantitative easing program on the volatility of Indonesia financial market during the 2008 recession, they stated that the U.S. dollar money supply has a significant influence on IHSG volatility, and the U.S. Quantitative Easing Program has a negative impact on IHSG volatility due to the excess of the U.S. dollar money supply (Vahlevi and Muharam 2017). It happens because the U.S dollar function as the world currency and the global economy become more integrated than before. Extra liquidity provided by U.S quantitative easing often flows beyond borders and into financial assets on emerging market (EM) economies, providing a higher return on investment (Vahlevi and Muharam 2017).

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2017). According to Anusha Magavi in 2012, it was discovered that quantitative easing does not increase the investment of the real sector, the industrial sector, or real estate. Quantitative easing, on the other hand, encourages investment in short-term risk and speculation in stocks, bonds, and other effects. This reinforces the notion that quantitative easing will boost trading activity in the financial asset or capital market (Magavi 2012). According to Pamikatsih and Susanti in 2021, it was discovered that the rate of return has a significant impact on investment enthusiasm. People are interested in investing their money in the stock market because of the potential for high returns. Even though they understand the consequences of the risks involved in investing in the capital market, they remain interested in doing so (Pamikatsih and Susanti 2021).

Nevertheless, at the beginning of 2021, there were foreign inflows of 26.5 trillion (Indonesia Stock Exchange 2021). A significant increase in the JCI level created a new trend in society that made those who lost their jobs and sources of income jump into the capital market to create profits for themselves. According to the Indonesian Central Bureau of Statistics (BPS), unemployment in Indonesia grew from 5.23% in August 2019 to 7.07% in August 2020 (Sakernas 2022). The rise in unemployment in Indonesia has resulted in people looking for new opportunities to earn money. With the emergence of technology-based startups that provide accessible services for investment in the Indonesian capital market, and also technology-based startups that provide financial education and investment creating an ecosystem of people in Indonesia that can easily get involved and create opportunities for themselves in the investment world.

1.1 Objectives

Consider the relationship between U.S. monetary policy, in this case, quantitative easing policy, and the state of the economy and global financial markets. The objective of this research is to find out “whether the flows of foreign funds into the Indonesian capital market caused by the United States quantitative easing policy during the COVID-19 pandemic has affected the increase in the number of individuals (retail) investors and resulting to more sustainable investment ecosystem in Indonesia?”.

Readers can expect to read: Section 2 describes the quantitative easing policy and how the U.S. and the Federal reserve used it. In section 2 also looks at how the U.S. monetary policy influence the world economic structure, how the online platform during the COVID-19 pandemic also affected the investment boom worldwide, and the theory used for this research analysis (Financial Structure by Susan Strange). Section 3 describes the method taken for this research. Section 4 describes how data collection within this research. Section 5 shows the findings of this research (the foreign inflow in the JCI during the COVID-19 pandemic, the evidence of the rising Indonesian new investor and the evidence of the online investment platform further supported the rise of Indonesia new investors). And section 6 provides conclusion of this research, contributions of this research to the readers, recommendation, and impact for reader after reading this research, and recommendation for future and further research regarding this topic. Reader can expect to find how U.S. monetary policy in this case quantitative easing policy influence other country in this case Indonesia in the financial sectors, especially in the Indonesia Stock Exchange or JCI and the Indonesian behavior towards investment after the COVID-19.

2 Literature Review

Quantitative Easing policy refers to a monetary policy tool used by central banks to reinstate money into the economy by purchasing ‘financial assets’ mainly treasury bonds (House of Lords 2021). In response to the 1990s real estate bubble burst and deflationary pressures, the term quantitative easing policy was created in Japan. The term ‘Quantitative Easing’ refers to a policy shift that emphasizes quantity variables. With the interest rates near zero, the Bank of Japan seeks to increase the cash reserves banks hold by purchasing government securities (bonds) from the banking sector. The goal is to acquire a large number of reserves that eventually flow over into loans and then into the broader economy, helping to boost asset prices up and reduce the impacts of deflation (Joyce et al. 2012). This program is also frequently misinterpreted as "printing money" because it appears as though the government and central bank are pumping money into the market out of nowhere. However, quantitative Easing is carried out in a variety of methods, or through what is known as quantitative easing Transmission Mechanisms/Channels, such as:

- Portfolio Rebalancing: Central banks purchase vast government bonds to promote bonds value and lower investors’ interest rates because government bond interest rates tend to influence other interest rates in the economy. By lowering interest rates on long-term loans and other types of loans, such as mortgages and business loans. Allows individuals and businesses to borrow money at lower interest rates and spend it in the hopes of stimulating the economy (House of Lords 2021).
- Market Liquidity: Central banks purchase government bonds on a vast scale, assuming that this move will persuade investors that they can sell government bonds if they so wish. This action makes government bonds a safe asset to own and guarantees investors that they will be able to get liquidity by releasing them even when the capital and financial markets are tumultuous (House of Lords 2021).
- Policy Signaling: By purchasing government bonds, the central bank effectively signals to capital and financial markets and lenders that interest rates will remain low for an amount of time. This action lowers long-term interest rates and provides banks with security so that individual consumers and business owners can
the Fed's interest rate intervention measures, such as quantitative easing policy, which reduces interest rates, have a significant influence on the economy of other countries. Because fluctuations in the United States dollar's interest rate significantly influence the exchange rate of another country's currency, such as the Indonesian Rupiah against the U.S. dollar. Iacoviello and Navarro (2018) researched are emerging countries with fragile economic stability will react more severely to U.S. monetary shocks than the U.S. economy. The U.S. dollar interest rate fluctuation also impacts a country's capability to fulfill its national debt; if the U.S. interest rate rises, the country must pay more debt than it acquires because an increase in the dollar increases the interest and principal on the country's debt. This fluctuation affected investor confidence in the country and, eventually the value of the country's bonds, equities, and currencies. If this is not handled effectively, the country faces an economic crisis, similar to what occurred in 1997-1998 (Iacoviello and Navarro 2018).

On March 15, 2020, the Fed bought large amounts of treasury assets and continued to purchase large quantities of mortgage-backed securities. The purchase aims to stimulate the economy while restoring liquidity in the markets, which had collapsed due to the COVID-19 pandemic. These purchases were made at an unprecedented rate of $125 billion per day from March 19, 2020, to April 1, 2020 ($75 billion in treasury assets and $50 billion in mortgage-backed securities (MBS)) (Labonte 2021). On March 23, 2020, the Fed announced it would increase purchases of Treasury bonds and mortgage-backed securities to the amount required to ensure the functioning of markets and the effective transmission of monetary policy. On the same day, the Fed issued the Primary Market Corporate Financing Facility (PMCCF) and Secondary Market Corporate Credit Facility (SMCCF) to provide credit to substantial business owners, and the Term Asset-Backed Securities Loan Facility (TABSLF) was established to provide credit to significant employers (Labonte 2021). On June 29, 2020, the Fed announced the Primary Markets Corporate Credit facility (PMCCF) Instrument, the last issued emergency lending facility. The PMCCF and the Secondary Markets Corporate Financing Facility (SMCCF) collaborated to provide credit to large corporations by allowing them to issue bonds directly to the Fed in exchange for a fee (The Federal Reserve 2020). On November 3, 2021, the Fed eventually announced that it would begin reducing its monetary assistance, with the first step being a reduction in the rate of asset purchases through a quantitative easing policy, eighteen months after launching emergency measures that included a quantitative easing policy. The Fed has purchased more than $120 billion in assets per month under this Covid Relief program; the Fed reduced it by $15 billion per month to end the quantitative easing policy by 2022 (The Federal Reserve 2021).

The U.S. government's Quantitative Easing policy has had a significant influence on the economies of emerging countries such as Indonesia. Because the United States is a superpower able to dominate
worldwide money, the United States Dollar is the global currency utilized for international trade. The United States quantitative easing policy, which resulted in the circulation of new dollar flows into the market, had a significant influence on the global economy. The incoming funds from this long-term asset purchase scheme increased the amount of money circulating globally. The financial market's liquidity, which influences the global money supply, influences inflation and economic growth, particularly in emerging countries that rely significantly on exchange rates. Exchange rate swings and depreciation considerably affect pricing and purchasing power overall (Aquino 2006). The purchasing power of a country's people influences the price of investment assets such as stocks and bonds to rise in value. Individual (retail) investors are tempted to invest in the Indonesian capital market as the value of these valued assets rises.

Arora and Cerisola (2001) stated that the U.S. interest rates policy influenced emerging market spreads. To the degree that emerging market bonds are riskier than U.S. treasury bonds, the yield on emerging market bonds must increase faster than the risk-free rate. A rise in U.S. interest rates may decrease investor appetite for risk, causing them to reduce their exposure to riskier markets and, as a result, limiting available financial resources in borrowing countries, and the reverse result happens when the U.S. issue a policy to decrease their interest rate (Arora and Cerisola 2001).

The development of new online trading platforms, which make investing accessible to those who were previously excluded from financial markets, is one of the fundamental innovations powering the retail investment boom (Deloitte 2021). This is happening because of the widespread use of smartphones as their main platform for their users. Smartphones enable investors to gain more rapid access to information about their investments (Kalda et al. 2021). Because of the COVID-19 pandemic that allows people to stay and work at home for a long period of time, forcing people to rely on their smartphones to do their daily routine, using a smartphone to trade assets is gradually becoming the mainstream practice for investors.

2.1 Theory
According to Susan Strange, structural power is a concept of power used to shape and determine a country's global economic and political structure, IGOs, Multinational Enterprises, scientists, and professional organizations tied to each other. According to Susan Strange, security, Production, Finance, and Knowledge are the four aspects of structural power. We concentrate on one of the components of structural power theory, namely finance or Financial Structure Power, which claims that capitalism and socialist economies are managed by anyone who can acquire other's confidence in the ability to issue credit (Strange 1994). Due to the integration of the international financial system, where every market participant can get credit in foreign currencies and interest rates, the United States can create credit that can influence economic and capital market movements in various countries such as Indonesia through its quantitative easing policy (Strange 1994). This research saw how U.S. monetary policy could positively influence the Indonesian capital market, such as increasing the number of individuals (retail) investors and revitalizing the Indonesian economy after the COVID-19 pandemic severely influenced it.

2.2 Theoretical Discussion
Schwartz (2016) researched that the U.S. financial structure power is based on their ability to issue credit, and consequently demand. Two external structural features and two internal structural features contribute to the U.S. ability to create global credit. The first external feature is the U.S. central role in international banking systems, and the second external feature is the dollar's function as the international reserve currency or world currency. The first internal feature is its ability of the US financial system to generate new sellable assets, and the second internal feature is the US position as the biggest economy in the world, despite the fact that the US economy's share of the global GDP has indeed been dwindling for decades (Schwartz, 2016). This feature is in-line with the first variables in Financial Structure by Susan Strange that stated that capitalism and socialist economies are managed by anyone who can acquire other's confidence in the ability to issue credit. In this research, according to Figure 1 the first internal features stated by Schwartz will be the first variable. The ability of the US financial system to generate new sellable assets is in-line with this research because this research is focused on the influenced of the U.S. quantitative easing policy to the growing number of retail investors in Indonesia. The U.S. quantitative easing policy is a monetary policy which allowed the U.S. federal reserve to buy large amount of treasury bonds and mortgage-backed security in the market, with newly printed money from the federal reserve. This monetary policy confirms Schwartz’s first internal features, if the U.S. economy enter an economic recession, The U.S. treasury bonds, and U.S. mortgage bonds are sellable because the U.S. federal reserve are able to purchase those assets if there is no buyer in the market. This monetary policy gives confidence to the market that U.S. assets are safe, thus U.S. dollar is reliable to the world. According to Asian Development Bank Institute research in 2018, As a result of the U.S. quantitative
easing policy, long-term rates in the U.S. plummeted, prompting investors to seek for higher-yielding assets, including Emerging market assets. As a result, capital inflows to emerging market economies increased, pushing up asset prices such as currency exchange rates and stock prices, while lowering long-term yields. Following a positive U.S. quantitative easing impact, several EM countries experienced a "financial market boom" in this sense (Bhattarai et al. 2018).

According to Figure 1, the second variable of this research is Indonesian who lose their jobs due to COVID-19 pandemic. According to the Indonesian Central Bureau of Statistics (BPS), unemployment in Indonesia grew from 5.23% in August 2019 to 7.07% in August 2020 (Sakernas 2022). These people are mainly doesn’t have other source of income rather than their salary. Other thank people losing their jobs, there is milenials and gen z who sees the opportunity to gain money other than rely on their pocket money form their money. These people sees the rising value of JCI and stock prices during 2020-2021 as an opprtunity to make money for themselves at the comfort of their house.

3 Methods

The dependent variables are used in this research, this variable is bound to other variables or results from other variables. The variable used in this research is data on the increase in the number of Single Investor Identification (SID) in the Indonesian capital market and how they see the increasing value of the Level Composite Stock Price Index. These variables were influenced by other variables such as foreign monetary policy (in this case, quantitative easing policy in the United States) and foreign flows in the Indonesian capital market. The variables used are also static, which means that the variable data obtained are unchangeable because it uses a fixed period for the data used. Moreover, when considered in terms of urgency, this variable is factual since, in this research, expert interviews and widely published data were used. If a mistake arises in this variable, it is due to dishonest sources, manipulation of public data, or the author's fault in data analysis. Interviews with experts and professionals in finance and investment and experts in global monetary policy were used to gather primary data and information for this research.

Data and information gathered through observations of the Indonesia Stock Exchange from the 1st quarter of 2020 to the 3rd quarter of 2021, as well as the use of data released by the Indonesia Stock Exchange, the Indonesian Central Securities Depository, and Bank Indonesia regarding the flow of foreign money into the market. As well as data of increase in the number of individual (retail) investors in Indonesia. The qualitative data used comes from qualitative research, in which researchers collect data and information from interviews with finance and investment experts, as well as experts in global monetary policy, as well as observations of movements on the Indonesia Stock Exchange (Volume, Index Level, and Foreign Flows) from the 1st quarter of 2020 to the 3rd quarter of 2021. Secondary data used in this research include information released by the Indonesian Stock Exchange and the Indonesian Central Securities Depository on the flow of foreign money into the Indonesian capital market and information on the rise in individual (retail) investors in Indonesia. The qualitative analysis method is used in this research, interviews, literature studies, data, and field observations to answer research questions. Then, proceed with data collection and classification following the research's urgency and needs. Then, continue with interpreting data to examine the data collected into a conclusion that provides the required information.

4 Data Collection

Qualitative research uses data acquired through direct observations, expert interviews, focus group discussions, documents, and artifacts. This data is primarily non-numerical. Qualitative techniques include ethnography, grounded theory, narrative analysis, and interpretivism analysis (Creswell 2012). This research employs qualitative research to interview experts and professionals in fields and institutions related to the title raised, intending to learn their perspectives on the issues raised by this research and determine whether they believe it is relevant to their points of view, as well as qualitative research aimed at obtaining data that is not publicly available on the issues raised. This study makes use of both primary and secondary data. The primary data used comes from qualitative research, in which this research collect data and information from interviews with experts and professionals in finance and investment, as well as observations of movements on the Indonesia Stock Exchange (Volume, Index Level, and Foreign Flows) from the first quarter of 2020 to the third quarter of 2021. Secondary data used in this study include information given by Indonesia Stock Exchange and the Indonesian Central Securities Depository on the flow of foreign money into the Indonesian capital market. And information on the rise in individual (retail) investors in Indonesia.

5 Results and Discussions

5.1 The Influence of U.S. Quantitative Easing Policy to the Jakarta Composite Index

In 2020, the dollar created by the United States quantitative easing policy was used by U.S. investors who receive the government incentives for COVID-19 pandemic relief to invest those money abroad to emerging country such as Indonesia, which has a higher Return on Investment than the United States. According to NW, Senior Vice President of PT SAM, who was interviewed for this research stated that the U.S. quantitative easing policy indirectly influences the rise of new investors in Indonesia; the U.S. quantitative
success on the U.S. economic recovery provides Q1 2020 level. When the pandemic started at 1st quarter 2021 JCI index already rise proportionately 46% from the level of JCI index (IHSG) itself. According to Figure 2, in Q3 the JCI was moving in favorable direction. This movement is in-line with the quantitative easing policy period in the United States, wherein Q4 year The Indonesian stock exchange lost -4.2 trillion rupiahs in 2020. Yet, there were 11.9 trillion rupiahs in foreign inflows at the beginning of 2021 (Indonesia Stock Exchange 2021).

On March 24, 2020, the Jakarta Composite Index (JCI). The JCI closed at 3,973, its lowest level in the past five years. However, after the dollar circulations caused by the quantitative easing policy in the United States entered the Indonesian capital market, the JCI value increased by 69.42 percent and reached 6,656 on October 26, 2021. This increase is paralleled by the increase in foreign inflows during the quantitative easing policy period in the United States, wherein Q4 year The Indonesian stock exchange lost -4.2 trillion rupiahs in 2020. Yet, there were 11.9 trillion rupiahs in foreign inflows at the beginning of 2021 (Indonesia Stock Exchange 2021).

Although foreign flows in the JCI fluctuated during the pandemic era (2020-2021), the overall trend of foreign flows in the JCI was moving in favorable direction. This movement is in-line with the movement of JCI index (IHSG) itself. According to Figure 2, in Q3 2021 JCI index already rise proportionately 46% from the Q1 2020 level. When the pandemic started at 1st quarter of 2020, IHSG closed at level 4538 at the end of the quarter with 10.3 trillion-rupiah worth of foreign funds entered the 4th quarter of 2020, it prompted the foreign and institutional investors to buy large amounts of ARTO stocks. This also led the small retail investors to follow them to buy this stock because of the potential profit after the acquisition.

This kind of surging of stocks value, eventually attract more people to join investing in the stock market because they can huge profit in a year. With the COVID-19 pandemic forced many people out from their job and cannot going out from their houses because the
lockdown policy, the introduction of online trading platform also helps the rising number of investors because it made investing more accessible to middle-lower class.

5.2 The Rise of Indonesia New Investor and Online Trading Platform

According to Figure 4, the Indonesian Central Securities Depository data, in 2019, there were 2,484,354 Single Investor Identification (SID) registered at KSEI, registered SIDs surged by 56.21 percent to 3,880,753 SIDs in 2020, and in August 2021, the number of registered SIDs increased by 57.20 to 6,100,525 SIDs in total (KSEI 2021). This figure is backed by the increase in market capitalization from 6,100,525 SIDs in total (KSEI 2021). This figure increased by 57.20 percent to 3,880,753 SIDs in 2020, and in August 2021, the number of registered SIDs increased by 57.20 to 6,100,525 SIDs in total (KSEI 2021). This figure is accompanied by the increase in local ownership in the Indonesian capital market, from 56,85 percent in 2020 to 59.21 percent in August 2021, 14.98 percent increase in local ownership (KSEI 2021).

![Fig. 4. Number of Single Investor Identification registered in KSEI](image)

This increase in individual (retail) investors is further supported by the emergence of technology startup companies whose businesses are founded on a technologically based investment, such as Bibit, which makes it easier for investors to purchase mutual funds, fixed-income funds, and money market funds. There is also Ajaib, an online trading company that offer to assist investors in getting involved in the capital market and trading on the Indonesian stock exchange (IDX) by making the application interface more user-friendly and making new investors not confused with their interface. Ajaib was named a unicorn company less than two years after its formation. Ajaib raised $153 million in a Series B investment transaction headed by DST Global in 2021. Alpha JWC, Ribbit Capital, Li Ka-Horizons Shing's Ventures, Insignia Ventures, Iconiq Capital, IVP, and SoftBank Ventures Asia are among the existing investors taking part in the investing phase. By 2021, Ajaib is the ninth unicorn to emerge from Indonesia, with a $1 billion U.S. dollar valuation (Wibisono 2022). By 2021, the Ajaib platform had 1 million user accounts. In addition, the company reported more than 32 billion capital market transactions in 2021. Ajaib reported over five million transactions per month in 2021, with a monthly stock turnover of more than 30 billion shares and one million users, 90 percent of all investors using Ajaib are millennials, and 96 percent of them are new investors (Mahadi 2022) a tenfold increase from the previous year, making it Indonesia's third-largest broker. Ajaib has worked on over a dozen IPOs, including Indonesia's largest IPO, Bukalapak (BUKA), which raised $1.5 billion in U.S. dollars. According to Ajaib, tens of thousands of investors used the Ajaib application to purchase Bukalapak shares on its initial public offering (Wibisono 2022).

According to NW, Senior Vice President of PT SAM, who was interviewed for this research stated that the rise of new investors during the COVID-19 pandemic was mainly influenced by the emergence of investment apps that make investment more accessible for the middle-lower class and millennials. The emergence of investment apps creates a new behavior for Indonesians to invest in the capital market, and social media has a massive role in boosting it. The rising value of financial assets creates an illusion that people can earn money easily by doing trade on financial assets; this will create fear of missing out or FOMO in the society to jump into the investment world. Although volatility in the market is exceptionally high during the COVID-19 pandemic, NW believes that with the emergence of investment apps and the emergence of new and young retail investors, the future of the investment ecosystem in Indonesia is looking bright and more sustainable for the future. According to NA, Head of Research at PT SAM, who was interviewed for this research stated that Covid 19 which has given many workers so much time due to work from home, and the adoption of technology in terms of trading platforms and information sources, has increased retail investor participation. Combined with the existence of internet forums or applications that all allow information about a significant increase in stock to spread quickly, the lack of knowledge or discipline among some retail investors causes them to buy stocks merely on recommendations and hype. NA stated that with new technology-based players entering the Indonesian investment ecosystem, retail investors would become busier and more experienced. Institutional investors are also expected to re-enter the Indonesian stock market once it has stabilized.

5.3 Results

Seeing this topic with Susan Strange's theory of financial structure power, the United States, as the party that issued credit, can influence how the global financial
structure operates. U.S. quantitative easing policy influenced the liquidity of global capital markets and the value of assets themselves. With its quantitative easing policy, U.S. Government injects money into the market at an unprecedented rate. U.S. quantitative easing policy influenced the value of financial assets such as stocks, creating confidence in the market and attracting investors from all over the place and class. With this event, combined with workers forced to stay at home and technology adoption in terms of trading platforms and information sources, the middle-lower class and millennials now have access to the financial market, such as the stock exchange. This combination creates the pretext for Indonesian to invest in the stock market and creates a rising number of Individual (retail) investors in the Indonesia Stock Exchange (IDX) during 2020-2021. This changes how Indonesian people react and think before they spend their money. This changes the financial structure of Indonesia's financial system because there is more money in the capital market, which creates Indonesian businesses to grow a lot faster. In essence, U.S. quantitative easing policy only indirectly influences the rising number of Indonesian investors. The policy influences the movement of the index, which attracts people to invest in it because they have better access to start investing with the introduction of the online trading platform.

6 Conclusion

The United States of America has the world's most robust economy, and its currency, the U.S. dollar, serves as the world currency. As a result, the United States' monetary policy significantly influences the global economy. The quantitative easing policy is one of the United States' monetary policies that significantly influence the global financial economy and structure. The central bank purchased financial assets from the market with newly printed money from banks, increasing those banks' money reserves and allowing them to lend to customers at low-interest rates. The presence of U.S. dollars in the global market raises the liquidity of financial assets worldwide. And affecting the value of capital market around the world, especially in emerging market such as Indonesia.

This research illustrates one of the factors that prompted people worldwide, particularly in Indonesia, to begin investing in financial markets such as the stock market. According to the findings and results of this research, the U.S. quantitative easing policy had indirect influence on the growing number of new retail investors in Indonesia during the COVID-19 pandemic. The U.S. quantitative indeed influence the value and volatility of JCI index and individual stocks at JCI, this attracts people to investing their money on the stock market to gain return. This also backed by the fact that during the COVID-19 pandemic many of Indonesian workers lose their source of income and need an alternative to generate money for their life and supplemented by the presence of online trading platform that connect the bridge from middle-lower class people to sophisticated stock market. This combination creates the pretext for Indonesian to investing in stock market and created rising number of Individual (retail) investors in the Indonesia Stock Exchange (IDX) during 2020-2021. This research contributes for investors and traders to analyze the situation in the capital market from the standpoint of international relations. This study has contributed to a better understanding of how political economy variables shape a social and financial construct in Indonesia. Furthermore, the findings can be used to analyze the stock market and the social construct in the Indonesian financial market. This research also helps to see the future of investing behavior in Indonesia and how it will shape the future of the Indonesian investment ecosystem, resulting in better regulations to combat investing fraud.

With this research, investors (specifically new investors) can analyse the stock market from another point of view other than analysing a specific company or sector. Analysing the influence of other countries' monetary policy that influences the Indonesian stock exchange is also crucial because other countries' monetary policies, in this case, the U.S and the Federal Reserve, can influence foreign investors and institutional investors to withdraw or inject more money the Indonesia stock exchange. If the foreign investors and institutional investors inject more money into the market, the stock prices will eventually rise because foreign investors and institutional investors have more capital than the individual investors; with a large purchase, they will move the index to the green zone. The opposite happened when foreign and institutional investors withdrew their money from the Indonesia stock exchange. This research recommends that investors pay more attention to international events and news, mainly in the economic and finance sections, because those events and news can influence the stock market direction and prices. There are several gaps in this research concerning the economic standpoint of the topic that could be filled by future research, including:

- In-depth analysis of the effect of the U.S. tapering off policy in 2022 on the psychology of newly added Indonesia investors.
- This research has many limitations, such as not adding data from the ministry of investment and bank of Indonesia. Adding data from those institutions might help further research to understand the topic for better analysis better.
- Future studies can address this topic with other theories, specifically economic theories, to analyse this topic better. Analysing this topic with economic theories will reach a gap that this research cannot explain.

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