ABSTRACT

The rapid advancement of digital applied science has made access to information faster and easier. One of the impacts is that the younger generation is starting to be encouraged to engage in various activities such as investment. The younger generation's interest in investment has a positive impact on the growth of the capital market. However, behind these good benefits, social media also brings negative impacts because information is so quickly spread. The impact of this ease of social media information is the emergence of the FOMO phenomenon in investing, especially in generation Z. There are several things that influence decisions in investing, such as overconvidence bias, heuristics, and disposition effects.

The study aims to determine and analyze the relationship between investor sentiment and behavioral biases, such as heuristics, overconfidence, and dispositional effects on the investment decisions of generation Z individual investors in West Java, and whether overconfidence bias and dispositional effects mediate heuristics and investment decisions of these investors. This research uses quantitative methods. This research sample consists of 400 individual investor research subjects in West Java. The information obtained was later evaluated using the PLS SEM method. The results of this study indicate that heuristic bias, overconfidence, and disposition effects have a significant effect on investment decisions. Overconfidence bias and dispositional effects also significantly mediate the relationship between heuristic bias and investment decisions. In addition, overconfidence bias and disposition effect together significantly mediate the relationship between heuristic bias and investment decisions of generation Z investors in West Java.

Keywords : *Heuristic, Overconfidence, Disposition Effect, Investment Decision*