

## Automated Systems for Stock Market Trading

The stock market is an equally important source to raise money for both companies and providing profit opportunities for traders. The size of the participants in the stock market is extremely varied. There are two types of exchanges in the stock market, the physical location type, and the virtual type. The former is concerned with transactions being carried out by open outcry on a trading floor, while the latter consists of a network of computers, where participants can make trades electronically. Either real or virtual, the marketplace is provided by buyers and sellers exchanging securities, and the purpose of the stock exchange is the facilitation of such exchanges.

The early participants in the stock market were individual investors. Nowadays, the market is still open to individual buyers and sellers, but, over the years, we have also witnessed an increased "institutionalization" of the stock market, with more and more institutions participating in stock daytrading. The growing number of the institutional investors in the stock market has led to a significant improvement with regard to market operations.

On the other hand, it sometimes appears that there is little reason to the stock market and its operations. The volatility of the stock market is a well-known fact. Still, with each passing year, this phenomenon is more and more dominant. In spite of all the information available from various sources, individual traders find it more and more difficult to profit on the stock market. With stock prices being easily influenced and fluctuating widely, the ability to manage the increased risks associated with stock daytrading is a must for successful and profitable trading on the stock market.

The stock market offers great earning opportunities. However, stock trading involves a series of risks, and getting acquainted with the diversity of trade tools is highly recommended prior to participating in stock day trading. Fortunately, things have been simplified over recent years with the advent of automated trading systems.

Many traders now make good use of what can easily be called a powerful trading tool, namely the stock day trading robot. A trading robot is an excellent starting point for everyone who is interested in turning the stock market opportunities into considerable profit. Before going any further, it must be stated that solid knowledge of the stock market is a must, in addition to using a stock trading robot.

Simply put, a stock day trading robot is an automated system that handles all chart scanning and market watching that were previously performed by traders manually. How does the robot work? In short, it watches a basket of stocks during each trading day, and uses a series of statistics and trend formulas to detect the starting of a potential tradable trend. An alert is then sent via AOL instant messenger to all subscribers. The stock day trading robot virtually encompasses all the actions that traders perform daily in order to find trades. The search criteria are very advanced, and the robot has the ability to find all the trades that meet these criteria. Furthermore, a trading robot provides significantly improved chances for both short and long term-profit, as it does not have any market bias, nor does it work on any of the human traits that can hamper trading, such as greed, impulsivity or fear.

### About the Author

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