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ADVANTAGES AND DISADVANTAGES OF TRADING SYSTEMS APPLICATION IN THE STOCK MARKET

Improvement of portfolio investment can be achieved using commercial strategy adapted to the current conditions and market trends. Properly chosen trading strategy minimizes the risks of investment decisions, thus increases the quality of determining entry and exit points of open positions – with high income or minimal losses.

Currently, there are many previously unknown trading opportunities and new tools that are widely used on the stock exchanges. In particular, it became possible to create and use not only mechanical, but also automated trading systems that can operate without human intervention.

The article is about the study of advantages and disadvantages of the use of mechanical trading systems for automation of decision-making in the stock market.

Trading systems, which are a series of rules of entry and exit, became relevant with the development of software in exchange trade. In the simplest form, a trading system is a means to systematize and facilitate trade on the exchange. Typically, the mechanical system uses the tools of technical analysis. But now, the most promising are those operating based on neural networks, which use a complex mathematical apparatus – the possibility of such a program is much broader.

The article defines the essence of the trading system and the general principles of algorithmic trading in the stock market, given the differences between manual and automatic trading systems. Studied the advantages and disadvantages of the use of mechanical trading systems for exchange trading in financial markets. Estimated prospects and objective preconditions for the application of trading robots in the financial market of Ukraine.

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