



# Assessing the Level of Competence in Automated Trading Among Malaysian Traders

Zarith Sofia Zulkifli<sup>1\*</sup>, Hairuddin Mohammad<sup>2</sup>, Miswan Surip<sup>3</sup>, Nurnadiah Zamri<sup>1</sup>, Mustafa Mamat<sup>1</sup>, Sahimel Azwal Sulaiman<sup>4</sup>

<sup>1</sup>Faculty of Informatics and Computing,  
Universiti Sultan Zainal Abidin, Besut Campus, Besut, 22200, Terengganu, MALAYSIA

<sup>2</sup>Department of Civil Engineering,  
Universiti Tun Hussein Onn Malaysia, Batu Pahat, 86400, Johor, MALAYSIA

<sup>3</sup>Department of Information Technology,  
Universiti Tun Hussein Onn Malaysia, Batu Pahat, 86400, Johor, MALAYSIA

<sup>4</sup>Centre of Mathematical Sciences, College of Computing and Applied Science,  
Universiti Malaysia Pahang Al Sultan Abdullah, Gambang, 26300, Pahang, MALAYSIA

\*Corresponding Author

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**Abstract:** In today's technology world, financial trading instrument such as stock, currencies, futures, and acts is now done electronically via the internet due to technological improvements. Financial market trading traders apply technical and fundamental analyses to forecast the best price when buying or selling the finance instrument, and they develop their trading tactics and strategies with technical analysis tools. The objective of this research is to figure out the level of competence that Malaysian retail traders have in Automated or Algorithmic Trading (AT) focusing on currency trading. The searches were conducted on a sample of Malaysian retail traders. The viewpoints of retail traders were investigated using a questionnaire designed specifically for this purpose. The data was analyzed using statistical software (SPSS). The findings of this study reveal that Malaysian traders have an excellent comprehension of AT. This study is useful for traders and researchers who want to design their own AT systems in the future.

**Keywords:** Automated trading, algorithmic trading, competence, Malaysian survey, foreign exchange

## 1. Introduction

The use of computer algorithms to make trading choices and execute financial market transactions is known as automated trading, sometimes known as algorithmic trading or algo trading. It entails automating trade execution by the development of rules or trading systems that are strictly adhered to while placing orders [1]. According to [2], algorithmic trading is dependent on mathematical models and algorithms for the analysis of market data, the identification of trading opportunities, and the execution of trades at fast speeds.

There are many aspects to the significance that automated trading plays in today's modern financial markets. For starters, it boosts market liquidity by raising trading volume and narrowing bid-ask spreads. Automated trading systems