

Technology: stock market and da vinci

Technology



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Today, although undefined, there have been major advancements in technology in recent years regarding software and hardware in the world of business and medicine. These advancements have revolutionized how money changes hands in the world's financial markets, how major surgeries are conducted, and how technology is used in the education of today's youth. Electronic Platforms Today, most securities and options traders trade from an electronic platform or even multiple platforms.

Even the most common day trader, who trades from their own home or office, probably will have multiple computers and monitors at their desk. From their desk or "trade station" traders can analyze data, build charts, and place his or her trades. According to Illiberal (2006), most day traders rely on highly expensive computers and charting software to get the results they desire. The newest phenomenon to hit the trading world is algorithmic trading or black box trading.

In its simplest form, individuals can program computers or "black boxes" automatically to place trades based on certain market conditions such as volume spikes, chart patterns, trend lines, or pivot points in the markets. Once programmed, these computers can work alone and require minimal, if any, human interaction. For example, once a computer is powered on it can be directed to buy 100 shares of International Business Machines or IBM at \$87.84 per share if a technical level or multiple technical levels in the company's stock pattern has been met. Basically, the user can create a set of rules for the computer to execute.

This does not only apply to stocks but also indexes and commodity futures contracts. Inversely, these black boxes also can be programmed to sell or short a position when either a trader's profit target has been met or his or hers stop price has been met and the trader just wants to cut his or her losses. The one thing that makes most traders unsuccessful is not their ability to trade, but their ability to let their emotions get the best of them. There is not a more disgusting feeling for a trader or investor than to see his or her own hard earned money going down the drain. However, what separates computers and humans is emotion.

Humans are very emotional concerning their money, but amputees do not care they just do what they are programmed to do. High frequency trading (HFT) is directly related to black boxes and algorithmic trading. HFT is the use of technology and algorithms to trade securities rapidly. HFT is not occurring in just the United States financial markets it is taking place all over the world, especially in Europe and Asia. LATA (2009) states, 73 % of all United States trading volume is directly related to high frequency trading. It is believed that HFT was the cause of the "Flash Crash" in 2010.

On May 6, 2010 the DOW Jones Industrial (DJ) spiked down almost 1,000 points and recovered all of its losses within minutes. The flash crash was the second largest swing in the history of the DOW Jones Industrial. Online Brokers Most investors, whether they trade every day or are heirs to shares of stocks or to view his or her portfolio is to view at the brokerage company's website. Through these web-based brokerage accounts clients can view their portfolios, place trades, read news or research data about public companies they are interested in, and even view real-time quotes.

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When buying shares investors can see the shares appear in their portfolio seconds after placing a trade. In addition, most reputable brokers can help in choosing investments that fit their risk profile. Most brokers can also help diversify a portfolio or start a 401 k. In August 2012, a so-called software glitch by Knight Capital Group caused dozens of stocks to momentarily fluctuate. Although the companies that this affected were affected only for a short period of time, Knight Capital Group suffered millions of dollars in losses and has seen its stock price tank 80 % since the error occurred.

Tax Preparation All brokerage companies are required to supply their client with a form 1099 each year so their clients can report their gains and losses on their tax return. In most cases, clients can go to the broker's website and get most of the information they need from their account summary, but in addition to that most brokers will e-mail their clients the official form 1099 and make it available on their website for download. Many tax preparation companies like Turbo Tax can import clients 1099 straight into their online tax return saving each person quite a bit of work.

Charting Software The main difference between an investor and a "day trader" or "swing trader" is that investors trade mostly based on fundamental analysis and usually hold their positions for months or even years (so they can reap the tax advantages). According to Seen (2012), fundamental analysis involves assessing a firm's financial statements without regard to the company's stock price. Oppositely, day traders usually close most or all of their positions by the end of the day.

Swing traders are very similar, they may hold their positions a few hours or a few days, but it is rare that they would hold it much longer. Research is a big part of the success of these traders. Investors will sift through balance sheets, income statements, and other key financial information when determining whether to buy, sell, or keep shares of a stock. Although traders realize that fundamental analysis is important they do not rely too heavily on it. Traders rely more on areas of interest on the charting software they are using.

Well-rounded traders are proficient at trading channels, wedges, and many other formations found on their charts. Some of the better charting programs like Thinkers," or " Ninja Trader," enable its clients to draw trend lines and chart patterns, plot pivot points and moving averages and a number of other features. For instance, a swing trader who likes to trade falling channels can almost predict to the exact penny where a stock a price will bottom out and start to reverse.

A highly skilled trader will not rely on any strategy or indicator alone, but if lower trend line combined with a major moving average such as the 200 period exponential moving average, and an oversold stochastic all set up the trader will have an excellent chance at getting a short-term profit from the trade. Social Media Today websites, such as Faceable and Twitter have revolutionized how people communicate one another. For many people, the days are long gone where they go to a friend's house or pick up the phone and call them.

For many, the most dialogue giant Faceable recently unveiled its virtual portfolio simulator called Super Stock Jockey, which allows its members to compete in various contests for cash prizes. This simulator not only allows its contestants to create their own stock portfolios and moment against other members but also can be used as a financial education tool. Robotic Surgery In 2008, the Department of Defense (DOD) introduced the "dad Vinci Surgical Systems," which is designed to perform complex surgery by use of a four-armed robot.

According to Hairbrush (2008), the dad Vinci system is a computerized robot that can perform complex surgeries while being controlled by the operating surgeon at a console that functions as the command center for the machine. The cost of the dad Vinci system is enormous. Intuitive Surgical sells the dad Vinci for approximately 1. Million dollars and requires thousands of dollars in additional annual maintenance. Technology in Education The direction that education is going in may mean that text book will soon be obsolete.

Different forms of technology in classrooms are not just being used as a tool for learning but as the main focal point. Understandably, technology is a great tool for research because you can look up mountains of information for little or no cost. However, it is believed that technology is taking away from some key areas such as communication and social skills. In some places, students can take some or all of their classes over the computer, which completely phases out verbal communication and hinders many young adults' social skills.

Conclusion The world today has changed for everyone due to technology. Today Wall Street traders transact all of their business over the computer; surgeons can perform surgery without even laying a finger on the patient, and young adults can attend class without setting foot inside a classroom.