

## The Battle of Trading Algorithms



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I've been once to a conference about Artificial Intelligence, where there was a lecture about how computers can develop their intelligence through self-programming. This made me think about what is happening in the Exchange industry nowadays, especially on the American markets where the algorithmic trading is taking over up to 60% of the total trades. And I had a thought toward the traditional speculators trusting their own intelligence. While I was curious about the winners in such battle, I got the answer straight forward from the expert himself who said: "I'm really sorry while thinking about those traditional speculators daring to face Artificial Intelligence".

In the meantime I thought of Sci-Fi movies, where machines conquer the world and human race fights for survival. Then I had a thought for those small speculators who used to struggle against major financial institutions. And wondered about the bloody cost they might pay by facing those computers owned by the same institutions, while still holding on their utopic dream of fast profit.

Personally, I'm not against speculation and it is not my place to judge its validity. Especially while speculation is providing the market with the liquidity that long term investment is not able to offer.

The only hope left for individual speculators is to have computers and individual speculators on both sides of the market. In which the result of some algorithmic trading is neutralized by other, instead of having the algorithms on one side and individual speculators on the other side.

Someone said: "when powers are fighting, individuals should watch out". Thus my advice to individual speculators would be: "when algorithms are fighting, stay safe".