



Vong (left) and Poh's system is deployed across seven investment banks



by Behance Beh

ONLINE trading is not new. Nowadays, you can trade online without a remisier through your investment bank at a lower brokerage fee of RM8 from the comfort of your home.

That said, not knowing what to trade can be risky. While one could wait for stock tips and rumours to fly around, there are many technical chart software and dedicated online systems that assist retail investors to make informed decisions.

Day trading, technical analysis, and trading on momentum are some of the many strategies that one can use when dabbling in the stock market. And there are many solution providers out there that cater to each method.

"Nowadays, most major brokers have their own online trading platform. Our system complements that by providing them information required to make the call.

"At the end of the day, whatever you buy and you sell is based on your own research and decision," says Fiavest Sdn Bhd founder Ng Eng Hooi.

Fiavest is a system designed specifically for day traders. Its core concept is based on price and volume, which through its real-time Stock Screeners uses direct Bursa Live Feed to screen potential stocks.

According to Ng, day trading places emphasis on how stocks have formed and priced in a short period of time. Attention will be placed on the volume of stock from a particular counter that has been transacted over the past few days.

"Every second counts when trading online. Back then, you can trade through a remisier who would probably log in your deal later in the day.

"Nowadays, whenever you see any movement which prompts you to trade, your system must be able to assist you to respond on the spot," says Ng who was a remisier for over 26 years before making the decision to create an online platform to remain relevant to the industry.

Access to these online systems is not free. Typically, a yearly or monthly subscription fee is applicable.

"What most people who are paying for these online services are an

Making informed trading choices

Market traders rely on the various technical chart softwares available to help them make investment decisions

information service. The idea of obtaining advice is somewhat an old school of thought as what works for you, may not work for me due to our portfolios," says Equitiestracker International Sdn Bhd director Alvin Vong.

Equitiestracker.com is an equities research portal where users are able to self-manage their portfolios through a proprietary value-based equities research.

Classroom learning essential

Having a system alone is usually not enough as users also require training on how to identify potential purchases and market movements aside from understanding the system.

Equitiestracker International business development director David Poh adds their structured classroom-based learning syllabus include those of value investing. This is aimed at guiding beginners to get an understanding of financial

reports and basic investment ratios for a start.

Subscription services and classroom learning are just some of the ways these firms monetise their solutions. They too reach out to larger investment banks and provide them with data and value-added services to keep retail investors happy.

"We have seven investment banks who subscribe to our services. If you are one of the bank's clients, you are able to access our services through your account," explains Poh whose website garners over 20,000 page views a day.

Asked about investor trends, Vong says many local retail investors have been moving their investment portfolios to foreign markets over the past few years. This shift in appetite for foreign stocks is driven mainly by the ease of monitoring and trading in foreign markets with the use of the Internet.

"Previously, local investors only had access to Bursa alone, but now, they

can trade across borders through their devices," he explains.

As of last year, there are 2.5 million central depository system (CDS) accounts compared to 4.4 million in 2013. The sharp decline was due to the implementation of automatic closure of dormant CDS accounts that were designated dormant before 2010. The exercise to close dormant CDS accounts took place in August last year, affecting approximately two million CDS accounts.

Unfortunately, the opening of new CDS accounts over the years has decreased. Figures by Bursa Malaysia reveals that last year, the total number of new CDS accounts was 136,303, a slight decline from 2013 figure which stood at 153,764. In 2012 it recorded the highest number of new CDS accounts opened over the three-year period at 207,393.

Anticipating the declining trend, Equitiestracker introduced its Singapore site in 2011 which monitors the Singapore Exchange.

A similar site which targets the Australian market is undergoing testing and will be launched soon. "We are in the midst of developing the platform for the Australian Securities Exchange as they have over 4,000 listed stocks.

"We have accumulated data of 97% of the stocks that make up the market capital there," highlights Vong on its progress in that market.

Risk-averse investors in tow

With regards to investors' appetite, Equitiestracker's Poh adds that following the 2008 financial crisis, retail investors have been cautious in their approach. Many are fearful of a possible stock market crash.

"Many investors do not know what to do when they hear of negative sentiments in the market. But they do not realise that when you do nothing, you also gain nothing or possibly even making a loss," he says.

Their fears are not unfounded as the FBM KLCI closed lower at 1,761.25 points as at Dec 31, 2014, compared to 1,866.96 at end-2013.

According to Ng, Fiavest has over 700 users on its platform – a figure which he believes can be better under the right market circumstances.

"People often ask on how much capital they need to start trading. I would respond to them on how much they are willing to lose," he responded on cushioning a steep learning curve for new investors.

Meanwhile, Vong says his students/risk appetite varies from gung ho investors to risk-averse. Age, for one, has no correlation to their risk-taking behaviour as some of his senior students adopt a risky take to investing and vice-versa.

Online equities information portal may just be the tip of the iceberg for firms providing such services.

Equitiestracker, for instance, have moved on to introduce a portfolio accounting and risk evaluation portal which helps investors to monitor the performance in their portfolio.

The basis behind that solution was to understanding the role each asset plays in achieving a profitable investment portfolio.

"Beyond tracking what goes on in the market, there is also a need to manage your investment portfolio through the use of technology.

"We have users who have as low as four stocks to as high as 150 stocks in their investment portfolio," explains Poh on the users of the new solution. **FocusM**



Speed is essential in trading, says Ng