

# Examining the Effects of Technical Indicators, Fundamental Factors, and Market Sentiment on Forex Trading Behavior at YI Trade

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## Abstract

Forex trading carries various risks that require attention. Based on this, this study aims to analyze the factors influencing the selection of forex trading transaction recommendations on YI Trade. This research is quantitative with a descriptive quantitative approach. The population includes community members, platform users, or customers receiving YI Trade online trading signals. The research sample was selected using a purposive sampling technique. The sample size in this study ranged from 50 to 79 respondents. The research method used in this study was a closed-ended questionnaire. The data collection instrument used a questionnaire sheet. The techniques used in data analysis were multiple linear regression and the t-test. The results showed that, first, testing the influence of Fundamentals (X1) on Transaction Recommendations (Y) obtained a coefficient value of 0.198 with a significance value of 0.014, indicating a significant influence between Fundamentals (X1) and Transaction Recommendations (Y). Second, the influence of Perception of Technical Analysis (X2) on Transaction Recommendation (Y) obtained a coefficient value of 0.426 with a significance value of 0.000, so there is a significant influence of Perception of Technical Analysis (X2) on Transaction Recommendation (Y). Third, the influence of Market Sentiment (X3) on Transaction Recommendation (Y) obtained a coefficient value of 0.098 with a significance value of 0.025, so there is a significant influence of Market Sentiment (X3) on Transaction Recommendation (Y). Fourth, Hypothesis VI. significance value of 0.000 ( $\alpha < 0.05$ ). It is concluded that the Fundamental variables (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) simultaneously have a significant influence on the Transaction Recommendation variable (Y).

## Keywords:

Trading; Forex; Yi Trade.

## 1. INTRODUCTION

The global financial market has experienced rapid growth alongside technological advancements and the increasing public interest in investment activities. The rapid development of digital investment platforms and technology has also significantly influenced investor participation and investment behavior (Sriasih & Wahyuni, 2021). Investment has now become one of the key strategies in financial management to achieve financial freedom, leading to the emergence of various innovative investment instruments (Ademmer et al., 2020; Safari et al., 2025; Tang et al., 2022). Among these instruments, foreign exchange trading (forex) stands out due to its high liquidity and strong appeal to investors. Forex is the largest financial market in the world, with daily transaction values reaching trillions of dollars (Bilal et al., 2024; López-Herrera et al., 2025). A distinctive characteristic of this market is its high volatility, which creates opportunities for substantial profits while simultaneously posing significant risks. In practice, forex traders employ various analytical approaches to guide their decisions, including fundamental, technical, and market sentiment analysis (Danila & Aggarwal, 2025; Sanaei & Daneshvar, 2025). In addition, many traders rely on trading

recommendations provided by forex service providers, whether generated through artificial intelligence-based algorithms, professional analysts, or trading communities (Bilal et al., 2024; Danila & Aggarwal, 2025; López-Herrera et al., 2025; Sanaei & Daneshvar, 2025).

YI Trade is a company operating as a forex trading signal provider and serves as a transaction recommendation platform for traders. The presence of such services assists traders in making investment decisions, although not all recommendations are consistently followed in practice. This phenomenon is influenced by various factors, including the level of trust in the signal provider, personal experience, prevailing market conditions, and the risk management strategies implemented (Husaeni et al., 2024; Karim et al., 2022). This finding is also supported by Rindiani and Darmawan (2024), who stated that investment risk perception significantly influences investment decision-making behavior in financial markets. Therefore, understanding the factors that influence traders' decisions in selecting transaction recommendations is crucial for YI Trade. By identifying the key determinants of decision-making, the company can enhance the quality of its recommendations while strengthening user trust (Cabiddu et al., 2022; Husaeni et al., 2024; Junior et al., 2023; Karim et al., 2022). This underscores the need for an in-depth analysis of the factors influencing the selection of forex trading signals at YI Trade, in order to provide deeper insights into trader preferences and support the development of more effective recommendation service strategies.

In the contemporary forex trading ecosystem, signal providers such as YI Trade play an increasingly strategic role in supporting retail traders' decision-making processes. The rapid expansion of online trading platforms, social trading communities, and algorithm-based recommendation systems has transformed the way traders access market information and execute transactions (Cabiddu et al., 2022; Erdős et al., 2022). YI Trade is not merely positioned as a signal distribution platform, but also as an intermediary that integrates technical analysis, fundamental insights, and market sentiment into actionable trading recommendations. This relevance becomes increasingly important considering that many retail traders possess limited analytical capabilities and therefore rely on external signal providers to reduce uncertainty and improve trading efficiency (Husaeni et al., 2024; Karim et al., 2022). Furthermore, the effectiveness of signal providers is strongly associated with user trust, perceived credibility, and the consistency of trading performance generated by the recommendations offered (Cabiddu et al., 2022). Consequently, examining trader behavior in accepting transaction recommendations from YI Trade represents an important context for understanding decision-making dynamics in modern forex trading practices.

Forex trading involves various risks that must be carefully considered. This is consistent with Prayoga and Purnamawati (2024), who found that perceptions of return and investment risk significantly influence investment interest and trading decisions. The global financialOne of the primary risks is high volatility, where rapid price movements triggered by economic news releases or central bank policies may generate substantial profit opportunities while also leading to sudden losses (Bricongne & Marolleau, 2025; Jannet & Barguelli, 2025). Moreover, the use of high leverage can magnify profit potential but simultaneously increase the risk of significant capital loss within a short period if not properly managed (Papadimitriou & Pasiouras, 2021; Peng & Hu, 2020). Another risk arises from overtrading, defined as excessively opening positions without thorough analysis, which often results in losses due to impulsive decisions. Slippage and improper order execution are also common, particularly in fast-moving market conditions, causing execution prices to differ from initial expectations. During low-liquidity periods, traders may face liquidity risk, characterized by widening spreads and increased transaction costs. Technical factors should not be overlooked, such as platform disruptions, unstable internet connections, or order input errors, which may trigger unexpected losses. Beyond market and technical aspects, trading psychology represents a significant challenge, as emotions such as greed and fear may drive irrational behavior, including holding losing positions for too long or closing profitable trades prematurely (Karim et al., 2022; Ligot et al., 2021; Teplova & Tomtosov, 2021; Yu et al., 2022). Therefore, a comprehensive understanding of risks, prudent financial management, and strict discipline in implementing strategies are essential to minimize potential losses.

Profits in forex trading can be achieved through the application of appropriate strategies, discipline, and a comprehensive understanding of market dynamics (F. Hu et al., 2022; Peng & Hu, 2020). As the largest financial market in the world operating 24 hours a day, forex offers opportunities for traders to gain profits from both short-term price movements (scalping and day trading) and longer-term strategies (swing and position trading) (Z. Hu et al., 2021; Junior et al., 2023). The key to success lies in the proper use of technical and fundamental analysis. Technical analysis commonly involves indicators such as moving averages, RSI, and Fibonacci retracement, while fundamental analysis considers macroeconomic variables including interest rates, inflation, and central bank policies (Baradja et al., 2021). This finding is supported by Indrawan and Dewi (2023), who explained that macroeconomic conditions and monetary policy significantly influence market activity and investor behavior. In addition to analytical accuracy, risk management plays a vital role through the implementation of stop-loss and take-profit mechanisms to limit losses and secure gains (Aditya, 2017; Fadrianto & Mulyani, 2018). Psychological factors are equally important, as patience, emotional control, and discipline can prevent impulsive decisions and overtrading. Although high leverage can amplify profit potential, it also increases risk and must be balanced with prudent capital management. Some traders utilize trading robots (Expert Advisors) or follow signals from trusted sources to enhance profit opportunities. Nevertheless, there is no guarantee of profit in forex trading; thus, continuous learning,

strategy evaluation, and disciplined risk management remain fundamental elements for achieving consistent long-term results.

Although numerous studies have examined technical and fundamental analysis as well as psychological aspects in forex trading, there remains limited understanding of the specific factors influencing traders' decisions to accept or reject transaction recommendations from signal providers (Dorfleitner et al., 2018; Erdős et al., 2022; Kromidha & Li, 2019). Most prior research has focused on the effectiveness of trading strategies and risk management, whereas factors such as trust in signal providers, individual preferences, and prevailing market conditions that shape recommendation acceptance have not been thoroughly explored (Dorfleitner et al., 2018; Erdős et al., 2022; Hayo & Iwatsubo, 2022; Kromidha & Li, 2019). Previous studies also indicate that investment knowledge and risk perception significantly affect investment behavior and decision-making processes (Wibawa et al., 2024). Several previous studies have highlighted the importance of analytical and psychological factors in shaping trading behavior and investment decision-making. Erdős et al. (2022) demonstrated that community-based trading signals significantly influence investor decisions in copy trading environments, particularly when traders perceive signal providers as credible and experienced. Similarly, Hayo and Iwatsubo (2022) found that trader success in forex margin trading is closely related to the ability to interpret market information and manage behavioral biases. Research by Karim et al. (2022) explained that social trading environments often encourage behavioral tendencies resembling gambling behavior due to excessive dependence on external trading signals. These findings collectively indicate that transaction recommendation acceptance is influenced not only by objective analytical considerations, but also by psychological, social, and trust-related dimensions. Therefore, this study extends previous research by specifically investigating the simultaneous influence of fundamental factors, technical analysis perception, and market sentiment on traders' selection of transaction recommendations at YI Trade. Accordingly, this study seeks to address this gap by analyzing the key factors influencing the selection of transaction recommendations at YI Trade. The findings are expected to provide more comprehensive insights for service providers to enhance the quality of trading signals offered, while also assisting traders in making more optimal investment decisions. Based on this background, the objective of this research is to analyze the factors influencing the selection of forex trading transaction recommendations at YI Trade.

Through this study, it is expected that a more comprehensive understanding will be achieved regarding the factors influencing traders in selecting transaction recommendations at YI Trade. The research findings are anticipated not only to benefit the company in improving the quality of its recommendation services, but also to serve as a reference for traders in making more informed investment decisions. Furthermore, the results may support the development of more effective trading signal provision strategies, thereby strengthen trust and enhance user satisfaction with YI Trade's services. Consequently, this study holds significant academic and practical relevance in deepening the understanding of decision-making dynamics in recommendation-based forex trading.

### **1.1. Theoretical Foundation**

This study is grounded in the integration of two dominant perspectives in finance theory: the Efficient Market Hypothesis (EMH) and Behavioral Finance Theory. The Efficient Market Hypothesis introduced by Eugene Fama posits that asset prices fully reflect all available information. In the foreign exchange market, such information includes macroeconomic indicators, monetary policy announcements, and price-based technical data. Accordingly, both fundamental and technical analyses serve as essential instruments in the trading decision-making process. However, contemporary financial research acknowledges that investor behavior does not always conform to perfect rationality. Behavioral Finance Theory explains that psychological factors such as optimism, fear, overconfidence, and herd behavior significantly influence investment decisions. Within this framework, market sentiment becomes a crucial explanatory variable for deviations from rational market assumptions. This study is also conceptually aligned with the Theory of Planned Behavior (TPB) proposed by Icek Ajzen. TPB suggests that individual behavior is influenced by attitude, subjective norms, and perceived behavioral control. In the context of this research, perception of technical analysis can be categorized as a cognitive attitude that shapes traders' intentions to accept transaction recommendations. Therefore, the decision to accept transaction recommendations is conceptualized as the result of integrating rational factors (fundamental analysis), technical considerations (technical analysis perception), and psychological dimensions (market sentiment).

### **1.2. Fundamental (X1) and Transaction Recommendation (Y)**

Fundamental analysis emphasizes the evaluation of macroeconomic indicators such as interest rates, inflation, economic growth, and central bank policies to determine the intrinsic value of a currency. In the forex market, fluctuations in these indicators frequently trigger exchange rate volatility. Empirical evidence indicates that macroeconomic variables significantly influence exchange rate movements in emerging markets (Jiang et al., 2023). Similarly, Kim and Nguyen (2022) found that the use of fundamental information enhances trading decision quality by providing rational justification for price expectations. Conceptually, the stronger traders perceive the importance of fundamental factors, the greater their tendency to trust and accept transaction recommendations supported by economic justification.

H1: Fundamental (X1) has a positive and significant effect on Transaction Recommendation (Y).

### 1.3. Perception of Technical Analysis (X2) and Transaction Recommendation (Y)

Technical analysis focuses on historical price patterns, technical indicators, and market trends to forecast future price movements. Given the high liquidity and volatility of the forex market, technical analysis is widely used to determine optimal entry and exit points. Lopez-Cabarcos et al. (2022) demonstrated that technical indicators contribute significantly to short-term trading profitability. Zhang and Hamori (2021) reported that specific technical trading rules generate abnormal returns in foreign exchange markets. From the TPB perspective, a positive perception of technical analysis strengthens traders' attitudes toward using trading signals. The greater the confidence in the accuracy of technical indicators, the higher the likelihood of accepting transaction recommendations.

H2: Perception of Technical Analysis (X2) has a positive and significant effect on Transaction Recommendation (Y).

### 1.4. Market Sentiment (X3) and Transaction Recommendation (Y)

Market sentiment reflects the collective psychological condition of investors regarding market prospects. Global news, geopolitical events, community opinions, and social media dynamics shape bullish or bearish perceptions. Baker et al. (2022) found that investor sentiment significantly affects global financial market volatility. Huang et al. (2023) demonstrated that social media-based sentiment has predictive power over short-term exchange rate movements. Although its contribution may be relatively smaller than technical analysis, market sentiment remains significant because it influences traders' confidence and risk tolerance when accepting transaction recommendations.

H3: Market Sentiment (X3) has a positive and significant effect on Transaction Recommendation (Y).

### 1.5. Simultaneous Effect of Fundamental, Technical Analysis Perception, and Market Sentiment on Transaction Recommendation

Forex trading decisions cannot be explained by a single analytical dimension. Traders integrate macroeconomic information, technical indicators, and collective sentiment before executing transactions. Recent research in social trading contexts indicates that investors simultaneously consider objective financial data and social signals before making investment decisions (Huang et al., 2023). This supports a multidimensional approach to understanding trader behavior.

H4: Fundamental (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) simultaneously have a significant effect on Transaction Recommendation (Y)

## 2. RESEARCH METHOD

This study employs a quantitative research design with a descriptive quantitative approach (Yusuf, 2014). This approach aims to systematically and accurately describe the influence of perceptions of fundamental analysis, technical analysis, and market sentiment on the selection of forex trading transaction recommendations by traders at YI Trade. The selection of a quantitative approach is based on its capacity to measure relationships among variables using numerical data analyzed statistically.

The population of this study consists of all active users of forex trading signals from YI Trade. Specifically, the research population includes traders who regularly receive, consider, and/or utilize transaction signals provided by YI Trade as a reference in making trading decisions. This population encompasses community members, platform users, or subscribers who receive forex trading signals from YI Trade through online channels. The sampling technique applied in this study is purposive sampling, which involves selecting samples based on specific criteria determined by the researcher. The sample criteria include: being an active user of YI Trade trading signals; having used the signals for at least one month prior to the study; and being willing to complete the questionnaire voluntarily and in full. The use of purposive sampling is considered appropriate because the study specifically targets respondents who possess direct experience and adequate understanding of forex trading transaction recommendations provided by YI Trade. By applying these criteria, the researcher ensures that the selected respondents are capable of providing relevant and reliable information aligned with the objectives of the study. Furthermore, the criterion requiring respondents to have used YI Trade signals for at least one month was intended to ensure that participants had sufficient exposure and experience in evaluating the effectiveness and credibility of the transaction recommendations received. The sample size was determined by considering the requirements for multiple linear regression analysis, resulting in a total sample of 106 respondents. This sample size exceeds the minimum requirement for regression analysis and is therefore considered adequate to improve the robustness and representativeness of the statistical results. This range is considered sufficiently representative and consistent with the fundamental principles of sample size determination in quantitative research. The selected sample size meets the minimum requirements for multiple linear regression analysis and is deemed adequate to examine the influence of the three independent variables on the dependent variable.

The data collection method used in this research is a structured (closed-ended) questionnaire developed based on the indicators of each research variable, namely perception of fundamental analysis (X1), perception of technical analysis (X2), market sentiment (X3), and selection of transaction recommendations (Y). The questionnaire was constructed using a five-point Likert scale, which is considered effective for measuring respondents' attitudes or opinions toward specific statements. This scale enables respondents to indicate their level of agreement with each item, ranging from strongly disagree to strongly agree. The data collection instrument consists of a questionnaire form distributed online through Google Forms, allowing the researcher to reach geographically dispersed respondents and facilitate efficient and practical data collection. Prior to the main distribution, the questionnaire was first tested to assess its validity and reliability. The validity test was conducted using Pearson Product Moment correlation analysis to determine whether each questionnaire item accurately measured the intended construct. Questionnaire items were considered valid when the correlation coefficient exceeded the critical value and the significance level was below 0.05. Meanwhile, reliability testing was performed using Cronbach's Alpha coefficient to evaluate the internal consistency of the instrument. A Cronbach's Alpha value greater than 0.70 indicated that the instrument possessed satisfactory reliability and consistency for data collection purposes. The results of the preliminary testing demonstrated that all questionnaire items met the required standards of validity and reliability, thereby confirming the suitability of the instrument for the main research process.

The data analysis technique employed in this study is multiple linear regression to examine the influence of perceptions of fundamental analysis (X1), perceptions of technical analysis (X2), and market sentiment (X3) on the selection of forex trading transaction recommendations (Y) by traders at YI Trade. The partial significance test (t-test) is used to determine the individual effect of each independent variable (X1: Perception of Fundamental Analysis, X2: Perception of Technical Analysis, and X3: Market Sentiment) on the dependent variable (Y: Selection of Transaction Recommendations) within the multiple linear regression model. The simultaneous significance test (F-test) is applied to assess whether all independent variables collectively (simultaneously) have a significant effect on the dependent variable in the multiple linear regression model. In this study, the coefficient of determination ( $R^2$ ) is utilized to measure the extent to which the combined influence of perceptions of fundamental analysis, technical analysis, and market sentiment explains traders' decisions in selecting transaction recommendations at YI Trade. Prior to conducting multiple linear regression analysis, classical assumption tests consisting of normality, multicollinearity, and heteroscedasticity tests were performed to ensure that the regression model fulfilled the underlying statistical assumptions. These procedures were necessary to improve the accuracy, validity, and reliability of the regression estimates generated in this study. To support the data processing and analysis procedures, the Statistical Product and Service Solutions (SPSS) software, latest version, is employed in this research.

### 3. RESULTS AND DISCUSSION

Multiple linear regression analysis was conducted to determine the influence of the Fundamental variable (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) on the Transaction Recommendation variable (Y). Prior to undertaking the primary data analysis, the measurement instrument was subjected to rigorous validity and reliability assessments. The validity test results demonstrate that each questionnaire item achieved a correlation coefficient above the established critical value, with significance levels below 0.05. These findings confirm that all items are empirically valid and adequately represent the constructs they are intended to measure. Subsequently, reliability testing was conducted to evaluate the internal consistency of the instrument. The results indicate that all research variables attained Cronbach's Alpha coefficients exceeding the acceptable threshold of 0.70. This outcome signifies that the instrument possesses satisfactory reliability and is capable of producing stable and consistent measurements across respondents. Having established that the instrument meets the required standards of validity and reliability, the analysis was continued with classical assumption testing as a prerequisite for multiple linear regression analysis. These procedures encompassed tests of normality, multicollinearity, and heteroscedasticity to ensure that the regression model fulfills the underlying statistical assumptions. The results of these diagnostic tests confirmed that the data satisfy the classical assumptions, thereby supporting the robustness and credibility of the regression estimates generated in this study.

The results of the residual normality test using the Kolmogorov-Smirnov method show an Asymp. Sig value of 0.200. Based on the output table, the Asymp. Sig value is greater than the significance level  $\alpha$  (0.05); therefore, it can be concluded that the residuals of the regression model are normally distributed. The results of the data analysis are presented in Table 1.

Table 1. Kolmogorov-Smirnov Test  
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		106
Normal Parameters <sup>a,b</sup>	Mean	0.0000000
	Std. Deviation	2.02288321
Most Extreme Differences	Absolute	0.069
	Positive	0.042
	Negative	-0.069
Test Statistic		0.069
Asymp. Sig. (2-tailed)		0.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Source: data processing, 2026

The heteroscedasticity test was conducted to examine the presence of unequal variance in the residuals across observations. Based on the scatter plot graph, the results subjectively indicate that no heteroscedasticity problem is observed. This is evidenced by the distribution of data points that are randomly scattered in all directions and located both above and below the value of 0 on the Y-axis. To further ensure that the heteroscedasticity assumption was satisfied, the Glejser test was subsequently performed. The results of the Glejser test show that the significance values for all variables are not significant, with p-values greater than the significance level  $\alpha$  (0.05). Therefore, it can be concluded that there is no indication of heteroscedasticity in the regression model. The results of the Glejser test are presented in Table 2.

Table 2. Glejser Test

Model	Coefficients <sup>a</sup>				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
1 (Constant)	1.834	1.261		1.454	0.149	
Fundamental (X1)	0.016	0.046	0.053	0.354	0.724	
Perception of Technical Analysis (X2)	-0.056	0.036	-0.224	-1.552	0.124	
Market Sentiment (X3)	0.0	0.025	0.116	0.913	0.363	

a. Dependent Variable: Absres

Source: data processing, 2026

The multicollinearity test was conducted to determine whether the regression model exhibits strong correlations among the independent variables. In this study, multicollinearity was assessed by examining the Variance Inflation Factor (VIF) values within the regression model. The results of the data analysis indicate that none of the variables has a VIF value exceeding 10, and all tolerance values are greater than 0.10. Accordingly, it can be concluded that there is no multicollinearity problem in the model, and the multicollinearity assumption has been satisfied. The results of the multicollinearity test are presented in Table 3.

Table 3. Multicollinearity Test

Model		Collinearity Statistics	
		Coefficients <sup>a</sup>	
		Tolerance	VIF
1	Fundamental (X1)	0.419	2.384
	Perception of Technical Analysis (X2)	0.459	2.178
	Market Sentiment (X3)	0.589	1.697

a. Dependent Variable: Rekomendasi Transaksi (Y)

Source: data processing, 2026

The coefficient of determination ( $R^2$ ) test was conducted to assess the explanatory power of the regression model. The results of the data analysis indicate that the R Square ( $R^2$ ) value is 0.695. This finding implies that Fundamental (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) collectively explain 69.5% of the variance in Transaction Recommendation (Y), while the remaining 30.5% is influenced by other variables not examined in this study. The Simultaneous Significance Test (F-test) was performed. Based on the results of the F-test, the significance value obtained was 0.000 ( $\alpha < 0.05$ ). Therefore,

it can be concluded that the Fundamental variable (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) simultaneously have a significant effect on the Transaction Recommendation variable (Y). The results of the data analysis are presented in Table 4.

Table 4. Simultaneous Significance Test (F Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	980.070	3	326.690	77.554	0.000 <sup>b</sup>
	Residual	429.666	102	4.212		
	Total	1409.736	105			

a. Dependent Variable: Transaction Recommendations (Y)

b. Predictors: (Constant), Market Sentiment (X3), Technical Analysis Perception (X2), Fundamental (X1)

Source: data processing, 2026

The Individual Parameter Significance Test (t-test) was conducted. The test examining the effect of Fundamental (X1) on Transaction Recommendation (Y) produced a coefficient value of 0.198 with a significance value of 0.014. Since the significance value is  $< 0.05$ , it can be concluded that there is a significant effect of Fundamental (X1) on Transaction Recommendation (Y). Given that the coefficient is positive, it indicates a positive relationship between the two variables. This means that the higher the respondents' perception of Fundamental (X1), the higher the Transaction Recommendation (Y), and vice versa. The test examining the effect of Perception of Technical Analysis (X2) on Transaction Recommendation (Y) yielded a coefficient value of 0.426 with a significance value of 0.000. Since the significance value is  $< 0.05$ , there is a significant effect of Perception of Technical Analysis (X2) on Transaction Recommendation (Y). As the coefficient is positive, it indicates a positive relationship between the variables. This implies that the higher the respondents' perception of Technical Analysis (X2), the higher the Transaction Recommendation (Y), and vice versa.

The test examining the effect of Market Sentiment (X3) on Transaction Recommendation (Y) resulted in a coefficient value of 0.098 with a significance value of 0.025. Since the significance value is  $< 0.05$ , there is a significant effect of Market Sentiment (X3) on Transaction Recommendation (Y). As the coefficient is positive, it indicates a positive relationship between the two variables. This means that the higher the respondents' perception of Market Sentiment (X3), the higher the Transaction Recommendation (Y), and vice versa. The results of the Individual Parameter Significance Test (t-test) are presented in Table 5.

Table 5. Significance Test of Individual Parameters (t-Statistic Test)

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.158	2.169		3.299	0.001
Fundamental (X1)	0.198	0.079	0.212	2.512	0.014
Perception of Technical Analysis (X2)	0.426	0.062	0.557	6.904	0.000
Market Sentiment (X3)	0.098	0.043	0.162	2.272	0.025

a. Dependent Variable: Transaction Recommendation (Y)

Source: data processing, 2026

Based on the results of calculations using the Multiple Linear Regression Analysis approach, the hypothesis testing results were obtained as follows. First, Hypothesis I. The hypothesis stating that Fundamental (X1) partially influences Transaction Recommendation (Y) is accepted. The test examining the effect of Fundamental (X1) on Transaction Recommendation (Y) produced a coefficient value of 0.198 with a significance value of 0.014. Since the significance value is  $< 0.05$ , there is a significant effect of Fundamental (X1) on Transaction Recommendation (Y). Given that the coefficient is positive, it indicates a positive relationship between the two variables. This means that the higher the respondents' perception of Fundamental (X1), the higher the Transaction Recommendation (Y), and vice versa.

Second, Hypothesis II. The hypothesis stating that Perception of Technical Analysis (X2) partially influences Transaction Recommendation (Y) is accepted. The test examining the effect of Perception of Technical Analysis (X2) on Transaction Recommendation (Y) yielded a coefficient value of 0.426 with a significance value of 0.000. Since the significance value is  $< 0.05$ , there is a significant effect of Perception of Technical Analysis (X2) on Transaction Recommendation (Y). As the coefficient is positive, it indicates a positive relationship between the variables. This implies that the higher the respondents' perception of Technical Analysis (X2), the higher the Transaction Recommendation (Y), and vice versa.

Third, Hypothesis III. The hypothesis stating that Market Sentiment (X3) partially influences Transaction Recommendation (Y) is accepted. The test examining the effect of Market Sentiment (X3) on Transaction Recommendation (Y) resulted in a coefficient value of 0.098 with a significance value of 0.025.

Since the significance value is  $< 0.05$ , there is a significant effect of Market Sentiment (X3) on Transaction Recommendation (Y). As the coefficient is positive, it indicates a positive relationship between the two variables. This means that the higher the respondents' perception of Market Sentiment (X3), the higher the Transaction Recommendation (Y), and vice versa.

Fourth, Hypothesis IV. The hypothesis stating that Fundamental (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) simultaneously influence Transaction Recommendation (Y) is accepted. Based on the results of the F-test, the significance value obtained was 0.000 ( $\alpha < 0.05$ ). Therefore, it can be concluded that the Fundamental (X1), Perception of Technical Analysis (X2), and Market Sentiment (X3) variables simultaneously have a significant effect on the Transaction Recommendation (Y) variable.

The results of this study indicate that the fundamental, technical, and market sentiment variables, both partially and simultaneously, have a significant effect on the transaction recommendations received by traders. This finding suggests that decision-making behavior in forex trading is multidimensional, in which aspects of economic rationality, technical competence, and psychological or market sentiment factors interact in influencing a trader's decisions.

First, fundamental analysis has a positive and significant effect on transaction recommendations. This indicates that the higher the traders' perception of the reliability of fundamental factors, the greater their tendency to accept transaction recommendations (Junior et al., 2023; Pitasuman & Wall, 2017). Previous studies have also demonstrated that fundamental analysis is capable of explaining the intrinsic value of a currency and long-term movements in the forex market (Junior et al., 2023; Sanaei & Daneshvar, 2025). Fundamental indicators such as inflation, interest rates, and macroeconomic data provide a logical basis that enhances traders' confidence in evaluating trading signals (F. Hu et al., 2022; Pee et al., 2019; Teplova & Tomtosov, 2021). These findings imply that trading signal providers who incorporate fundamental analysis into their recommendations can increase traders' level of trust. The relatively smaller coefficient of the fundamental variable compared to the technical variable suggests that the role of fundamental analysis functions more as a justification or reinforcement of confidence rather than as the primary factor in short-term decision-making.

Second, technical analysis has the largest effect and a high level of significance. This indicates that most traders consider technical analysis as the primary basis for assessing the validity of transaction recommendations. Previous findings also reveal that retail traders tend to rely on price charts, technical indicators, and short-term movement patterns as the foundation for decision-making (Baradja et al., 2021; Z. Hu et al., 2021). This can be explained by the characteristics of the forex market, which is highly liquid and volatile, where price changes can occur very rapidly (Junior et al., 2023; Sanaei & Daneshvar, 2025). Technical analysis is perceived as more practical and capable of directly providing signals regarding entry and exit timing in the market. Transaction recommendations based on technical analysis are more readily accepted by traders because they are considered applicable, straightforward, and aligned with short-term decision-making needs.

Third, market sentiment has a positive and significant effect on transaction recommendations. Investor reactions and market sentiment are important determinants of trading behavior, particularly during unstable market conditions (Indrawan & Sinarwati, 2024). Although its contribution is relatively smaller compared to the fundamental and technical variables, this finding confirms that psychological and social aspects cannot be disregarded. Market sentiment reflects collective perceptions, expectations, and emotions of traders, which may influence their tendency to accept or reject transaction recommendations (Karim et al., 2022; Teplova & Tomtosov, 2021). Factors such as reputation, emotions, and psychological disposition are highly influential in the context of social trading (Bilal et al., 2024; Husaeni et al., 2024). It can be concluded that traders do not always behave in a fully rational manner, but are also influenced by herd behavior dynamics, market optimism, and fear of potential losses. The fact that market sentiment remains significant in this model underscores the relevance of the behavioral finance approach in understanding forex trader behavior.

The data analysis results show that the three variables fundamental, technical, and market sentiment collectively have a significant effect on transaction recommendations. This indicates that traders' decisions cannot be explained by a single analytical dimension, but rather represent a combination of these three factors. Previous research has also demonstrated that in social trading practices, investors consider both objective data and social signals before making investment decisions (Karim et al., 2022; Peng & Hu, 2020; Yu et al., 2022).

The limitation of this study lies in the fact that it was conducted within a specific time period; therefore, the results may have been influenced by the market conditions prevailing at the time of the research. Given the highly volatile nature of the forex market, different findings may emerge if the study is conducted during another period. The implications of this study contribute by demonstrating that fundamental, technical, and market sentiment factors do not operate independently, but rather complement one another in influencing the acceptance of transaction recommendations. This supports a multidimensional approach to analyzing trader behavior and enriches the discourse on integrating traditional finance theory with behavioral finance. From a practical perspective, the findings provide implications for trading signal providers and social trading platforms. To enhance the acceptance of transaction recommendations, signal providers should present

analyses that are not solely based on technical indicators, but also strengthen fundamental justifications while taking into account the psychological factors that shape traders' perceptions.

Furthermore, the practical implications of this study are particularly relevant for YI Trade and other forex signal providers in improving the effectiveness and credibility of their recommendation services. Since technical analysis was found to be the most dominant factor influencing traders' acceptance of transaction recommendations, signal providers should prioritize the development of accurate, transparent, and easy-to-understand technical trading signals. In addition, integrating fundamental analysis into trading recommendations can strengthen traders' confidence by providing logical and macroeconomic justification for suggested transactions. The significance of market sentiment also indicates that signal providers should pay attention to communication strategies, community engagement, and trader psychology when delivering trading recommendations. Providing educational content, risk management guidance, and market updates may help traders make more rational and informed decisions while reducing emotional and impulsive trading behavior. Therefore, the findings of this study not only contribute theoretically to the understanding of forex trading behavior, but also offer strategic insights for improving service quality, user trust, and long-term customer satisfaction in recommendation-based forex trading platforms such as YI Trade.

#### 4. CONCLUSION

The results of the data analysis indicate that fundamental analysis has a significant effect on transaction recommendations. This finding shows that the higher traders perceive the importance of fundamental factors, the greater their tendency to accept transaction recommendations. Second, technical analysis has the most dominant influence on transaction recommendations. This indicates that traders rely more heavily on price patterns, technical indicators, and market movement charts in making short-term decisions. Third, market sentiment also has a significant effect on transaction recommendations, although its influence is relatively smaller compared to fundamental and technical factors. It can be concluded that, simultaneously, fundamental analysis, technical analysis, and market sentiment have a significant effect on transaction recommendations. The findings of this study provide important practical implications for forex signal providers, particularly YI Trade, in improving the quality and effectiveness of transaction recommendation services. Signal providers are encouraged to strengthen the accuracy and transparency of technical analysis, while also integrating fundamental market information and current market sentiment into their trading recommendations. In addition, educational support related to risk management, trading psychology, and market interpretation should be continuously enhanced to improve traders' confidence and decision-making quality. By adopting a more comprehensive and multidimensional recommendation approach, signal providers may strengthen user trust, improve customer satisfaction, and increase the credibility of their trading platforms.

This study also contributes academically by enriching the discussion on trader behavior within the framework of behavioral finance and social trading practices. Nevertheless, this research has several limitations, particularly regarding the scope of respondents, which was limited to YI Trade users, and the research period, which may have been influenced by specific market conditions at the time of data collection. Therefore, future research is recommended to involve larger and more diverse samples from different forex trading platforms in order to improve the generalizability of findings. Future studies may also incorporate additional variables such as financial literacy, risk tolerance, trust in technology, trading experience, and behavioral biases to obtain a more comprehensive understanding of trader decision-making in forex trading environments. Furthermore, longitudinal or comparative studies across different market conditions are suggested to examine whether the influence of fundamental analysis, technical analysis, and market sentiment remains consistent over time.

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