

Trading on Autopilot: The Rise of Algorithmic Trading

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Abstract: The Rise of Algorithmic Trading" explores the increasing role of algorithms in financial markets and their impact on trading practices. Algorithmic trading refers to the use of computer programs to execute trades automatically, without human intervention. The paper discusses the history of algorithmic trading, its advantages and disadvantages compared to traditional trading methods, and the types of algorithms used in trading. The role of artificial intelligence and machine learning in algorithmic trading is also explored, as well as the impact of algorithmic trading on market efficiency, liquidity, and volatility. Additionally, the paper discusses the risks and challenges associated with algorithmic trading, including potential unexpected losses and technological failures.

Keywords: Algorithmic trading, Automated trading, Computer programs, Financial markets Artificial Intelligence(AI), Machine learning(ML).

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