

ALGORITHMIC TRADING: A TRANSFORMATION OF FINANCIAL MARKETS

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ABSTRACT:

We contribute to the emerging literature on the impact of algorithmic trading. Algorithmic trading has become one of the biggest modern technological advancements in the field of finance. We describe the effects of algorithmic trading (AT) on financial market activities. The paper describes the various types of trading algorithms and how they can be used to solve financial trading problems. Further the paper discuss about the recent trends observed related to algorithmic trading and its likely impact on the present financial markets. The various drawbacks of algorithmic trading have been discussed, with suggestive measures to overcome them in the future, leading to efficient and automated algorithmic trading.

KEYWORDS: Technology, finance, algorithmic trading.

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